

Searching for responsible retailers in Eastern Europe

The Visegrad Egg Survey





This report has been prepared by Stowarzyszenie Ekologiczno Kulturalne "Klub Gaja" in association with Fauna Society, Nadace na Ochranu Zvierat, Sloboda zvierat, Ogólnopolskie Towarzystwo Ochrony Zwierząt "Animals", Eurogroup for Animals and Compassion in World Farming.

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We are pleased to present this report to you, publication of which was made possible by the financial aid of the International Visegrad Fund and the help and support of Eurogroup for Animals. This is a ground-breaking publication, partly because of its innovative findings, and also because of its significance in being the first such large-scale project carried out jointly by the animal welfare organisations of Poland, the Czech Republic, Hungary and Slovakia.

I would like to thank all the people, institutions and organisations who have helped to make this publication possible, in particular the project's coordinator Barbara Romanowicz (Klub Gaja, Eurogroup for Animals) and Levente Pencz – Fauna Egyesület, Hungary, Kamil Kandalaft – Sloboda Zvierat, Slovakia, Josef Holejsovksy – Nadace na ochranu zvrat, the Czech Republic, Ewa Gebert, OTOZ Animals, Sonja Van Tichelen and Iain Reddish – Eurogroup for Animals, and Rowen West-Henzell – Compassion in World Farming.

We have crossed over boundaries, literally and metaphorically, for the overall continuing good of people and animals.



Jacek Bożek

Jacek Bożek – leader and founder of Klub Gaja, Poland.

INTRODUCTION

The welfare of farm animals is perceived as an important political and public issue in Europe. Farm animals are now recognised as sentient beings in the EU Treaty, and new legislation has been introduced in recent years to improve the welfare of farm animals. Despite this, the majority of farm animals in the EU are kept in intensive systems and the welfare of egg laying hens is of particular concern. In the EU 243 million hens are kept in battery cages which do not meet their welfare needs¹.

The European ethical food market is growing, as consumers are becoming increasingly aware of the origin of the food they are purchasing and the methods involved in its production. The market for organic food alone is estimated at 11 billion euros². In the Visegrad countries – the Czech Republic, Hungary, Poland and Slovakia, consumer demand for food produced to higher welfare standards is growing, as a recent Eurobarometer survey showed³.

In response to consumer concern and demand, many companies are beginning to voluntarily integrate social and environmental concerns into their business operations, so called “corporate responsibility policies”. Some are beginning to meet the demand for food produced to high animal welfare standards. Eggs from alternative, non-cage systems are the first such products to appear on shop shelves in the Visegrad countries.

With a high percentage of food shopping taking place in supermarkets, they have an enormous influence on consumer buying habits. Supermarkets also have the ability to promote one product over another with the use of price promotions, labelling and customer information campaigns.

The animal welfare groups in the Visegrad countries have undertaken a study in order to analyse the availability of eggs from non-cage production systems in the main supermarket chains in the region. This report aims to present the results of the supermarket survey carried out in the four countries, highlight the welfare implications of the various methods of egg farming and to show the business benefits of increasing stocks of eggs from non-cage systems.

As animal protection groups, our aim is to improve farm animals' lives by encouraging progress toward higher standards of animal welfare throughout the retail sector and by making consumers more aware of how the food they eat is produced and of the choices that are available.



LAYING HEN WELFARE

The 243 million European laying hens kept in battery cages can suffer severe welfare problems. They are confined five to a cage in which each bird has a floor space less than the area of an A4 page in which to live. These living conditions restrict the birds' movement and mean they are unable to carry out their natural behaviors such as flapping their wings, stretching and dust bathing. Tens of thousands of birds can be kept in cages stacked six tiers high in one building.

Battery cage and enriched cage systems

Typically a battery cage measuring 50 cm × 50 cm is housing five to seven birds. It is a bare enclosure with a sloping wire mesh floor with equipment for feeding, drinking and egg collection. Cages can be stacked in tiers of three to eight high. One of the major concerns is the degree of confinement. Using fear, frustration and pain



as a definition of suffering, scientific evidence has led to the conclusion that laying hens suffer in battery cages and that the battery cage system has inherent welfare problems¹.

