



INQUIRY INTO THE USE OF CONVENTIONAL CAGES FOR HENS IN THE EGG PRODUCTION INDUSTRY

QUESTIONS ON NOTICE

1. Virtual tour experience

As stated in the Australian Eggs submission, a virtual reality tour experience has been developed to enable members of the public to see commercial farming systems for themselves.

3D footage has been taken from three farms with different aspects of the farming systems demonstrated, including cage, barn and free range farming, grading and packing. One of the farms featured is the same farm that the Committee visited on 21 July 2019.

Australian Eggs has experienced technical difficulties in uploading this content to its website as there appear to be compatibility issues with some browser software. This is expected to be resolved within the next two weeks. To enable the Committee to view the content prior to these issues being resolved, it has been posted to youtube and is available on the following link:
<https://youtu.be/sygc8qZiP6o>

By way of clarification, the draft transcript of evidence makes a reference to payment being required to participate in the virtual reality tour experience. There will be no payment for this service and members of the public will be able to access the content through the Australian Eggs website.

2. Egg Standards of Australia

There are currently have 71 sites in NSW certified under the Eggs Standards of Australia (**ESA**) quality assurance scheme.

These sites are operated by 21 egg farming businesses and account for approximately 76% of the NSW flock.

3. Egg shortages

There is no source of data to establish whether there is an oversupply or shortage of eggs at any particular time. However, supply fluctuations will occur from time to time as egg farming

is relatively inflexible and it is difficult to anticipate future demand and supply when making long term fixed infrastructure planning and investment decisions.

Australian Eggs is aware of egg shortages through direct engagement with egg farmers and feedback received from our Marketing Industry Consultative Committee. Australian Eggs has also observed evidence of egg shortages in retail outlets as well as in media reports which included interviews with industry representatives on the nature of the current shortages. The following links provide examples of this media coverage.

<https://thewest.com.au/business/retail/coles-cans-caged-eggs-amid-supply-shortages-ng-b881290344z>

<https://www.abc.net.au/news/2019-08-26/egg-producers-cry-foul-over-unrealistic-supermarket-pricing/11447686>

4. Farm gate prices

Australian Eggs does not have access to information regarding farm gate pricing of eggs. This information is confidential to egg farming businesses and it is not necessary for Australian Eggs to collect this information to carry out its activities.

SUPPLEMENTARY QUESTIONS

1. Nature of demand for cage eggs

There is limited information available on the nature of demand for cage eggs. Retail sales data and industry production demonstrate that there is demand for cage eggs in an economic sense, in that substantial volumes of cage eggs are consistently purchased through retail and wholesale channels, indicating the satisfaction of a consumer want. It is less clear why cage egg customers choose to purchase cage eggs.

Research conducted by the CSIRO on behalf of Australian Eggs as part of the Sustainability Framework process does provide some insight. For instance, in ranking issues of importance when purchasing eggs, almost 50% of the representative sample of the community indicated that the production system (i.e. cage, barn, free range) was the most important issue for them. Almost 20% of the same sample indicated production system was the second most important issue. This indicates a clear intention to purchase eggs of a particular category. As is the case with barn and free range, the research indicates that the community predominately purchases cage eggs because they are cage eggs.

The CSIRO research also indicated that the issue of price was both an important and unimportant factor for different sections of the community with 25% stating that price was the most important issue for them and 29% stating that price was the least important issue. As cage eggs are consistently the most affordable category, this indicates that price is likely to be a factor in the demand for cage eggs.

The CSIRO research outputs are available to the Committee in Attachments F1 and 2- (Community Research Report and Appendix) to the Australian Eggs initial submission.

2. Welfare challenges of barn and free range systems

For several years, a key focus of the egg industry has been to address challenges arising from alternative systems. This flows from recognition by the industry that increased growth in alternative production systems that are less controlled and have more environmental factors poses a threat to the security of egg supply. This dynamic is exacerbated by increased community interest in hen welfare and the desire for improvement over time and downward pressure on wholesale prices for barn and free range eggs by retailers.

This perspective has influenced the Australian Eggs research program with a range of welfare issues pursued through research and extension activities. Current project include:

- Spotty liver disease – the development of an autogenous and/or bacterin vaccine to reduce or eliminate spotty liver disease. This is a major welfare and production issue which almost exclusively arises in alternative systems;
- Resilient plants – the identification of suitable species for different geographic regions so hens have access to plant cover on the range and are encouraged to use the range;
- UV light and ranging – an observational study to explore the sensitivity of hens to intense light and will inform how light impacts ranging behaviour in free range flocks; and
- Causes of smothering - an analysis of smothering behaviour in barn and free range flocks to guide improved management practices to prevent flocking in large numbers and suffocation.