

**Submission
No 411**

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

Organisation: Australian Ethical Investment

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Inquiry into the use of battery cages for hens in the egg production industry

Who we are

Australian Ethical Investment Limited was established in 1986 to manage the retirement and other savings of Australians in an environmentally and socially responsible way. Today we manage over \$3 billion in superannuation and managed funds for over 45,000 Australians.

As a super fund we invest with long term interests and responsibilities across society and the economy. This perspective is important to consider alongside the voices of individual companies, industries and civil society groups which often focus on narrower business, social or environmental interests. Our broader perspective is embodied in our Ethical Charter (<https://www.australianethical.com.au/australian-ethical-charter/>).

We recognise that animals are sentient and have the capacity to suffer.¹ Our Ethical Charter requires us to seek out investments which provide for and support the dignity and wellbeing of animals and avoid any investments which unnecessarily cause them harm. Applying these principles, we avoid investing in conventional forms of animal agriculture, including egg production, because we assess that these industries cause significant unnecessary animal suffering (and are also unsustainable from an environmental perspective).

As long-term investors in the Australian economy we are concerned about the impact that low animal welfare standards and practices in Australian animal agriculture may have on Australia's 'clean green' food bowl reputation and our ability to compete in the market for premium products.

Our submission

Introduction

Thank you for the opportunity to comment on the use of battery cages for hens in the egg production industry. In summary our position is:

- battery cages in egg production should be phased out in line with community expectations and animal welfare science, with appropriate measures in place to assist businesses to transition to other production methods;
- enforceable animal welfare standards, including minimum standards for accommodation and treatment of hens, should be based on animal welfare science, not practices that industry has normalised; and
- truth in labelling is critical and could help ameliorate some of the financial impacts associated with phasing out battery cages in egg production.

¹ See e.g. The Cambridge Declaration on Consciousness, 2012
<http://fcmconference.org/img/CambridgeDeclarationOnConsciousness.pdf> .

General comments on the regulation of animal welfare

The Australian public expects that animals used for commercial purposes will be treated humanely (both from an animal wellbeing and animal health perspective).² Australia also trades on its ‘clean green’ food bowl reputation to sell premium products. Consumers in domestic and international markets should be comfortable that when they are buying Australian products, they are buying products produced in accordance with the highest standards of animal welfare. Government and industry should be seeking to protect Australia’s reputation as a food producer by ensuring that industry does not engage in cruel practices and that animal welfare standards keep pace with shifting consumer expectations and lead (or at least do not fall behind) standards in other countries.

To ensure that Australian industries adopt high animal welfare standards, government must regulate and enforce minimum animal welfare requirements. It should not be assumed that industries that use animals for commercial purposes are incentivised to achieve acceptable standards of animal welfare in the absence of regulation. As acknowledged by the 2016 Productivity Commission report into the regulation of agriculture, high animal welfare and productivity do not necessarily go hand-in-hand (and indeed animal welfare can sometimes conflict with commercial incentives).³ Nor can it be assumed that increased public awareness of animal welfare issues will drive industries towards better animal welfare practices (as has been suggested by industry bodies in the past).⁴ Market forces are an imperfect means of achieving acceptable standards, particularly in circumstances where there is a lack of transparency in how animals are treated by industry.

While industry should certainly be consulted in the development of regulations that impact their operations, the standard setting process should fairly reflect the interests of all stakeholders and decisions should be independent and science based. To this end, Australian Ethical supports the establishment of an independent office of animal welfare at Federal and State and Territory levels, which would (at a minimum) be responsible for the development of animal welfare standards, as recommended by the 2016 Productivity Commission report into the regulation of agriculture.⁵

Battery cages: welfare outcomes, justifications and community standards

Part 1(a) of the Terms of Reference to this inquiry requires the Select Committee to inquire into:

- ‘whether or not the use of battery cages to contain or accommodate hens in the egg production industry is:
- (i) associated with poor animal welfare outcomes or is accompanied by poor animal welfare practices,
 - (ii) justified by any other consideration, and
 - (iii) consistent with community standards and supported by the public’.

We provide our views on each of these three questions below.

