

**Synopsis Report on the
Review of Layer Hen Housing and Labelling of Eggs
in Australia**

**by
SCARM Working Group**

Revised Version: June 2000

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1. EXECUTIVE SUMMARY

Any evaluation of layer hen housing quickly leads to the realisation that this is a complex matter. It embraces a range of diverse issues including hen welfare (which includes hen health), production costs, food safety, occupational health and safety and environmental issues.

In evaluating the acceptability of different types of layer hen housing systems, different people place different emphasis on the relative importance of the aspects listed above. Trying to identify a middle ground on these issues is difficult and there is no easy way forward.

Since the mid 1960s there have been concerns about the impact of the restricted and barren environment of conventional cages on some aspects of the welfare of laying hens and a large amount of scientific research has been conducted to investigate these concerns. Some scientists believe that there is now clear scientific evidence which demonstrates that conventional cages have major and inherent animal welfare problems because they restrict the hens' ability to express natural behaviour traits and therefore should be banned. Other scientists believe that welfare should be assessed by measuring how much has to be done by an animal to cope with its environment. Accordingly they believe there is inadequate data to support the contention that it has been scientifically demonstrated that conventional cages have major and inherent animal welfare problems.

All Working Group members agree that an assessment of welfare requires consideration of health, production, physiological and ethological (behavioural) indicators. The relative weighting and interaction of these factors goes directly to the technical complexity of assessing animal welfare in egg production.

In deciding which housing systems for laying hens are most appropriate, different people give different values to aspects such as bird welfare, economics, food safety, occupational health and safety etc.

Major animal welfare organisations have long opposed conventional laying cages on animal welfare grounds. Based on correspondence to Ministers, an increasing proportion of the general community shares this view. Public and political expectation for change exists. Governments need to take clear decisions as to what changes, if any, are to be made.

Given the large capital outlays required for modern controlled environment sheds with contemporary fittings (either cage or barn), the egg production industry seeks some certainty as to government policy on layer hen housing systems.

The vision in this report is quality assured health and welfare of fowls in a commercially viable, competitive and environmentally friendly egg industry producing a regular, reliable and affordable supply of eggs allowing for informed choice by

consumers and according to contemporary standards for food safety and occupational health.

Quality assurance refers to a demonstrable and comprehensive system for maintaining desired levels of health, food safety and hen welfare in egg production systems through careful planning, the application of sound scientific knowledge, the use of proper equipment and procedures, continued inspection at critical points and corrective action where required. Demonstrability requires third party audit.

A uniform, Australia-wide system of labelling eggs by production system is seen as desirable to ensure that consumer preferences are fully satisfied. The preferred option to achieve such a system is the development and incorporation of relevant standards in a National Egg Production and Labelling Quality Assurance program. The program could be declared as either voluntary or mandatory under the *Trade Practices Act 1974*.

Given the 12 year implementation period of European Council Directive 1999/74/EC of 19 July 1999, which lays down minimum standards for the protection of laying hens, the Directive has attracted little attention by policy makers outside the European Union (EU). Policy makers generally do not, at this stage, see a need to do more than monitor developments within the EU. Australia and New Zealand are exceptions and have conducted reviews of the Directive and its implications. The Directive requires a review of all egg production systems to be finalised by 1 January 2005, however there are differing opinions on whether or not the Directive will be changed.

An initial step in evaluating alternative layer hen housing systems is to define these alternative systems. Each system has inherent strengths and weaknesses from an animal welfare perspective (particularly as animal welfare includes animal health) as well as from biosecurity, food safety and other perspectives.

Good management is essential for good animal welfare. Poor management in any egg production system will result in poor animal welfare outcomes. Both industry and animal welfare groups recognise this fundamental point.

The Working Group agreed that national uniform legislation needs to be introduced to increase floor space, introduce beak trimming accreditation and phase out cages with unacceptable features.

The Model Code of Practice for the Welfare of Animals - Domestic Poultry (3rd edition) needs to be revised and expanded to encompass alternative egg production systems. It should then be referenced in a new national Egg Production Quality Assurance Program. Elements in this program should include food safety, animal health and labelling by production system as well as animal welfare. The program in turn must be underpinned by legislation to ensure that agreed standards are enforced.

INTRODUCTION

The Tasmanian Minister for Primary Industries, Water and Environment sought ARMCANZ agreement in August 1999 to a national uniform approach to move away from the cage system of egg production in Australia.

After considerable discussion, ARMCANZ

- (a) *NOTED the policy position presented by Tasmania and the Directive in the European Union aimed at significantly enhancing the welfare of laying hens;*
- (b) *AGREED in principle with the desirability of a nationally consistent system of truth in labelling of production methods in the egg industry. SCARM to prepare specific recommendations for a decision at the next meeting. The SCARM paper should include clarification of the European Union Directive and developments elsewhere in the world; and*
- (c) *AGREED that a review of layer hen housing be conducted by SCARM to inform ARMCANZ and to recommend any changes that may be necessary to current codes. This review is to take account of the views of RSPCA and industry.*

A Working Group chaired by Dr Gardner Murray, the Commonwealth Chief Veterinary Officer, comprising State and ACT representatives was formed to implement these ARMCANZ resolutions. The State and ACT representatives were Mr Peter Bailey (Victoria), Dr Kim Critchley (South Australia), Dr Kevin Dunn (Queensland), Dr Geoff Griffiths (Western Australia), Dr Richard Sheldrake (New South Wales), Ms Lee-Anne Wahren (ACT) and Mr Peter Williams (Tasmania). The Northern Territory, in view of its limited egg production, decided not to nominate a representative to join the Working Group.

The Working Group formed three sub-committees to report on

- A nationally consistent system of labelling (Mr Peter Williams, Convenor).
- The European Union Directive and other international developments on layer hen housing (Dr Gardner Murray, Convenor).
- Layer hen housing systems (Dr Richard Sheldrake, Convenor).

The Working Group wrote to seventeen key stakeholders in Australia including the Australian Egg Industry Association, RSPCA Australia, Animals Australia, the Australian Supermarket Institute, the Australian Veterinary Association, the Australian Consumers Association and the Egg Marketing Boards in Tasmania and Western Australia, and formally invited them to lodge submissions. Thirteen submissions were received (Appendix 1).

The sub-committee convenors also met with representatives of RSPCA Australia and Animals Australia and with the board of the Australian Egg Industry Association.

Advice was also sought and obtained from the Australian Veterinary Counsellors in Brussels, Washington and Seoul on relevant developments in the EU member states, Switzerland, the USA, Canada, Mexico, Japan, Korea and Taiwan. Advice on the situation in New Zealand was sought directly from the New Zealand Ministry of Agriculture and Forestry.

Relevant scientific, technical, economic and other expertise was also drawn upon. The following four official reports were significant. The first two are Australian while the other two come from the European Union and United Kingdom respectively.

