

Media Release

Release of Code of Animal Welfare

6 December 2012

The Egg Producers Federation (EPF) finds itself in a very difficult position with the new Code of Animal Welfare (Layer Hens) released today by the Minister for Primary Industries.

“We are positive and supportive of the general thrust of the Code because it provides clear guidance to the industry on animal welfare standards and practices. Most importantly the Code marks the end of conventional (sometimes called “battery”) cages which will be phased out over a prescribed period. This means that the industry will be able to leave behind the negative connotations of cages and operate in a new modern environment of colonies, barn and free-range, all of which operate to strong animal welfare principles.

“This Code has been several years in the making and has been through a thorough process of evaluation and review and for that reason it has strong credibility in both animal science and the practice of farming.

“Our argument is not with the Code per se but the extremely short phase-out period for cages imposed by the Code. The proposed phase-out period, which we assess in practical terms to be more like four to six years, and not the 10 suggested by the Minister and Ministry for Primary Industries, is impossible to achieve in practical and financial terms. This will have an enormous, possibly even crippling impact on many in the industry,” says Michael Guthrie, chairman of the Federation.

The scale of change involved is huge. All farmers currently using conventional cages, which in volume terms is over 80% of the industry, will have to rebuild their operations from scratch most on a different site. This is not just tinkering. It will involve a complete renewal. There is very little of most current operations that can be salvaged in the move to colony, barn or free-range farming. Current cages and sheds would be largely worthless and existing land will more often than not be unconsentable for changed operations.

Mr Guthrie says that assuming most cage farmers move to the new colonies, our preliminary estimates are that the cost to farmers of the transition would start at \$150 million and go up from there. This would be spread across just 42 farmers, all of whom are owner/operator farms and many are family owned. He also noted that a transition to free-range would involve an estimated 70% more capital cost topping \$250 million.

“Our farmers have had come to terms with the scale of the change and have accepted it. The shock involved in the announcement is the brutal phase-out time. Nearly 40% of cages will have to be phased out in four years moving to 50% in six years. Any single farmer is likely to have cages of different ages and we predict that 70-80% of all farmers will be affected in six years. Many operators are also affected by a regulation which takes effect in 2014 that requires them to remove one bird from each cage, impacting financial viability.

“The combined effect of these factors is not a 10 year transition as suggested in the Code, but a 4-6 year transition.

“This formula is, quite frankly, harsh and punitive for an industry that has been actively working with Government, has invested significant money and effort in research into modern farming systems and has actively sought to modernize its welfare practice.

“This punitive phase-out period will apply huge pressure on our farmers. A significant number of farmers will quit the industry having been left with a farming operation with little intrinsic value. This is precious little reward for, in some cases, a lifetime of farming.

“This industry has always been committed to producing the affordable egg. With over a billion eggs eaten annually in New Zealand, eggs are a vital part of the national diet. They are especially important to budget conscious consumers and families and we want to be able to keep serving this market.

“We have formally notified the Minister that we believe the phase-out programme outlined in the Code simply cannot be achieved whether farmers transition to colonies, barn or free-range and the result will be major disruption to the egg supply,” he says.

The industry says it is unable to assess how many current egg farmers will move to the new colony system and how many will adopt free-range or barn farming.

“The cost of transitioning to barn or free-range is substantially greater than to colonies. Both barn and free-range have much greater requirements for land and shed space and their labour and feed requirements are also much greater. Capital costs of transitioning to free-range are estimated to be 70% greater than colonies and operational costs 20-30% greater. That’s why free-range eggs are so much more expensive,” says Mr Guthrie.

The Federation has produced detailed information on the operation of colony farming and this can be viewed on the Federation’s web site.