² Productivity Commission, ‘Regulation of Australian Agriculture’ Inquiry Report No. 79, 15 November 2016; Futureye, ‘Australia’s shifting mindset on farm animal welfare’ (2018).

³ Productivity Commission, ‘Regulation of Australian Agriculture’ Inquiry Report No. 79, 15 November 2016.

⁴ See e.g. NSW Farmer’s Association initial submission to the Productivity Commission Inquiry into the Regulation of Australian Agriculture, March 2016.

⁵ Productivity Commission, ‘Regulation of Australian Agriculture’ Inquiry Report No. 79, 15 November 2016.

Welfare outcomes

Our understanding is that the overwhelming consensus among animal welfare experts is that the welfare of hens confined in battery cages is severely compromised.⁶ The use of battery cages is inimical to the Five Freedoms⁷ and therefore to animal welfare. Hens in battery cages are denied the freedom to express normal behaviour. They are kept in such close confinement they are physically unable to perform even simple locomotor and comfort movements, or innate behaviours like wing flapping, grooming, preening, stretching, foraging or dust bathing.⁸ The wire floors of the cages cause hens to develop lesions and foot problems which can cause chronic pain.⁹ Research suggests that one of the most significant deficiencies in a battery cage environment is the lack of a discrete, enclosed nesting area, which is considered a behavioural priority for hens.¹⁰ There is also evidence that hens in conventional cages have insufficient space to adopt a normal posture for their species,¹¹ maintain normal 'personal space' and escape from bullying by companions.¹²

In 2017 the Victorian government conducted an independent review of the scientific literature on farmed bird welfare.¹³ This review considered the welfare implications of different egg production methods including conventional or battery cages, furnished cages, non-cage systems and free range and organic systems. The research found:

The conventional cage system prevents birds from performing basic movements essential for good health (walking, wing stretching) and denies birds the possibility of expressing their behavioural needs to roost, nest and forage, or their motivation to dust-bathe, due to an inherent lack of resources. Lack of exercise weakens bones which are likely to fracture during depopulation, and leads to metabolic conditions such

⁶ See e.g. RSPCA Australia, available here: <https://kb.rspca.org.au/knowledge-base/what-is-the-rspcas-view-on-battery-cages/>; Agriculture Victoria, Farmed Bird Welfare Science Review (October 2017), available here: <http://agriculture.vic.gov.au/agriculture/animal-health-and-welfare/animal-welfare/farmed-bird-welfare-science-review>; Voiceless, <https://www.voiceless.org.au/hot-topics/battery-hens>; The Human Society of the United States, *Scientists and Experts on Battery Cages and Laying Hen Welfare*, (Dr Ian Duncan), 1.

⁷ The Five Freedoms as currently expressed are: (1) Freedom from hunger or thirst by ready access to fresh water and a diet to maintain full health and vigour; (2) Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area; (3) Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment; (4) Freedom to express (most) normal behaviour by providing sufficient space, proper facilities and company of the animal's own kind; and (5) Freedom from fear and distress by ensuring conditions and treatment which avoid mental suffering. The Five Freedoms have been adopted by the World Organisation for Animal Health, the Royal Society for the Prevention of Cruelty to Animals (RSPCA) and the American Society for the Prevention of Cruelty to Animals.

⁸ Agriculture Victoria, Farmed Bird Welfare Science Review (October 2017), p 46 available here: <http://agriculture.vic.gov.au/agriculture/animal-health-and-welfare/animal-welfare/farmed-bird-welfare-science-review>; Voiceless, <https://www.voiceless.org.au/hot-topics/battery-hens>.

⁹ Voiceless, <https://www.voiceless.org.au/hot-topics/battery-hens>

¹⁰ LayWel, Advantages and disadvantages of different housing systems for the welfare of laying hens. LayWel is a research project funded by the FP6 European Research Programme and national funding from different EU countries. Available [here](#).

¹¹ The Human Society of the United States, *Scientists and Experts on Battery Cages and Laying Hen Welfare*, (Dr Ian Duncan), 1.

¹² LayWel, note 10.