1. *A Review of the Welfare Aspects of Layer Hen Housing in Australia*, Occasional Paper AHC No 1 of December 1994, - the report of the National Layer Hen Housing Review of 1994. A situation report on this review is provided for the present review.
2. The research report of the Productivity Commission, *Battery Eggs Sale and Production in the ACT*, which was published in 1998. This report was occasioned by the need to undertake public benefit tests on ACT legislation banning the production and sale of eggs from caged layer hens and requiring the specific labelling of eggs. Public benefit tests are stipulated under Australia's Competition Principles Agreement when any legislation might restrict competition.
3. *The Report on the Welfare of Laying Hens* from the Scientific Veterinary Committee, Animal Welfare Section, of the European Commission which was published in October, 1996 - the 1996 EU Report.
4. *The Report on the Welfare of Laying Hens* published in July 1997 by the Farm Animal Welfare Council of the United Kingdom (the UK review).

The Working Group had a teleconference on 8 September 1999, a meeting in Sydney on 15 November 1999 and another teleconference on 19 January 2000. Each sub-committee also had teleconferences and/or meetings. Representatives of the Working Group met with industry and animal welfare groups in November to discuss their views and possible outcomes of the Review.

The review process undertaken by the working group should be seen in the context of moving hen welfare forward from the report on the 1994 Layer Hen Housing Review, which led to the legislative requirement in most States for a minimum floor space allocation of 450cm² (including the space under the baffle) per caged hen in cages of 3 or more hens, and other improvements in hen welfare (a system of Animal Care Statements and Audited Self Regulation).

Each of the three Working Group sub-committees produced a detailed report. The Working Group also commissioned a consultancy report from ABARE on "The economic impacts of banning egg production under battery cage system in Australia". Because of their length and complexity – a reflection of the nature of the issues involved – it was decided to prepare and submit to ARMCANZ a single synopsis report of the three full Working Group reports and of the consultancy report from ABARE.

To ensure that the different views on this complex issue were fully expressed, ARMCANZ requested that a revised paper be prepared, to the satisfaction of all SCARM members. ARMCANZ requested that the revised paper then be released for public consultation and it is believed that this revised document will facilitate constructive discussion on these issues. The consultation process is to include an examination of proposed recommendations of the Working Group relating to increased floor space and long term use of cages and future standards for layer hen housing systems.

This document is the revised synopsis paper that has been approved by all SCARM members.

3. TRUTH IN LABELLING OF PRODUCTION METHODS

3.1 Current Situation

ARMCANZ agreed in August 1999 in principle with the desirability of a nationally consistent system of truth in labelling of production methods in the egg industry, and asked SCARM to prepare specific recommendations for a decision at the next meeting.

A significant minority of consumers is willing to pay a premium for eggs from non-conventional cage systems, with this market representing less than 10% of total egg sales. The establishment of a uniform, Australia-wide system of truth in labelling of production methods in the egg industry is seen as a way to ensure that the market fully satisfies consumers' preferences.

Labelling of eggs by production system is done in various ways in Australia and overseas. Mandatory labelling of all eggs, by production system, is enforced only in the ACT where labelling is part of a strategy which attempted a phased banning of the production and sale of eggs from conventional cage systems. In the UK there is a detailed but voluntary system of labelling by production system, which is used in effect only by producers using other than conventional cages. Enterprises in all EU countries using certain labelling terms (e.g. 'free range eggs', 'deep litter eggs') must comply with minimum production criteria defined by EU regulations. There are no production based labelling requirements for eggs in the US and New Zealand; it is left to the market in both countries.

Existing trade practices and fair trading legislation should allow prosecution for inaccurate labelling (i.e. dishonest passing off of eggs as coming from different production systems) and misleading labelling (i.e. labelling designed to obscure or gloss over the eggs' true origins). However, in practice such prosecution is difficult as evidence is hard to gather and there are no clear legal definitions of egg production systems.

Stakeholders tend to divide into three groups. Animal welfare and consumer interests support mandatory labelling by production system. Producers using alternatives to conventional cages are more concerned to ensure that they have access to a secure and credible labelling system for their product. The main commercial producers and the supermarkets support labelling but prefer to leave production labelling to the market except on strictly food safety grounds.

3.2 Requirements

The following are considered by the Working Group as essential prerequisites for any system of uniform, Australia-wide labelling standards:

- Accurate definition of egg production systems operating in Australia. (i.e. for conventional caged system, barn laid system, free range system)
- Development of accurate carton labelling specifications - clear concise wording, letter size and colour and site on the carton for the label.

- An extensive public education campaign to assist consumers in understanding the various production systems and the descriptions on the labels.
- Application of the enforcement provisions of the Trade Practices Act 1974 (TPA) and the various State Fair Trading Acts, which should be made widely known to the industry, to address instances of misrepresentation.

3.3 Options

There is a range of options, from mandatory and strictly enforced labelling of all eggs by production system, through various sorts of Code of Practice / QA systems, to the basically status quo position where labelling other than that required for public health purposes is left to the marketplace and the provisions of the TPA or fair trading legislation.

Mandatory labelling would require consensus among jurisdictions, including on the issue of whether to use animal welfare legislation or food legislation. Both are possible but neither is straightforward.

An intermediate position could be based on using the industry code provisions of the TPA. This mechanism could incorporate either a mandatory system, or perhaps more practicably, a voluntary system (like the UK's) which could be used to provide a secure marketing framework for producers not using conventional cages.

The option preferred by the commercial egg producers and the supermarkets would require no significant changes to law. However, there seems to be a definite need to ensure that inaccurate and misleading labelling are more readily subject to prosecution, so that consumer choice is not distorted.

The following are the three main options:

Option 1 Legislation for compulsory labelling

This would involve the introduction of specific legislation, as complementary law in all States and Territories, to impose mandatory labelling by production system. It would probably need to build on existing legislation and in this regard there are two sub-options:

- Food legislation, as in the ACT – provided Health agencies accept this as an appropriate part of their role and subject to the likely impact of the proposed Model Food Act; or
- Animal welfare legislation, if consensus could be achieved that labelling was a de facto animal welfare issue.

Health agencies are very unlikely to agree to use of food legislation.

Option 2 Secure labelling tied to an industry code

National standards for egg labelling would be implemented by the egg industry as part of a national quality assurance program for the egg production industry which would include provision for third party auditing of egg producers for compliance with egg labelling standards. This would include definitions of all egg production systems operating in Australia and minimum specifications, i.e. standard descriptions, print font size and siting on packaging and could be declared (as either voluntary or mandatory) under Part IVB of the TPA.

The egg industry and government would jointly develop national standards for egg labelling in relation to production methods. There would be consultation with the retail sector, consumers, animal welfare groups and other stakeholders. It is desirable that draft standards be prepared within six months for consideration and endorsement by ARM CANZ. Once endorsed, the standards would be implemented within the ensuing six months.

