



[info@eggfarmersaustralia.org](mailto:info@eggfarmersaustralia.org)

1364 Ridgeland Road  
Alton Downs QLD 4702



[info@eggswa.com.au](mailto:info@eggswa.com.au)

PO Box 4024  
Myaree WA 6960

---

18 September 2020

Director  
Perishable agricultural goods inquiry  
Australian Competition and Consumer Commission  
GPO Box 3131  
Canberra ACT 2601

By email: [aginquiry@accc.gov.au](mailto:aginquiry@accc.gov.au).

Dear Director,

Egg Farmers of Australia is the name given to a group of egg farmer representative organisations and egg farmers, that aim to further the interests of the Australian egg industry through developing and advocating policies, engaging with relevant stakeholders and participating in public debate.

Egg Farmers of Australia represents the whole of industry and sees great benefits to consumers in the range of egg production systems that are currently operating in Australia.

The egg industry has supported and continues to support the development of legislated *Australian Animal Welfare Standards and Guidelines for Poultry* and its improvements in animal welfare outcomes. It is hoped that the standards will be finalised next year but this has been a long process of over six years.

It is disappointing that supermarkets are not willing to allow the market to drive demand in relation to eggs, rather, retailers have egg policies to see the phasing out of caged eggs by 2023 or 2025. There is no justification for this timing and the industry predicts that without the 2.7 billion eggs able to be produced through the current caged systems and the continuing growth of consumer demand for eggs that a shortage will prevail in the retail sector.

Importing of eggs should not be considered as this would impact the domestic industry and risk Australia's biosecurity status.

Sustained consumption growth is expected to continue over the next 20 years, which will require substantial capital outlay from the industry to meet these requirements.

Egg Farmers of Australia is committed to promoting the benefits of and improving all egg farming for the benefit of the Australian community. Egg Farmers also has a role

in promoting the good work done by its members who collectively make up the vast majority (over 80%) of the Australian egg industry.

Egg Farmers of Australia participating egg farmer representative organisations include: the Victorian Farmers' Federation Egg Group, the NSW Farmers' Association Egg Committee, the Commercial Egg Producers Association of Western Australia, the Queensland United Egg Producers and the Commercial Egg Farmers Association of South Australia and Tasmania. These organisations represent their members and are the voice of the Australian egg industry.

A number of these state organisations are submitting individual submissions and after discussing the issues outlined in this letter are in alignment. Those submissions will cover other commodities due to the nature of their organisations, however would take this opportunity to make note that the Commercial Egg Producers Association of Western Australia support the National position of Egg Farmers of Australia and will not be making a separate submission.

Egg Farmers of Australia is the representative body working to develop the industry further for the 277 Australian commercial egg farmers providing a low-cost protein for our nation.

Every agricultural industry is unique and has its own intricacies. The Australian egg industry has two major distinct markets, selling to retailers and the box market - selling to hospitality (cafes and restaurants) including aged care homes and fruit shops.

There are many egg farmers who also sell direct to consumers and local shops or markets from their farms, which differs to commodities such dairy industry who deal with a processor and means pricing can change quickly in response to supply and demand.

### **Bargaining power of farmers**

Given the number of egg suppliers that sell to supermarkets, it would be difficult to provide information to the inquiry without companies breaching privacy and confidentiality arrangements between suppliers and supermarkets as per the *Australian Competition and Consumer Act*.

Contracts or supply arrangements vary. Some egg farmers sell home branded products and others branded egg products. It is possible that requirements between products vary.

Retailers are forcing egg policy decisions on producers in relation to phase out of caged eggs without justification, especially when caged farmers meet all requirements of the Model code. The ACCC's purpose is about making markets work for consumers, now and in the future. The question therefore needs to be asked of the ACCC, how are you working to ensure that consumers are able to make the decision about what type of eggs they would like to buy?

If your car meets roadworthy rules then you are permitted to drive it on a road. If your caged facility meets the requirements of the industry code then why would anyone agree with putting someone out of business?

The RSPCA requires farmers to pay into their accreditation. The customer and farmer essentially pay within the supply chain and the supermarkets do not pay for the cost of accreditation but promote it.

It could be perceived that RSPCA are exposed with a bias in relation to claims of efficient farming practices when all egg producers are required to meet the model code of practice.

## **Investment**

Egg farmers wish to continue to invest in the industry but many family farms have the next generation considering if they will take on the farm.

The *Standards and Guidelines* process that has been ongoing for now nearly 7 years has caused instability in the industry and investment

Disease such as the recent incidences of Avian Influenza, impact on farmers consideration of risk profile and lack of insurance should their farm be impacted by disease.

It should be noted that the poultry industry and Government pay for disease responses under EADRA but supermarkets and animal welfare organisations classed as stakeholders make no contribution to disease response efforts and have no 'skin in the game'.

Egg Farmers have been required to undertake 2 restructures in the last 10-12 years at their own cost and many are still paying off the decisions made in relation to these restructures. It seems at every turn the producer pays.

Banks are requiring higher Loan to Value Ratio when lending and require comprehensive insurances with increased costs but a reduction of cover due to bushfire, drought and global impacts.

Manufacturing is difficult for Australian egg farmers when competing with countries that have differing wage and employment laws.

COVID-19 has impacted greatly on egg businesses. Implementing shifts where staff are split into teams to reduce the impact on the business should a staff member be infected by COVID-19 means that labour costs have increased greatly along with the additional biosecurity and PPE measures required.

Australia also does not have a traceback audit to ensure that the egg product being imported into Australia are verified. It is hoped that the Country of Origin Labelling Review currently being undertaken by the Australian Government will address this issue.

The same criteria as that local producers adhere to must be undertaken by producers importing egg products such as egg powder.

## **Quantity of good supplied to the consumer**

Consumers want to have the option of the eggs that they choose. Families on a budget need access to low cost affordable protein and eggs are a great choice.

Some farmers undertake the voluntary Egg Standards Australia (ESA) accreditation program while other farmers selling eggs do not.

If supermarkets move to take over food supply services, this could impact the type of eggs sold in the market or available to the consumer.

### **Contact details for Egg Farmers of Australia**

Egg Farmers of Australia can be contacted by emailing [info@eggfarmersaustralia.org](mailto:info@eggfarmersaustralia.org).

Kind regards,

A handwritten signature in black ink that reads "Melinda Hashimoto". The signature is written in a cursive, flowing style.

**Melinda Hashimoto**  
CEO  
Egg Farmers of Australia