



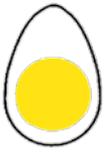
As part of the amendments to the 2012 layer hens code of welfare, the Egg Producers Federation undertook to provide the Minister for Primary Industries with an annual report outlining progress towards phasing out conventional cages and transitioning to alternative layer hen farming systems.

Replacing battery cages will be a significant undertaking for farmers. Most farmers will need to build new sheds, either on their existing sites or on new sites, with the associated need to raise capital, possibly purchase land, obtain building and resource consents, physically build new sheds and restock their flocks.

The first report, released in December 2014, notes that the industry is on track to meet the timeframes set out in the code of welfare. Since the announcement of the code in December 2012, five conventional cage farms have left the conventional cage sector – three have left the industry, one has transitioned to a barn operation, and one has transitioned to a colony operation. Overall, there has been a 4.9% reduction in the number of hens in conventional cages.

As at December 2014, there are 130 active commercial egg farms in New Zealand. Of this, 38 farms still use the conventional cage farming system and are working towards phasing this out. Of these 38 egg farms, 13.3% (five farms) intend on leaving the industry at the transition date required; 13.4% (5 farms) are still undecided as at December 2014 as to whether or not they will exit the industry at the transition date required; and 73.3% (28 farms) intend to carry on egg production via alternative farming systems.

Note: Eggs are an important low-cost source of protein in the diet of New Zealanders. The per capita annual egg consumption in New Zealand continues to grow and in 2014 is now 227. Due to reasons around biosecurity, the market is completely dependent on locally produced eggs.



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23 November 2014

Hon. Minister Guy
Minister for Primary Industries
Parliament Buildings
WELLINGTON

Dear Minister

Re: Cage Transition Report

You requested that:

“The Egg Producers Federation of NZ Inc. will provide, as at 1 December 2014 and subsequently on an annual basis, a report on progress by current cage farmers transitioning to alternative layer hen farming systems.”

The report is set out below and is the result of direct engagement with farmers by EPF staff. The survey was e-mailed to farmers and then telephone follow up made if needed. 95% of farmers responded and where responses were not received previous information held by the EPF office was used to complete the report. Some of the responses are opinion rather than fact because that is the nature of the questions.

	Dec 2013	Dec 2014
Total number of egg farms	127	130
Total size of flock	3,321,260	3,353,874
Number of egg farms using current cages	43	38
Size of cage flock	81.9% 2,721,496 million hens	77.1% 2,586,862 million hens

Farms still using current cages are making the following progress toward phasing them out:

	Dec 2013*	Dec 2014*
Planning to exit industry		13.3% (5 Farms) intend to leave the industry at the transition date required ; 73.3% (28 Farms) intend to carry on post transition in alternative farming systems, colony, barn, free range 13.4% (5 Farms) are undecided at this time as to whether they exit the industry at the transition date required
Finance approved		No - 46.7% (18 farms) Yes - 36.7% (14 farms) Not needed at this time 16.6% (6 farms)
Resource consent applications lodged		No = 31.6% (12 farms) Yes =23.7% (9 farms) Not needed = 44.7% (17 farms)
Consents approved		55.6% (5 farms) of lodged complaints approved 44.4% (4 farms) not approved
New sheds built or being built / existing sheds altered or being altered		New Sheds built or being built - 13.2% (5 farms) Existing sheds altered or being altered - 18.4% (7 farms) Combination of building or altering - 10.5% (4 farms) None - 57.9% (22 farms)
New equipment installed		New Equipment - 15.8% (6 farms) None - 84.2% (32 farms)

Yours sincerely



Michael Guthrie

Chairman

Egg Producers Federation of NZ Inc.