After twelve months of operation, implementation of national standards for egg labelling should be reviewed jointly by the egg industry and government. Such a review could determine the level of take-up of the standards and identify if any necessary changes to the standards are required. If implementation is not considered satisfactory, then uniform national legislation to enable stricter regulation of the standards should be immediately developed (possibly under TPA/Fair Trading legislation).

The costs of compliance, especially for smaller operators, is an issue that could be addressed by the working group developing details of labelling.

Option 3 Industry self-regulation and market forces

If necessary, any public health concerns could be addressed by mandatory labelling requirements, but the rest would be left to the market. This would rely on consumer preference on the demand side and the price premium on the supply side. Market driven labelling currently means clear labels for barn laid and free range eggs and no or minuscule labels for eggs produced in conventional cage systems, and this is likely to continue for the foreseeable future.

Consideration could be given as to strengthening the general provisions of the TPA / fair trading legislation to properly address dishonest labelling designed to capture the non-conventional having price premium, or misleading labelling that seeks to gloss over the distinctions between production systems.

3.4 Constraints

Among the significant constraints to be considered are:

- *The Australia New Zealand Food Authority Act 1991* deals primarily with public safety and health matters, and the Health Ministers and the Authority appear to require strong reasons to move beyond these.

- The Australian Egg Industry Association and the Australian Supermarket Institute only support the labelling arrangements of the Australia and New Zealand Food Authority without reference to production methods and prefer market forces to apply.
- Uncertainty as to the extent to which a Technical Barrier to Trade (TBT) related labelling issue referring to animal welfare could be validly applied to goods being traded internationally.
- Enforcement could be difficult, particularly in the smaller retail sector, and could impose some cost on Government.
- Compliance costs of any mandatory system may be significant for the industry; particularly smaller producers and these will be passed to consumers.

3.5 Conclusions

- 1) Option 2 is the preferred option with a uniform, Australia-wide set of labelling standards developed jointly by Government and industry in consultation with the major animal welfare groups and other key stockholders.
- 2) An education campaign to assist consumers in understanding the various production systems and the descriptions on the labelling is also seen as an important element.
- 3) Draft standards should be prepared within six months for consideration and endorsement by ARMCANZ. Once endorsed, the standards would be implemented within the ensuing six months.
- 4) To support the development of a national quality assurance program, which embraced a national labelling code, ARMCANZ should endorse the need for legislative underpinning of the program, i.e. co-regulation, and request SCARM to examine suitable arrangements to achieve a uniform national approach to this development.
- 5) If implementation by industry of a national labelling code was not considered satisfactory, then uniform national legislation to enable stricter regulation of the standards should be immediately developed (possibly under TPA/Fair Trading legislation).

4. EUROPEAN UNION DIRECTIVE (EU) AND OTHER INTERNATIONAL DEVELOPMENTS ON LAYER HEN HOUSING

4.1 Key Features of Directive

EU Council Directive 1999/74/EC of 19 July 1999 (the Directive) lays down minimum standards for the protection of laying hens. Key elements of the Directive are:

- specifications for "enriched" cages and alternative systems;
- implementation by 1 January 2003 of new minimum standards for all "unenriched" cages (including 550 cm² per hen) and a requirement that from that date no new "unenriched" cages be built or brought into service for the first time;
- a phase out in the EU by 1 January 2012 of the "unenriched" cages; and
- a review of all egg production systems by 1 January 2005.

4.2 Reaction to the Directive in the EU

Despite current support from many animal welfare groups for the Directive, pressures are expected from welfare groups, particularly in Germany and the UK, not to accept enriched cages as the final solution given that an enriched cage is still a cage. EU producers are concerned that the Directive is going too far in raising their costs.

An EU Directive is not law, and the ban will not become law until it is enacted by member States. However, the Directive requires member states to establish the necessary regulatory arrangements to comply with the Directive by 1 January 2002, and to report back to the Commission on the arrangements. (An EU Directive differs from an EU Regulation in that the Regulation is a law, which immediately comes into force in the member states.)

The likelihood that some EU member states will delay or fail to put in place legislation and/or otherwise act to comply with the Directive is considered a possibility given the long gestation period of the Directive and a history of similar delay and change in other EU agricultural reform. Changes to it are seen as likely following the review to be conducted by 2005. It should be noted that Animals Australia does not share this assessment, and that their colleagues in Europe are adamant that there be no delay by member states in implementing the necessary legislation.

Enriched cages are to a large extent still unproven in commercial operations. Sweden is carrying out some trial commercial operations on a relatively small scale. Sweden will trial four types of enriched cages over the next 18 months. This is part of the new technology approval process required in Sweden.

Trials of three types of aviary systems have been completed in Sweden, with some poor performance associated with the ban on beak trimming. These aviary systems were subsequently approved, but with restrictions that make them largely uneconomical. There is a growing understanding in the EU, that it is very difficult to avoid unacceptable feather picking and cannibalism levels in aviary type systems, unless beak trimming is allowed.

The Directive is seen by policy makers in some EU countries to be driven by a need to respond to community concerns, with specific initiatives not necessarily fully underpinned by scientific evidence of animal welfare inadequacies of conventional cages.

4.3 Other International Developments

The Directive appears to have attracted little active consideration from policy makers in the USA, Canada, Japan, Korea, Taiwan or indeed anywhere outside the EU. In fact, as an issue, layer hen housing systems attract relatively little community or government attention outside the EU, Switzerland, New Zealand and Australia.

Switzerland is a small egg producer. The Swiss Government had a ten year phase out of cages which ended in 1992. Imported eggs produced in cage systems are labelled as "eggs produced in cages".

In New Zealand, eggs from non-caged systems supply only a small percentage of the egg market. Animal welfare including layer hen welfare are strong community concerns. Some three years ago a sub-committee of the Animal Welfare committee was established to monitor developments overseas. This sub-committee, which includes representatives of industry and the veterinary profession, sees no need to recommend a particular response at this point in time to the EU Directive, given that the Directive has a projected 12-year implementation period.

4.4 Comparison with Australian Model Code of Practice for the Welfare of Animals - Domestic Poultry 1995

The current floor space requirement in Europe of a minimum of 450cm² is slightly more generous than the Australian minimum (also 450cm²) as floor space is measured differently here than in the EU. Inclusion of the space under the baffle in the Australian measurement currently allows an unrestricted floor space area as low as 385cm² per bird in some cage systems. Changes proposed in the Directive (once implemented) would result in further discrepancies in floor space for existing cages (proposed 550cm² in the EU from 2003).

The introduction of furnished cages and specifications for alternative systems are not currently addressed in Australia's code.

4.5 Trade Implications

EU animal welfare standards will increase production costs in a range of animal product industries and in order that these industries not be disadvantaged, an EU policy objective is to seek to impose similar standards (and costs) on producers outside the EU who supply the EU. The EU would like to see a worldwide standard imposed, so that EU exporters could compete on the world market.

