



Egg Farmers of Australia

Submission to

*INQUIRY INTO FOOD SECURITY IN
AUSTRALIA*

December 2022

7 December 2022

Committee Secretary
House of Representatives Standing Committee on Agriculture
PO Box 6021
Parliament House
Canberra ACT 2600
Agriculture.reps@aph.gov.au

Egg Farmers of Australia
info@eggfarmersaustralia.org

Dear Committee Secretary,

Thank you for the opportunity to provide a short submission into the House of Representatives Standing Committee on Agriculture – Inquiry into Food Security in Australia.

Eggs are a staple product found in most households in Australia given they are so versatile.

Our industry is in a difficult situation after a prolonged process for the Australian Animal Welfare Standards and Guidelines for Poultry to be considered.

This situation has held up investment, impacted farmers being unable to sell their caged facilities and concerned cage farmers that their investments will be devalued should a date be placed on the phase out of caged egg production in Australia.

Please find some details below relating to egg farming in Australia that will paint a picture of the difficult conditions and how this will impact food security in the future.

Egg Farmers of Australia looks forward to tracking the progress of submissions and the steps that can be taken by the committee to ensure greater food security for our nation.

Should you require any further information, please do not hesitate to make contact with our organisation by email info@eggfarmersaustralia.org or by phone [REDACTED].

Kind regards,

[REDACTED]

Melinda Hashimoto

CEO

Egg Farmers of Australia

Table of Contents

<u>INTRODUCTION</u>	<u>5</u>
<u>FOOD SECURITY</u>	<u>5</u>
<u>EGG FARMERS OF AUSTRALIA.....</u>	<u>5</u>
<u>NATIONAL PRODUCTION, CONSUMPTION AND EXPORT OF FOOD.....</u>	<u>5</u>
<u>ACCESS TO KEY INPUTS SUCH AS FUEL, FERTILISER AND LABOUR, AND THEIR IMPACT ON PRODUCTION COSTS</u>	<u>7</u>
<u>THE IMPACT OF SUPPLY CHAIN DISTRIBUTION ON THE COST AND AVAILABILITY OF FOOD</u>	<u>7</u>
<u>THE POTENTIAL OPPORTUNITIES AND THREATS OF CLIMATE CHANGE ON FOOD PRODUCTION IN AUSTRALIA.....</u>	<u>8</u>
<u>NEXT STEPS.....</u>	<u>9</u>

Introduction

It is pleasing that following a referral from Senator the Hon Murray Watt, the House Standing Committee on Agriculture has commenced an inquiry into food security in Australia.

The egg industry will continue to produce low-cost affordable protein while market conditions allow for such production. Many major commercial egg farmers in Australia have been built over several generations.

This submission has been written based on from the viewpoint of the egg industry and the possible impacts to consumers relating to food security and the shortages that may follow should governments continue to intervene in farming methods rather than allow consumption to be market driven.

Food Security

Food security is about having reliable access to enough affordable and nutritious food. Food security is both a challenge in ensuring there is enough of eggs available for Australians to consume and an achievement as the Australian egg industry provides table eggs and egg products to feed people and meet this challenge.