¹³ Agriculture Victoria, Farmed Bird Welfare Science Review (October 2017), available here: <http://agriculture.vic.gov.au/agriculture/animal-health-and-welfare/animal-welfare/farmed-bird-welfare-science-review>

as haemorrhagic fatty liver syndrome. Claw breakage, plumage abrasion and poor foot health are also features of conventional cage systems.¹⁴

We appreciate that there are also disadvantages to hen welfare in other housing systems. However, unlike in cage-free systems, the welfare issues in battery cages are inherent to the system and cannot be avoided.¹⁵

Justifications

In our view, the use of battery cages to contain or accommodate hens in the egg production industry cannot be justified. We are aware of three commonly used arguments for the continued use of battery cages: lower mortality rates; reduced use of antibiotics and lower costs. We address each below.

Lower mortality rates. There is evidence that mortality rates in battery cage systems are lower than in free range systems. However, we think this argument is unpersuasive from a welfare perspective. Animals can be kept alive in cruel conditions and animals can experience immense suffering without mortality. Further, although we do not support any caged systems because they do not allow full behavioural expression, the scientific literature shows that furnished cages can provide the lower mortality benefits of battery cages without the extreme confinement and with lower incidences of other severe animal welfare problems.¹⁶ Accordingly there is no welfare basis to justify the continued use of battery cages. As one of our social media followers put it, 'caging hens denies them anything that makes their lives meaningful'.

Reduced use of antibiotics. The argument that free-range systems use more antibiotics than intensive systems does not appear to be supported by mainstream examples from Australian industry. For example, research undertaken by Citi into Tegel and Ingham's found that only Tegel's free range birds are free from antibiotics that are classified by the WHO as important to human medicine, and unlike its conventional poultry farms, Ingham's free range flocks are not subject to antibiotic use.¹⁷ Although these companies do not use cages, the research indicates their intensive systems are more reliant on antibiotics than their free range systems.

Cost. The other commonly stated justification for the use of battery cages is the potentially higher cost associated with other forms of egg production, as well as the transitional cost. Battery cages have already been banned or phased out in Europe, New Zealand, Canada and certain states in the United States (California, Michigan and Oregon), which suggests that the costs associated with moving to more humane forms of production are not prohibitive.¹⁸

Further arguments centred on the cost implications usually do not consider the possibility that the association between battery cages and animal cruelty, and governments' and industry's continued defence of this method of production, might be reducing demand for eggs overall. Economic research from the United States has found that negative media attention concerning animal welfare can cause reductions in consumer demand for animal products.¹⁹ Survey data monitoring industry output following battery cage bans elsewhere in the world also suggests that banning (or phasing out) battery production may improve consumption of domestic eggs as

¹⁴ Agriculture Victoria, *Farmed Bird Welfare Science Review* (October 2017), p 59.

¹⁵ RSPCA, *The welfare of layer hens in cage and cage-free housing systems*, August 2016.

¹⁶ Agriculture Victoria, *Farmed Bird Welfare Science Review* (October 2017), pp 26 – 50.

¹⁷ Prior, E. (2017) 'Chicken Producers, Antibiotics and Resistance, Deep Dive into Ingham's and Tegel's Approach', *Citi Research*.

¹⁸ Agriculture Victoria, *Farmed Bird Welfare Science Review* (October 2017), p 21.

¹⁹ Tonsor, GT, Olynk, NJ, 'Impacts of animal welfare well-being and welfare media on meat demand', *Journal of Agricultural Economics*, (2010) vol. 62(2), at. 59-72, cited in Jed Goodfellow, Melina Tensen and Lynne Bradshaw, 'The future of animal welfare policy and its implication for Australian livestock industries' (2014) *Farm Policy Journal*, Vol11, No 1, pp 39-49.

more consumers favour ethical eating habits. In Switzerland, in the year battery cages were abolished, 630 million eggs were produced. Four years later it had risen by 33 million. During this time, the percentage of Swiss-produced shelled eggs increased from 62% to 73% of total shelled eggs consumed.²⁰

Community standards

Trends in consumer demand, public responses to government inquiries and independent research show that the use of battery cages to contain or accommodate hens is not consistent with community expectations and is not supported by the public.