The current EU effort to place animal welfare on the agenda for the upcoming WTO round is a determined one. Australia will seek to oppose this due to its implications for trade generally and a range of agricultural exports such as livestock.

There is also a view that an effect of the Directive will likely be a fortuitous reduction in the flock size in the EU, and the elimination of the current EU egg surplus.

The direct trade implications for Australia of a WTO round outcome in keeping with that sought by the EU, will be insignificant given the limited exports of egg products and processed foods containing egg products from Australia to the EU.

Exports from Australia to the EU of egg products and processed foods containing egg products are small. In 1998-99 egg product exports were confined to exports of dried egg yolks valued at only \$5,000 and exports of processed foods containing egg products (biscuits, cakes and pastry exports) over the same period were valued at only \$1.35m.

An important aim of the current effort to develop a national animal welfare strategy in Australia is to address the EU focus on making animal welfare a trade and market access issue. This focus will be ongoing regardless of the WTO Millennium Round outcome.

4.6 Conclusions

- 1) Only in the EU and Switzerland and nowhere else in the world, have steps been taken to ban or phase out conventional cages.
- 2) Given the 12-year implementation period of the EU Directive, the Directive has attracted little attention by policy makers outside the EU. Policy makers generally do not, at this stage, see a need to do more than monitor developments within the EU.
- 3) In conventional cages currently used in both Australia and the EU, the minimum space per laying hen in Australia is currently less than the minimum space per laying hen in the EU. If the EU Directive is implemented the gap between Australia and the EU in terms of minimum space per bird would widen.
- 4) Delay in implementation of the Directive is possible, as is protracted non-compliance with the Directive by some EU member states. The 2005 EU review may also modify the European position, although this is unknown at this stage.
- 5) The direct trade implications for Australia of a WTO round outcome in keeping with that sought by the EU, will be insignificant given the limited exports of egg products and processed foods containing egg products from Australia to the EU.
- 6) An important aim of the current effort to develop a national animal welfare strategy in Australia is to address the EU focus on making animal welfare a trade and market access issue. This focus will be ongoing regardless of the WTO Millennium Round outcome.

5. REVIEW OF LAYER HEN HOUSING

5.1 Background

Any evaluation of layer hen housing quickly leads to the realisation that this is a complex matter. It embraces a range of diverse issues including hen welfare (which includes hen health), production costs, food safety, occupational health and safety and environmental issues.

In evaluating the acceptability of different types of layer hen housing systems, different people place different emphasis on the relative importance of the aspects listed above. Trying to identify a middle ground on these issues is difficult and there is no easy way forward.

5.2 Definitions

The first necessary step in considering the issue is to make sure that everyone is speaking the same language. What exactly are the different systems of production to choose between? Several systems can be defined but it should be noted that in Australia there are only three systems currently in general use – conventional cages (often referred to as battery cages – a term which is both imprecise and opposed by industry), barns and free-range. For completeness, three other systems (furnished/enriched cages, aviaries/perches and organic) are also described, although these are not currently in general use in Australia.

It is also important to distinguish between the housing system within the poultry shed building and the poultry shed building itself. Since most housing systems can be constructed and managed within most types of building, the two issues have been kept separate.

The AEIA distinguishes between producers with cage based farms as follows:

- “- those using partly or fully controlled environment sheds, built in the last decade, and providing a more consistent and biosecure bird environment.
- those using “conventional” sheds providing little environmental control.

The former are characterised as the future, the latter as not a viable investment in the long term.”

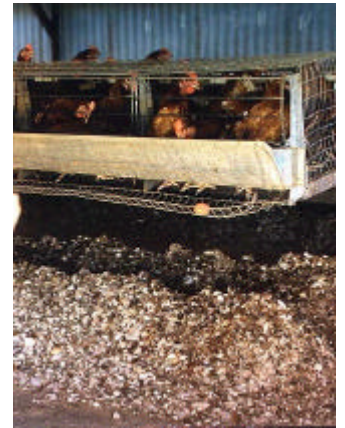
This report deals with the housing system within a building and the effects that the systems themselves have on bird welfare, food safety etc.

It might thus be most useful for decision makers to consider those future housing options in terms of different systems which may be contained within a partly or fully controlled environment shed.

Conventional Cages

Typical cages as specified in the current Model Code of Practice for the Welfare of Animals - Domestic Poultry 1995 - i.e. they are required to provide a minimum of 450cm² of floor space per bird which may be calculated including the space under the baffle. (Recently manufactured cages measure 50cm X 50cm and house five hens which allows 500cm² unrestricted floor space per hen if there is no baffle and down to 400cm² unrestricted floor space per bird if the cage has a 10cm baffle).

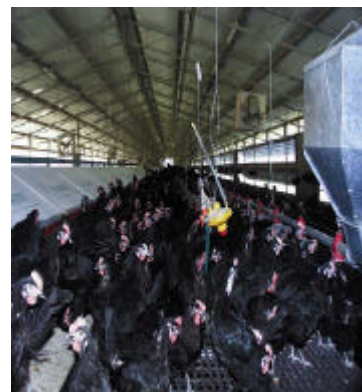
Conventional cages do not provide hens with nest boxes, litter for foraging or dust bathing, or perches.



Barns

Birds are on the ground and free to move about with access to litter as specified in the Model Code of Practice for “deep litter” systems. RSPCA accredited barns must meet a higher standard, with reduced stocking density and limited flock size.

Nest boxes are provided in barns.



Free Range

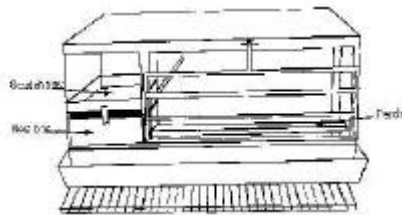
Birds range outdoors and have indoor shelter for night or poor weather. Stocking densities are as specified in the Model Code of Practice for “range” systems.



Other Systems

(a) Furnished / enriched cages

These cages provide perches, a nest, some litter, and more space per bird than conventional cages.



Edinburgh Modified Cage (EMC) showing nest box, scratch tray and perch

(b) Aviaries and Percheries

These are similar to barns, but have multi-tiered platforms (aviaries) or perches (percheries), nests and feeders to make use of the height of the shed. There are none in Australia.



(c) Organic

This describes a production philosophy rather than a housing system. It utilises a free-range production system with a reliance on management practices for the control of pests and diseases rather than a reliance on substances. Refer to *National Standard for Organic and Bio-dynamic Produce*.

5.3 Current Situation and How it Developed

The industry estimates that 91% of the national commercial flock is housed in cages, with 3.5% in barns and 5.5% free-range. This is similar to the situation worldwide.

The caging of commercial laying hens was developed in the USA in the 1930s. Cages had, and still have, the advantage of greatly reducing the incidence of parasitic infections such as coccidiosis and round worms that are transmitted by manure. The first cages housed one bird per cage which allowed poor layers to be culled. Current conventional cages generally house five birds.

