FOOD STANDARDS
Australia New Zealand
Te Mana Kounga Kai – Ahitereiria me Aotearoa

SD3

PROPOSAL P301

PRIMARY PRODUCTION AND PROCESSING STANDARD FOR EGGS & EGG PRODUCTS

OVERVIEW OF THE EGG AND EGG PRODUCTS INDUSTRY IN AUSTRALIA

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Overview of the egg and egg products industry in Australia

Eggs are produced throughout all the States and Territories in Australia with the majority of egg production occurring in Victoria, New South Wales and Queensland. There are approximately 440 commercial hen egg producers of all sizes in Australia with an annual production of 236.4 million dozen eggs [1]. Production figures for each State and Territory are given in Table 1. The number of commercial egg producers has declined over the past 12 years and it is predicted that requirements for minimum cage sizes (ARMCANZ decision[2]) will result in further reduction in the number of egg producers as they will opt to exit the industry rather than upgrade their facilities[3]. An increased risk of closure of layer chicken farms has been found to be associated typically with independently owned, cage layer farms without assisted ventilation, which are situated on the outskirts of cities[4].

Table 1: Annual production of eggs in Australia (current to June 2007) (ABS cat. No. 7121)

	NSW	*Vic.*	*Qld*	*SA*	*WA*	*Tas.*	*NT*	*ACT*	*Aust.*
No. of businesses	146	123	55	48	55	11	1	1	440
No. of eggs (million dozen)	64 734	71 273	55 692	8 896	27 609	3 765	450	4 020	236 439
No. of hens (million)	3 980	4 562	4 200	501	1 549	260	-	220	15 271

The Australian egg industry is primarily based on eggs and egg products produced from hens. Other egg-producing avian species, such as ducks, quails, pigeon and guinea fowl form a minor part of the egg market. The main egg market in Australia is the shell or table egg market; about 10 per cent of eggs are sold for product manufacture (Farmpride, personal communication). The Australian egg market is domestically orientated and no shell eggs for human consumption are imported into Australia on quarantine grounds. Nevertheless, Australia does import and export a small quantity of egg products and export a small quantity of shell eggs.

Egg production in Australia is predominantly from caged-based systems which constitute approximately 74.9% of egg production, followed by free-range (20%) and barn laid (5.1%) egg production[5].

[1] AECL Annual Report 2008 http://www.aecl.org/images/File/AECL%20Annual%20Report%20web.pdf
[2] The ARMCANZ (Agriculture and Resource Management Council of Australia and New Zealand) decision, made in August 2000, stated that all cage systems needed to reach specific cage standards on or before 1 January 2008. These recommendations were incorporated into the Model Code of Practice for the Welfare of Animals (Domestic Poultry) http://www.aecl.org/Images/domestic%20poultry%20code.pdf and was reaffirmed recently by the Primary Industries Ministerial Council http://www.maff.gov.au/releases/06/pimc10.html
[3] Runge (2003). Modifying egg production systems to meet changing consumer needs http://www.aecl.org/Images/DAQ-279a.pdf (accessed July 2009)

[4] East, I.J. and Hamilton, S.S. (2009) Restructuring of the Australian chicken industry: identification of risk factors for the closure of farms. Animal Production Science 49: 711 – 716.
[5]AECL Egg Industry overview 2008

Animal welfare issues and market opportunities have more recently seen a shift to alternative production systems resulting in increases in both free range and barn-lay operations[6]. In addition, backyard production/small flocks account for up to ten percent of total egg production, with production peaking in spring and early summer[7]. Backyard producers have various distribution routes such as direct transport and sale to food businesses, through farmers markets, road-side sales, sales to small egg traders and exchange of eggs for other goods.

Some States have specific egg associations, but in their absence, egg producers may be represented by the Farmers Federation. Although there are several national and state-based free range associations, there are no specific organisations that solely represent cage or barn-laid egg producers. Furthermore, some smaller farmers and backyard producers are not members of any egg association. The peak body representing commercial hen egg producers is the Australian Egg Corporation Limited (AECL) which represents approximately 400 businesses (of which approximately half are egg producer members of AECL) that produce and distribute a range of products to the local market including cage, barn-laid, free-range and specialty eggs.

[6] Recently released figures show the volume of grocery/retail production to be : cage egg – 73.2%; barn-laid – 4.3% and free range – 22.5% (AECL Industry Overview http://www.aecl.org/images/File/Egg%20industry%20statistics%202009.pdf accessed August 2009)

[7] Scott, P., Turner, A., Bibby, S and Chamings, A. (2005) Structure and dynamics of Australia's commercial poultry and ratite industries. Department of Agriculture, Fisheries and Forestry. http://www.daff.gov.au/animal-plant-health/animal/livestock_movement_in_australia_and_emergency_disease_preparedness (accessed August 2009)