In 2017 sales of caged egg sales fell to less than 50% of total sales, down from 70% in 2009.²¹ This trend is likely to continue with both major supermarkets having made commitments to stop sourcing caged eggs both for shelled egg retail and ingredients in their home-brand products (Coles from 2023, and Woolworths from 2025).²² Other retailers have made similar commitments.²³

The recent public consultation on the draft Australian Animal Welfare Standards and Guidelines for Poultry attracted a record number of submissions (over 100,000, triple the number of submissions received on previous standards and guidelines for other livestock) and caged eggs was the most common issue raised.²⁴

The Federal Government recently commissioned independent research on Australians' perceptions of farm animal welfare. The research, conducted by Futureye, found that when it comes to the welfare of farm animals, Australians are most concerned about live export and battery cage hens. Further, 35% of participants disagreed with the statement that chickens used for egg production have good welfare standards (the highest level of disagreement with this type of statement across all types of animal agriculture).²⁵ RSPCA-commissioned research found that 84% of Australians want to see battery cages phased out.²⁶

We recently asked our followers on social media for their views on battery cages. We appreciate that this sample of people is not necessarily reflective of the general population, but even so we were surprised at (1) how vehemently people expressed their opposition to the use of battery cages and (2) the fact we received no comments in support of the use of battery cages (people usually question our stance on other ethical issues, including animal welfare issues). We have provided a screenshot of some comments we received (see annexure).

²⁰ M. Häne, B. Huber-Eicher and E. Fröhlich, 'Survey of Laying Hen Husbandry in Switzerland' (2000) *World's Poultry Science Journal* 56(1).

²¹ <http://www.abc.net.au/news/rural/2017-01-05/caged-egg-market-trending-down-in-response-to-free-range/8164004>. See also: <https://www.australianeggs.org.au/who-we-are/annual-reports/#item-818>.

²² Coles <https://www.coles.com.au/corporate-responsibility/sustainability/responsible-sourcing>; Woolworths https://www.woolworthsgroup.com.au/page/community-and-responsibility/group-responsibility/responsible-sourcing/Animal_Welfare/

²³ <https://www.animalsaustralia.org/features/10-supermarkets-can-cage-egg-cruelty.php>

²⁴ <https://www.theguardian.com/world/2018/feb/20/caged-eggs-a-major-focus-in-national-poultry-welfare-guidelines>; <https://www.abc.net.au/news/rural/2018-02-20/protests-over-caged-eggs-have-farmers-worried/9461064>.

²⁵ Futureye, Australia's shifting mindset on farm animal welfare (2018).

²⁶ The research was conducted in November 2017 by McCrindle Research and was based upon a representative sample size of around 1,000 Australians. <https://www.rspca.org.au/media-centre/news/2017/breakthrough-research-finds-84-australians-want-end-battery-cage>

Legislative measures

Part 1(b) of the Terms of Reference to this inquiry requires the Select Committee to inquire into what legislative measures should be taken to:

- (i) prevent poor animal welfare outcomes to hens in the egg production industry of New South Wales, and
- (ii) set appropriate minimum standards of accommodation for the accommodation and treatment of hens in the egg production industry.

We think it important that animal agricultural industries be governed by legislated animal welfare standards that reflect the latest animal welfare science, rather than what is expedient for industry. The latest research indicates that there should be a:

- phase out of the use of battery cages in NSW (for the reasons stated above).
- ban on routine beak trimming and a ban entirely on hot blade beak-trimming. Research suggests that beak trimming can have several negative impacts on birds including pain experienced during the procedure; the possibility of ongoing pain (if too much of the beak is removed) caused by nerve swellings which can last into adulthood; the deprivation of important sensory feedback; compromised preening which in turn can result in lice and mite infestations; impact on ability to orient and navigate due to interruptions to the bird's magnetic sense; and reduced feed intake.²⁷ Hot blade beak-trimming is associated with greater animal welfare concerns than infrared methods.²⁸
- ban on the practice of toe and spur removal as this practice is not supported by animal welfare science.²⁹
- ban on the practice of forced moulting. This practice is banned in the EU. It is associated with greatly increased mortality, and there is strong evidence to suggest it causes stress and has strongly negative welfare consequences.³⁰
- mandatory requirement that producers provide hens with environmental enrichments including perches, scratching areas, nesting boxes and natural lighting.³¹

Labelling

Part 1(d) of the Terms of Reference to this inquiry requires the Select Committee to inquire into the protection of consumer interests, including the rights of consumers to be fully informed of the sources of eggs in egg-containing products. In our view, truth in labelling is critical and could help ameliorate some of the financial impacts associated with banning battery cages in egg production.