Since the 1930s there has been a phenomenal increase in knowledge about how environmental and nutritional factors influence different aspects of egg production in caged birds. For instance, the interactions between temperature, feed consumption, feather cover and egg production are well understood. So too are the relationships between the ratios and requirements for various amino acids in the diet and the interaction between egg number and egg size.

While production levels from caged layers continued to improve, questions were also asked about the impact of traditional caged systems on the welfare of the birds. Questions were raised about the effects on the birds of 365 days or more of confinement in a wire cage with a sloping floor at a density which resulted in continuous physical contact with other birds and the cage walls and often of a size not large enough to accommodate a single bird's wing span. The impact on the welfare of hens in the absence of the environmental features that occupy the time of birds housed on the ground, i.e. nest sites, friable material for foraging and dust bathing, were also questioned.

Beginning with the British Government's Brambell Report into "The Welfare of Animals Kept Under Intensive Livestock Husbandry Conditions" in 1965, the level of scientific investigation into how housing systems affect a broad range of layer hen welfare aspects accelerated.

5.4 Animal Welfare Issues

Conventional Cages

There were different views among the Working Group on the extent to which there are (or are not) serious inadequacies for bird welfare caused by conventional cages and the quality of the supporting evidence.

Some members of the Working Group believe that there is now a large amount of scientific evidence to demonstrate that conventional cages have major problems for layer hen welfare. This evidence is discussed in the RSPCA and Animals Australia Submissions to the Working Group and in the 1996 EC Report which formed the basis of the EU Directive. These Working Group members agree with the findings of these documents that the most serious of these welfare problems are:

- lack of suitable nest site, and
- lack of opportunity to forage and scratch in litter.

They believe these deficiencies result in severe behavioural frustration which has been shown to be extremely aversive to hens, i.e. hens experience suffering because cages do not have nests and litter. Since the lack of a nest and litter are inherent features of conventional cages it follows that these welfare shortcomings cannot be overcome by “good” management. On the above grounds alone many scientists, many non-scientists and some of the Working Group members believe that it is ethically unacceptable to keep laying hens in conventional cages.

Alternatively some other members of the working group agree that welfare should be assessed by measuring how much has to be done by the animal to cope with its environment and the extent to which its coping attempts are succeeding. Attempts to cope include the functioning of body repair systems, immunological defences, physiological stress response and a variety of behavioural responses. Accordingly some members of the working group believe that current scientific evidence does not support the contention that conventional cages have inherent welfare problems that outweigh the welfare benefits of cages. There is also concern about the nature and quality of the scientific evidence presented in reports such as that of the EC.

Some Working Group members accept that there is behavioural evidence that laying hens can experience emotions or feelings which result in mental suffering.

Other members agree with this basic premise but also acknowledge that such emotional consequences can be measured to assist in assessing welfare. They disagree on the magnitude of emotional responses that result in adverse welfare. A demonstrable adverse effect on welfare would be accompanied by a decrease in “fitness” as shown by, for example, a reduction in growth rate, egg production or health, or by immunosuppression or an increase in injuries.

Other welfare problems with conventional cages have been identified and are generally agreed upon. These may be overcome with relatively minor changes to cage design and stocking density including:

- appropriate perches in appropriate locations (in cages with sufficient height)

- claw shortening devices
- fully opening cage doors
- sufficient space to allow birds to move freely, scratch etc.
- designing and constructing cages without entrapment points

Alternative Housing Systems

The most serious welfare problem with barns and free range has been the higher mortality, often related to feather pecking, cannibalism and parasitic disease. Formal research and field experience have shown that feather pecking and cannibalism are not caused by these systems per se and can therefore be overcome. A potential problem is that unstable social groups can occur because of large numbers of birds. Producers are currently developing the “right” combination of bird strain, rearing management and layer house design and management to minimise these problems in large flocks.

There is an urgent need to investigate the methods used by successful producers with alternative systems so that these methods can be more widely adopted.

Furnished cages – which keep the management ease and bird health benefits of conventional cages – but also provide nests and litter, also need further investigation and development in Australia.

Beak Trimming

Beak trimming is practised on birds irrespective of their housing system. Skill is required since poor procedure can have long-term consequences for welfare.

Australia is a world leader in minimising the negative effects of beak trimming practices. Although the “Model Code of Practice for the Welfare of Animals – Domestic Poultry” specifies current procedures and appropriate training, these recommendations are not always followed. Included in the code are age limitations for beak trimming.

The Working Group therefore recommends that national uniform legislation should be introduced requiring mandatory accreditation under a national program for anyone performing beak trimming of poultry.

5.5 Comparison of Layer Hen Housing Systems

It must be noted that there is no ideal system – they all have their strengths and weaknesses with respect to welfare of hens (including their health), food safety for consumers, requirements for labour and husbandry skills, occupational health and safety for operators and environmental protection. A brief summary of the strengths and weaknesses of various systems in use in Australia is provided in the table below.

All Working Group members agree that an assessment of welfare requires consideration of health, production, physiological and ethological (behavioural) indicators. The relative weighting and interaction of these factors goes directly to the technical complexity of assessing animal welfare in egg production.

Welfare and Management

“Poor” management will almost certainly result in some aspect of “poor” welfare in any layer hen housing system. Therefore steps need to be taken to make poor management standards unacceptable.

“Good” management can enhance some welfare aspects in all housing systems. However for those who accept the view that the lack of a nest and litter in conventional cages results in major animal welfare problems it follows that even the “best” management of conventional cages cannot result in acceptable welfare for the birds.

Australian Layer Hen Welfare Reports and Recommendations

◆ Senate Report 1990

The Senate Select Committee on Animal Welfare published a 320 page report on “Intensive Livestock Production” in 1990.

Amongst the recommendations for laying hens were:

- *“a floor space allowance of 600 cm² per caged bird where three or more hens are kept in a cage”, and*
- *“the banning of laying cages be considered when it can be demonstrated that viable alternative systems can be developed suitable to Australian conditions and that these alternative systems have positive welfare advantages”.*

Since 1994 the minimum floor space allowance was increased to 450 cm² including the space under the baffle. There is evidence from reviews of the literature that there may be welfare benefits to increasing space within the range of 300 to 650 cm² per hen.

Viable alternative systems which allow hens to nest, to forage, to dust bathe, to perch and to move freely are operating successfully in Australia.

◆ Housing Review 1994

The 1994 Layer Hen Housing Review was Australia’s most recent review of the subject and led to a number of recommendations, only some of which have been fully implemented. The recommendations included:

- A minimum floor space allocation of 450cm² (including the area under the baffle) has been legislated under most state Prevention of Cruelty to Animal Acts.
- Limited research into alternative systems, field observations, extension etc has been carried out, but not to the extent intended.
- Description of production systems for the sale of free-range eggs has not occurred.
- Audited self-regulation, using Animal Care Statements, has been adopted by some 40% of producers covering 80% of birds.
- Competency-based training for good stock handling has been initiated.