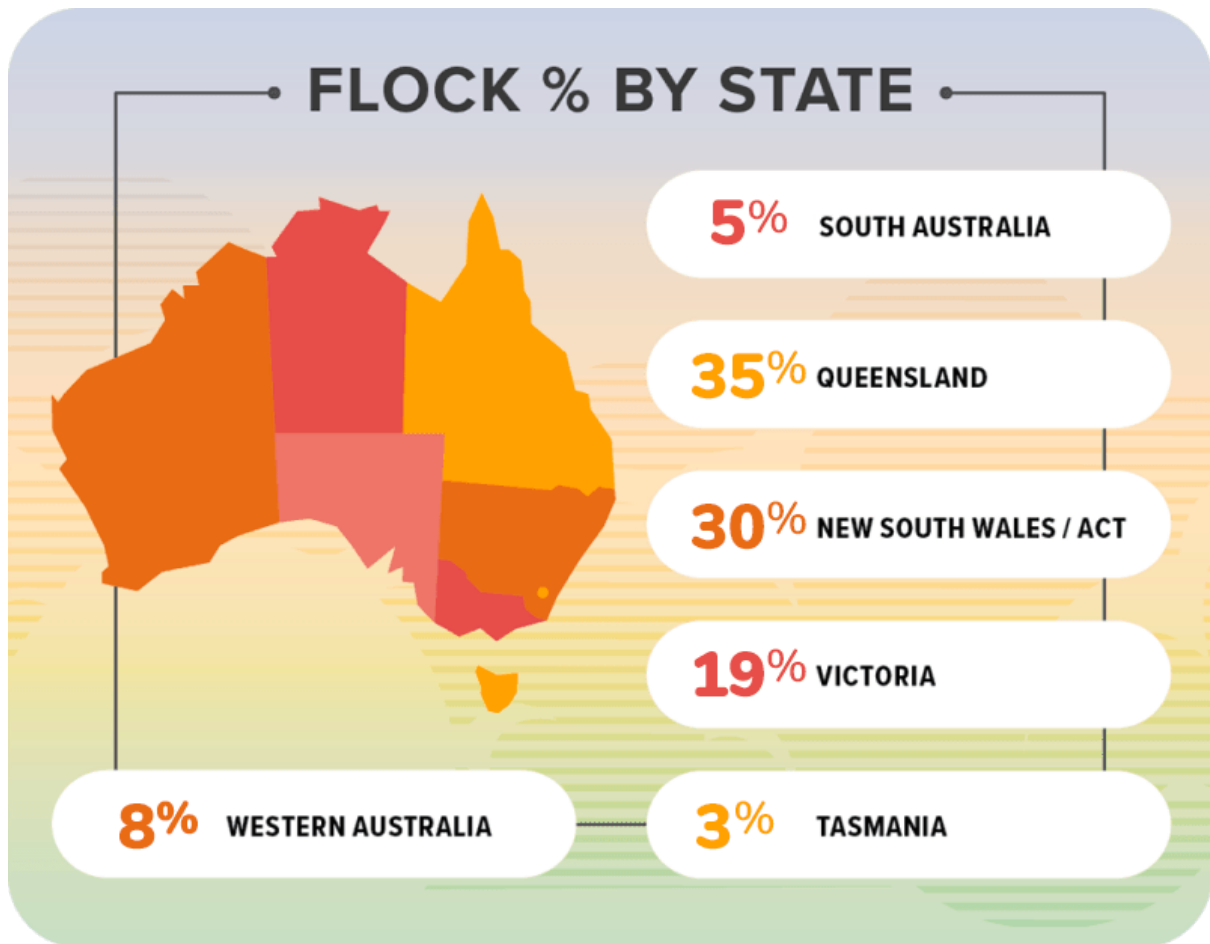
Egg Farmers of Australia

Egg Farmers of Australia Egg Farmers of Australia is the national representative body of Australian egg farmers. We represent eighty five percent of all Australian egg farming and our members are involved in all farming methods, including cage, barn, and free range.

National Production, Consumption and Export of Food

The national production of eggs is approximately 6.3 billion eggs annually. Australians eat 17.3 million eggs every day with a consumption of 249 eggs annually.

As outlined in the diagram below, Queensland has the largest percentage of the national flock followed by New South Wales and Victoria.



Source: Australian Eggs 2022

Export of eggs is small and mainly to the markets of Singapore, UAE or the Philippines. Australia does not import eggs due to disease risks.

Often Australia is compared to Europe production. Australia has a very different climate and conditions.

If eggs are not readily available, producers are unable to import eggs from other countries as is the case in Europe.

Access to key inputs such as fuel, fertiliser and labour, and their impact on production costs

High production costs along with an inability through regulation to discuss chicken numbers often leads to over or undersupply in our Australian industry as farmers adjust their inputs. Earlier this year the cost of started pullets (young laying hens) had increased 20%, fuel prices jumped 25%, feed grain costs rose by 45%, and the cost of canola oil had climbed 141% per tonne.

Labour continues to be a challenge in every agricultural industry including egg production. Egg farms are predominately family run and therefore families are working longer, unsustainable hours to meet the requirements of producing eggs for consumers with a reduced number of staff available.

The impact of supply chain distribution on the cost and availability of food

With a phase out of caged egg production being considered by the Government, the lowest cost affordable protein will now be more expensive if Government takes away the choice of one production system.

Cage egg farming is the lowest carbon footprint egg production system and yet, without it egg shortages are likely to occur.

The supply chain is weak when impacted by floods. In the example of Queensland, floods or derailments would see North Queensland without eggs should cage farming facilities be forced to shut. It should be noted that one farm has already shut.

Other distribution issues impacting supply chain and logistics can be as simple as the concern in December 2021 that trucks may come to a halt due to a shortage of AdBlue when China decided to reduce the amount of urea exported.

This showed just how beholden we are on other nations.

Further to the issue of AdBlue last year, the war in the Ukraine once again showed how global our networks are in the impact upon wheat prices here in Australia when grain prices soared.

There is also only a very small number of manufacturers of packaging. The majority of egg packaging is imported. Should wholesalers have not maintained large supplies prior to COVID, the packaging for eggs would not have a continued supply and without companies in Australia that can make the egg packaging requirements for the whole nation, eggs would not have been able to be packed for market.

Vaccines are also another concern to egg farmers given Australia is a small market. Should Australian flocks be impacted, then eggs for vaccine purposes must be sourced.

Salmonella Enteritidis (SE) and Avian Influenza (AI) are huge threats to our industry. It is interesting that some disparage the use of conventional cage production when current policies in the UK and USA see an increased risk of outside birds, impacted by migratory birds resulting in around 47 million birds being culled in each country due to Avian Influenza.

There is of course currently compensation available to Avian Influenza impacted producers, but SE impacted egg farmers must bear the cost of such disease impacts.

The potential opportunities and threats of climate change on food production in Australia.

It is unlikely that there will be grand announcements in relation to climate change opportunities or improvements, given the industry's carbon footprint links closely to production of feed grains and this out of direct control.

Many farms have implemented solar energy and some farms have focused on becoming carbon neutral.

Next steps

It is timely that the Government is focused on food security, war leads to rations and food security becomes a fragile thing. We have experienced increased production costs since the outbreak of war and no longer have to recall the stories of our ancestors in relation to food shortages but can see how from abundance, very quickly there can be food shortages, a real threat to society. Some supermarkets are now still limiting Australians to buying a maximum of 2 dozen eggs at a time given recent impacts domestically and abroad.

Australian egg farmers need government to provide some focus on our industry through Ministers, their Advisers and Departments having an interest and passion in the production of food domestically for long term food security and an understanding of the difficulties and global impacts on the industry.

Egg Farmers of Australia look forward to reading the recommendations from this inquiry.