Food labels help consumers select products that best satisfy their preferences and enable producers whose products meet attributes favoured by consumers to differentiate their products in the market. Product differentiation through labelling is particularly important when:

²⁷ Agriculture Victoria, Farmed Bird Welfare Science Review (October 2017) pp 39, 52, 55, 165-6.

²⁸ Agriculture Victoria, Farmed Bird Welfare Science Review (October 2017) p 55.

²⁹ Agriculture Victoria, Farmed Bird Welfare Science Review (October 2017) p 167.

³⁰ Agriculture Victoria, Farmed Bird Welfare Science Review (October 2017) p 56.

³¹ Agriculture Victoria, Farmed Bird Welfare Science Review (October 2017), p 113.

- the attributes favoured by consumers result in higher production costs (as producers then need to be able to charge a premium price, or gain more sales to cover those costs); and
- the consumer is not able to identify whether a product has those attributes other than through labelling.

Animal welfare standards in production processes fall into this category and so it is essential that producers can differentiate their products, including the ingredients used in their products, through labelling.

Appropriate labelling of products containing egg ingredients may result in producers being able to recoup some of the cost of transitioning from battery cages as research suggests that consumers both in Australia and overseas may be willing to pay a price premium for products associated with higher animal welfare standards. In the 2018 Futureye report commissioned by the Federal Government, 65% of respondents said they would be willing to pay to ensure better conditions and welfare for farmed animals.³² Looking overseas, in a study assessing public attitudes to animal welfare in China, 89.5% of respondents stated that they were willing to pay for improved animal welfare standards.³³

However, it is important that animal welfare labelling is aligned with consumer expectations of what the label means. There are costs imposed on both consumers and producers when labels connoting higher animal welfare standards do not in fact assure welfare standards which align with consumers' expectations.

Consumers pay a cost when production methods that they value, and for which they have paid a higher price, have not been used. And producers bear a cost where they have made investments in production methods that align with consumers' preferences but are unable to differentiate their products and charge a price premium over other producers.³⁴

We are particularly concerned that producers can, under the National Information Standard on free range eggs, label their egg products 'free range' even in circumstances where animals are kept at stocking densities of 10,000 birds per hectare and undergo routine mutilations such as beak trimming. This makes it difficult for producers that have lower stocking densities and adopt better animal management practices to differentiate their products. It also means that consumers are paying a premium for a product which does not necessarily meet their expectations. Respondents to a 2012 focus group study (conducted by Australian Egg Corporation Limited) met the idea of beak trimming with 'disgust', noting that it sounded 'cruel and horrible' - a position that is inconsistent with the notions of high animal welfare that consumers associate with the term free range and for which they are paying a premium.³⁵

We would support the NSW government advocating for both a review of the National Information Standard and higher standards in the Australian Animal Welfare Standards and Guidelines for Poultry to ensure consumers benefit from accurate and meaningful labelling, and producers with higher standards can differentiate their products and recoup their investments in better welfare practices.

³² Futureye, 'Australia's shifting mindset on farm animal welfare' (2018), p 59.

³³ Zhao, Y, Wu, S, 'Willingness to pay: Animal welfare and related influencing factors in China', *Journal of Applied Animal Welfare Science*, 2013 vol 14, at 150-161, cited in Jed Goodfellow, Melina Tensen and Lynne Bradshaw, 'The future of animal welfare policy and its implication for Australian livestock industries' (2014) *Farm Policy Journal*, Vol11, No 1, pp 39-49.

³⁴ Productivity Commission, 'Regulation of Australian Agriculture' Inquiry Report No. 79, 15 November 2016 p 44.

³⁵ Brand Story, 'Project Equilibrium, Qualitative research to determine consumer perceptions of free-range stocking densities', 11 May 2012 at 43.

We thank you again for the opportunity to contribute to this inquiry and we hope it will result in genuine improvements to hen welfare.

Yours sincerely

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