Progress and outcomes of the 1994 review have disappointed the animal welfare lobby, some animal welfare scientists and some State/Territory Governments. Animals Australia was concerned by the review process and withdrew their membership of the working group.

◆ ACT Legislation and Productivity Commission Report

In September 1997, the ACT Legislative Assembly passed legislation to:

- ◆ Ban the production and sale in the ACT of eggs produced by hens housed in battery cages; and
- ◆ Require the labelling of egg cartons sold in the Act to indicate the production system used to produce the eggs.

However the legislation was not able to be implemented essentially because other states and territories would not agree to a ban to marketing for consumption in the ACT, of eggs from their state produced in cages. This highlights the importance of a national approach to this issue in particular to a defining of standards across states and territories and rules for the marketing and labelling across each state and territory.

The following quotes have been taken from the Summary of:

Productivity Commission 1998, Battery Eggs Sale and Production in the ACT, Research Report, Ausinfo, Canberra provides a further explanation of this important issue.

“One effect of the legislation would be to restrict competition in the supply of eggs to the ACT. This triggers the Competition Principles Agreement, which requires governments to undertake public benefit tests of legislation which restricts competition, to assess whether the community benefits associated with the restrictions outweigh the costs.”

“The framework for undertaking public benefit tests requires that all relevant factors – not just economic benefits and costs – be taken into account. This is important because the proposed ACT ban on battery eggs involves consideration of ethical issues associated with the welfare of layer hens.”

“In assessing hen welfare, the Commission has drawn on international and Australian studies and on information provided by participants in this study. This evidence suggests that, on balance, a move away from the use of battery cage systems would lead to some improvement in hen welfare, particularly in the longer term (chapter 4). This mainly reflects the fact that alternative systems allow greater expression of behaviours which experts in the field agree are important to hens – such as dust bathing, nesting and perching.”

“While the available information suggests that, on balance, the ban would make some improvement to hen welfare, the Commission cannot reliably assess in quantitative terms the extent of the associated community benefits. If the benefits are to outweigh the costs, they would need to exceed the cost associated with an annual perpetuity of around \$940,000. The Government of the ACT – the residents of which will bear most of the costs stemming from the ban – will have to judge whether the benefits outweigh these costs.”

The PC report provides an objective analysis of this complex issue and suggests that the ultimate decision on how laying hens may be kept in Australia will be an ethical one.

Development of Alternative Systems

There has been little public sector research into alternative housing systems for laying hens since the 1994 Review. However individual producers have made a lot of progress – particularly in Victoria and NSW. Both barn and free range eggs are being produced on a commercial scale, without feather pecking or cannibalisation problems, and are being sold at premium prices. In order to have a scientific basis to identify and implement further improvements in hen welfare, there is a need to allocate the necessary funding to key areas for research.

Pressure Against Conventional Cages

While the key animal welfare organisations accept that some form of intensive production is required to produce eggs on a commercial scale, all the welfare organisations oppose the conventional cage systems, arguing that they are totally unacceptable on welfare grounds.

Both RSPCA Australia and Animals Australia have current major campaigns aimed at banning the use of conventional cages for laying hens and argue that the scientific evidence supports their call for a ban.

A further development has been the RSPCA linkage with the barn production system and its endorsement of certain enterprises, which meet RSPCA criteria. This endorsement has been used extensively in the promotion of these eggs.

Some organisations argue that the industry, if it was required to adopt welfare-friendly production systems, should then be protected from cheap imports from countries still using cage systems. However this would need to be considered in the context of Australia’s trade obligations.

COMPARISON OF LAYER HEN HOUSING SYSTEMS		
	Strengths	Weaknesses
CONVENTIONAL CAGES	<ul style="list-style-type: none"> • Good disease control-lower mortalities on average. • Good control of feed, water, temperature, ventilation, light. • Small groups <ul style="list-style-type: none"> – stable, social order and few aggressive encounters – easy to minimise impact from aggression, feather pecking or cannibalism. • Hygienic for birds, eggs and staff. • Easy to manage and cost efficient. 	<ul style="list-style-type: none"> • Behavioural expression prevented, including walking, flying, hiding, stretching, perching, nesting, scratching, dust bathing. • Feather loss, foot problems. • Brittle bones (compensated by diet?). • No escape from aggression, feather pecking or cannibalism. • Hard to see bottom and top tiers.
BARNs	<ul style="list-style-type: none"> • Behavioural expression possible – walking, flying, hiding, stretching, perching, nesting, scratching, dust bathing. • Improved bone strength. • Control of feed, water, temperature, ventilation and light. • Automation of egg collection possible. • Easy to inspect birds. 	<ul style="list-style-type: none"> • Disease and mortality higher than cage systems on average. • Large colony size – risk of social instability, feather pecking, cannibalism. • Higher production costs, harder to manage. • Dust, ammonia (OH&S). • Harder to depopulate and disinfect.
FREE RANGE	<ul style="list-style-type: none"> • Behavioural expression possible – walking, flying, hiding, stretching, perching, nesting, dust bathing. • Access to outdoors. • Varied diet and environment. • Automation of collection of those eggs laid indoors and control of feed, water, etc are all possible if large-scale static houses (identical to barns) are used. 	<ul style="list-style-type: none"> • Increased risk of disease and parasitism. • Increased use of chemicals. • Increased residue risk. • Predation and fear of predation. • Climate hard to control/manage. • Higher labour production and management costs. • Pollution of pasture, dirty eggs. • Generally small scale. • Decreased biosecurity (eg diseases from migratory wild birds).

The above table gives a snapshot of the many aspects involved in comparing housing systems. It does not rank them in any overall order in terms of animal welfare or any other characteristic. Trying to weigh up all these different strengths and weaknesses against each other is inherently very difficult.

Whatever the system, it is crucial to understand that good management is vital to good animal welfare. There are examples of good and bad management in all systems. The Working Group agrees that poor management of any system will result in a poor outcome, and therefore steps need to be taken to make poor management standards unacceptable.

The impossibility of getting agreement on “the best” layer hen housing system was established in a landmark German study in the late 1970s. Similar studies today would reinforce this finding but still not solve the problem.

It is recommended that Australia’s future commercial egg industry should:

- (a) Provide a standard of bird welfare acceptable to the majority of the Australian community.
- (b) Have potential long term viability for industry.
- (c) Provide eggs at a ‘reasonable’ cost to consumers i.e. in line with other basic/essential food items.
- (d) Provide eggs to the retail chain which meet agreed standards of safety and quality.
- (e) Provide workers with known risks and preventative methods to reduce those risks to agreed acceptable levels.
- (f) Be internationally acclaimed as “clean, green and animal welfare friendly”.
- (g) Be able to use its animal welfare practices as a competitive advantage for world trade.

A united approach to developing layer hen housing system(s) which meet these criteria would be a productive way forward and would enhance public confidence in layer hen systems.

5.6 Industry Considerations

Investment in new poultry production facilities is expensive. (The Productivity Commission in 1998 estimated new capital investment in barn production to cost \$32 per bird).

For this reason, industry requires as much certainty as possible in the policy set by government. Continued uncertainty about the long-term acceptability of cages will discourage industry and financial institutions from investing in new systems. This is especially the case given that many farms are operating 30-year old (or older) sheds and equipment which now effectively represents zero capital investment.

Secondly, the fastest growing but most cost-sensitive segment of the market is the industrial, as opposed to retail, sale of eggs and product. These eggs used in the food service and processed food industries, and sold either in shell form or processed into liquid, frozen or dried egg product, account for 32% of production (a statistic supplied by the egg industry). Unlike the retail sector, it is primarily price-driven and could be open to competition from imported products produced in systems with no animal welfare considerations and from egg substitutes. Industry argues that a move to phase out cages would lead to cost increases and would have a significant impact on profitability, viability and employment in regional Australia.

5.7 Conclusions

- 1) There is a large amount of scientific literature on the welfare of laying hens, dating back to the mid 1960s. Based in part on this literature, the Australian Senate recommended in 1990 a consideration of the banning of laying cages once viable alternatives with welfare advantages were developed.

Some Working Group members agree that the scientific literature identifies major problems with conventional cages, in particular the lack of suitable nest sites and foraging material to meet the birds' behavioural needs as key indicators that an end date for the use of conventional cages in Australia should be set now. These members believe that this proposed end date should be independent of European Union developments.

An opposite view was expressed by other Working Group members on the basis that welfare should be assessed by measuring how much has to be done by an animal to cope with its environment. Evidence from studies based on this assessment approach do not currently support an end to the use of conventional cages.

All Working Group members agree that an assessment of welfare requires consideration of health, production, physiological and ethological (behavioural) indicators. The relative weighting and interaction of these factors goes directly to the technical complexity of assessing animal welfare in egg production.

- 2) With regard to the appropriate floor space for hens in conventional cages, reviews of the literature suggest there may be welfare benefits to increasing space within the range of 300 to 650 cm² per hen. In 1990 the Australian Senate Report recommended 600 cm² per bird. It is timely that a decision on future space allowances be made, keeping in mind the long term viability of the Australian egg industry.
- 3) To improve the welfare of all laying hens, a new regulation should be introduced in all States and Territories requiring that beak trimming may be performed only by accredited beak trimmers and using approved methods. Current beak trimming standards around the country are highly variable and often unsatisfactory.
- 4) There is general industry and welfare lobby agreement on the need to eliminate poor management standards, which affect not only hen welfare, but also food safety and biosecurity (with potential risk from major diseases such as Avian Influenza and Newcastle Disease).
- 5) Some producers are already successfully running commercial flocks in barn or free range systems. There is an urgent requirement to identify the successful principles of managing these systems and extending these principles in the industry thus facilitating successful adoption of these alternative systems.
- 6) Research and development of a variety of alternatives to conventional cages, including furnished cages, should be funded with an emphasis on developing systems suitable for a range of Australian environmental conditions.
- 7) The Model Code of practice for the Welfare of Animals – Domestic Poultry (3rd edition) needs updating to set appropriate standards to take account of advances in the understanding of animal physiology and behaviour, changes in animal husbandry and their relationship to the welfare of laying hens. For example, the Code needs to set clear standards for all systems of production including the incorporation of research findings from alternative systems. The existing section on "Housing" needs to be expanded to define more clearly those cage design and

operational features which are and are not acceptable (irrespective of the age of the cage).

- 8) Identification of the management and welfare aspects of alternate housing systems for laying birds and other alternate systems needs urgent attention. Having documented standards in place to protect the welfare of the birds involved is also a high priority. Once these standards in the Code have been defined this will promote consideration of a more rapid move from conventional cage systems to alternative systems ensuring commercial viability and assurance of acceptable bird welfare standards.
- 9) There is industry support for a national quality assurance program to raise management standards and thereby deliver better animal welfare, food safety and biosecurity outcomes as well as implement a uniform, Australia-wide system of labelling of eggs by production system.
- 10) Either incorporation in the Trade Practices Act or legislation in each State and Territory is required to underpin a revised Code of Practice and a national quality assurance system.
- 11) The first draft of a national quality assurance program should be developed within twelve months and the program fully implemented within the following eighteen months. While prime responsibility for development and implementation rests with industry, Commonwealth and State/Territory governments should examine ways it can facilitate the development.
- 12) Independent third party audit should be a feature of the program.

6. ANALYSIS OF THE ECONOMIC IMPACTS OF BANNING CONVENTIONAL CAGE EGG PRODUCTION

The gross value of production for the Australian egg industry in 1997/98 was \$279.3 million (achieved by 14 million hens on 520 farms). Australia's imports and exports of eggs and egg products represent an insignificant proportion of the total domestic market for eggs (1 per cent in the past 3 years).

ABARE was asked to provide a briefing to the Working Group on the impacts of banning egg production under the battery cage system in Australia. The ABARE analysis estimated the costs of a ban to consumers and the adjustment cost to producers (the value of capital assets in the battery system that would be redundant). It made no attempt to determine the net benefits that may arise from animal welfare considerations.

In the event of a ban on the conventional cage system of housing layer hens, the barn system of egg production would be the most feasible replacement, reflecting its significantly lower production cost compared to free range production.

The total economic cost of a ban on conventional cage production of eggs comprise two main components:

- the loss to consumers due to higher prices under alternative modes of production and the cost of forgone consumption due to reduced availability; and
- capital costs to producers due to early retirement of productive assets when production ceases in the conventional cage system (adjustment costs).

Under the most likely scenario, production costs and retail prices of barn eggs relative to conventional cage are assumed to decline in the future. Based on this assumption

- the retail prices of barn eggs would be about 13 per cent higher than conventional cage egg prices in the first year into a ban i.e. a price increase from around \$2.49 to around \$2.81 per dozen based on current prices
- the decline in barn egg prices would continue over time until they level off at about 6 per cent above the conventional cage egg prices ten years later.

Costs to consumers are estimated using predictions for future consumption in the absence of a ban and likely movements in prices outlined above, together with an assumed consumer responsiveness to a price change (demand elasticity) of -0.15.

Long run costs to consumers are estimated to be around \$45 million per year.

The value of assets lost due to a switch from a conventional cage system to a barn system of production, or the cost of adjustment to producers is estimated at \$400 million. Over the long run the discounted capital loss amounts to \$28 million per year.

Total economic cost of a ban, i.e. consumer plus adjustment cost is therefore estimated to be \$73 million per year (with future costs discounted at an annual rate of 7 per cent).

Australia's imports and exports of eggs and egg products currently represent an insignificant proportion of the domestic market for eggs (1per cent in the past 3 years), but this could change, especially if a ban on conventional cages was introduced.

ABARE made no attempt to determine the net benefits that may arise from animal welfare considerations.

Further details of the ABARE analysis is to be found in its Consultancy report to the Working Group, "The economic impacts of banning egg production under battery cage system in Australia".

7. RECOMMENDATIONS

In developing its recommendations, the Working Group had regard to several key aspects of the current situation on layer hen housing:

- There is growing community pressure for improved welfare outcomes.
- All layer hen housing systems have their own advantages and disadvantages on welfare aspects as well as varying concerns on grounds of commercial viability, hen health, OH&S and food safety.
- Industry needs some certainty as to government policy in relation to egg production systems to ensure that informed investment decisions can occur. Many of the cages now in use were installed in the 1970's (or earlier) and are nearing the end of their life span.
- There is general support from industry and welfare groups of the need to improve some aspects of hen housing systems and management that affect not only hen welfare, but also food safety and biosecurity. All aspects need to be viewed together.
- Developments which propose to phase out conventional cages in the EU are yet to be fully implemented or taken up elsewhere.
- Ultimately, any solution to animal welfare issues in relation to egg production will require a judgement on balance having regard to the competing scientific, economic and moral issues involved.

In this context, the Working Group recommends that:

Egg Labelling

- 1) National standards for egg labelling in relation to production methods include definitions of all egg production systems operating in Australia and minimum specifications, i.e. standard descriptions, print font size and siting on packaging.
- 2) The egg industry and government jointly develop national standards for egg labelling, in consultation with the retail sector, consumers, animal welfare groups and other stakeholders. Draft standards be prepared within six months for consideration and endorsement by ARMCANZ. Once endorsed, the standards be implemented within six months thereafter.
- 3) As a preferred approach, national standards for egg labelling should be implemented by the egg industry as part of a national quality assurance program for the egg production industry – an Egg Production Assurance Program (EPAP). EPAP to include provision for third party auditing of egg producers for compliance with egg labelling standards. Implementation of EPAP to be accompanied by an education program to assist consumers in understanding the various production systems and the descriptions on the labelling.
- 4) Implementation of national standards for egg labelling to be reviewed jointly by the egg industry and government after twelve months of operation. The review to determine the level of take-up of the standards and if any changes to them may be

required. If implementation is not considered satisfactory, then uniform national legislation to enable stricter regulation of the standards should be immediately developed (possibly under TPA/Fair Trading legislation).

Existing Legislation and Model Code of Practice for Domestic Poultry

- 5) To deliver some early improvement to layer hen welfare, existing State and Territory Prevention Of Cruelty To Animals legislation be amended as follows:
 - (a) An increase in floor space allocation for cage hens to require:
 - Calculation of floor space allocations per bird for all cages to exclude the area under the egg baffle from 1 January 2001;
 - By July 2002, a minimum of 500 cm² per hen (for 3 or more hens under 2.4 kg);
 - .. the requirement for 1 or 2 bird cages and for cages with 3 or more birds of greater than 2.4kg liveweight will remain unchanged, other than the requirement to exclude from measurement the area under the egg baffle; and
 - (b) Mandatory accreditation under a national program for anyone performing beak trimming of poultry of any age.

- 6) SCARM Animal Welfare Committee establish a working group to revise the Model Code of Practice for the Welfare of Animals - Domestic Poultry (3rd edition). The revised Model Code to be tabled at the ARMCANZ March 2001 meeting for endorsement. Once endorsed, the revised Model Code be implemented within twelve months thereafter.

- 7) In addition to the points under Recommendation 5, the following issues be addressed in the revised Model Code:
 - (a) Comprehensive requirements for all alternative egg production systems operating in Australia, i.e. barn and free-range systems.
 - (b) An increase in floor space allocation for cage hens to require a provision (to be subject to the European Union move to 550cm² per bird in 2003 being fully implemented) of a minimum of 550 cm² per hen (for 3 or more hens under 2.4 kg) by July 2005.
 - (c) Development of criteria that distinguishes improved cage designs from those designs with less acceptable features e.g. cage openings, partitions, cage condition.
 - (d) Requirements for the pre- and post-laying stages of hen housing, i.e. the treatment of chicks and spent hens.

- 8) In order to provide some certainty to industry, ARMCANZ should agree that existing or new cage systems that meet the Model Code requirements (once it is revised) be allowed to operate up to 2015.

National Quality Assurance Program for Egg Production

- 9) A comprehensive national quality assurance program for the egg production industry – an Egg Production Assurance Program (EPAP) should be developed. EPAP should address animal welfare issues, hen health, food safety, biosecurity, egg labelling (as mentioned above) and include provision for third party auditing.

- 10) The Australian Egg Industry Association (AEIA) should be requested by ARMCANZ to develop a first draft of an EPAP within twelve months. Implementation by industry should then occur progressively, but industry should be encouraged to fully implement EPAP within eighteen months thereafter. While prime responsibility would rest with industry for development and implementation of EPAP, Commonwealth and State/Territory governments should examine ways they can facilitate the development.

- 11) To give the development of EPAP further impetus, ARMCANZ should endorse the need for legislative underpinning of EPAP, i.e. co-regulation, and request SCARM to examine suitable arrangements to achieve a uniform national approach to this development.

Research and Development

- 12) ARMCANZ recommend to the egg industry and the Rural Industries Research and Development Corporation the following key areas for further research and development on layer hen housing systems:
 - (a) Field evaluation of commercial alternative systems under Australian conditions (particularly barns and furnished/enriched cage systems) to identify successful combinations of system design, management strategies, hen genotypes and other parameters of alternatives to conventional cage systems (to be followed by the development and extension steps to implement change);
 - (b) Identification of hen genotypes suited to barn and free range systems, i.e. identify genotypes less inclined to feather pecking, cannibalism and other undesirable behaviours in large flocks (notwithstanding the increasing trend to obtain strains from overseas);
 - (c) Further economic evaluation of the industry to gain greater understanding of future investment options; and
 - (d) Management training for the various production systems, including animal welfare aspects.

International Developments

- 13) ARMCANZ note the review due by 1 January 2005 of the various layer hen systems in the EU and a possibility of changes at that time to the EU decision to ban conventional cages after 2012. As such Australia should continue to monitor developments in the EU and elsewhere and amend policies if there is compelling evidence to do so.

**Submissions received by the Review of Layer Hen Housing
and Labelling of Eggs in Australia**

Animals Australia

Australian Consumers' Association

Australian Egg Industry Association

The Australian Veterinary Association Ltd.

Biological Farmers of Australia Co-operative Ltd

Free Range Egg and Poultry Association of Victoria Inc.

Golden Egg Farms

Moore Brown Eggs

Poultry Farmers Association of WA (Inc)

RSPCA Australia Inc

Tasmanian Organic – Dynamic Producers Co-op Ltd.

Victorian Institute of Animal Science

Victorian Farmers Federation – Egg Producers Group