The conventional cage system will be banned in the EU from 2012 and replaced with modified "enriched cages" which will only provide an additional 50 cm² per hen, a nest box, a perch and limited dustbathing facilities

THE ALTERNATIVES

Barn system

In the EC, birds are kept indoors at a maximum density of 25 birds per m². The 1999/74/EC Directive allows a maximum stocking density of nine birds per m² of usable area, and up to four tiers. Birds have access to nest boxes and feed and water at all levels. Litter is provided on the ground floor. Each bird has a minimum of 15cm of perching space. The birds have access to facilities for dust bathing, scratching and nest sites, and can exercise and perch. The increased activity promotes bone strength.



Free range and organic systems

Hens have continuous daytime access to open air runs, mainly covered with vegetation. Building interiors must comply with the conditions for barn systems, the maximum stocking density is 2,500 birds per hectare (4 m² per hen). Birds can exercise in a variety of ways, giving them stronger bones. They have more space than in other systems and can perch, select nest sites and perform many of their normal behaviours.

The Visegrad animal welfare groups believe that keeping hens in battery cages is unacceptable on welfare grounds, as they do not allow hens to perform their natural behaviours. This position is supported by the European Commission's Scientific Panel on Animal Health and Welfare (AHAW)¹. We therefore encourage all supermarkets to make steps towards selling eggs from non-caged hens.



INDUSTRY & CONSUMERS LEADING CHANGE

Many food producers are not waiting for legislation to bring about changes in production methods. They are introducing their own strict standards in response to consumer demand.

Major European retailers have decided to respond to consumer concerns about laying hen welfare by not selling eggs from caged hens in their stores.

Table 1
Some European supermarkets which have stopped selling caged eggs.
Source: Eurogroup for Animals, CIWF and RSPCA (data supplied by retailers).

Supermarket	
Marks & Spencer (UK)	100% eggs are from free-range hens (free range & organic systems). All other products containing eggs are made with free-range eggs
Waitrose (UK)	100% eggs are from non-caged hens (barn, free range & organic). Nearly all own brand products containing eggs are made with non-cage eggs. All will be cage-free by 2009
Makro (Belgium)	100% eggs are from non-caged hens
Colruyt (Belgium)	100% eggs are from non-caged hens
Rewe Group Austria (Billa, Penny Markt, Merkur)	100% eggs are from non-caged hens
Sainsbury's (UK)	Pledged to stop selling eggs from caged hens by 2010. Will be cage-free on all own label products containing eggs by 2012
Co-op (UK)	Pledged to go cage-free on all shell eggs and eggs used in own label products by 2010
Morrisons (UK)	Pledged to go cage-free on own label shell eggs by 2010



Companies are awarded for switching to non-cage eggs

Growing consumer awareness of animal welfare issues and increased demand for products produced to high welfare standards are persuading many companies to make animal welfare a central part of their ethical policies. Such moves are being applauded by animal welfare groups which have set up awards for those companies which are improving their animal welfare policies. In the UK both the Royal Society for the Protection of Animals (RSPCA) and Compassion in World Farming (CIWF) run highly popular business award schemes with this aim.

The RSPCA's annual Good Business Awards give companies the opportunity to promote their positive policies on animal welfare and gain consumer recognition for their work in this area. Companies are measured and awarded on a number of key areas of animal welfare ranging from the products they stock to their policies on animal transport. The winners are presented with an award and the use of a logo which allows consumers to identify the business as one committed to animal welfare.

<http://www.rspcagoodbusinessawards.com/>

Compassion in World Farming runs the annual "Good Egg Awards" which specifically aims to reward companies which are choosing to source eggs from organic, free-range or barn hens instead of battery caged hens.

<http://www.thegoodeggawards.com/>

Alfred Matousek, REWE Group Austria: 'We are very proud of winning this award, as it acknowledges our engagement as a first mover in Austria and our commitment to sustainable strategies and developments. We started with selling only cage-free eggs at our BILLA stores as the first supermarket in Austria 13 years ago. Since the end of the year 2006, we have this policy in all our markets – that means also in our MERKUR hypermarkets and our PENNY discount stores.



THE BENEFITS OF CHANGING TO NON-CAGE SYSTEMS

Consumers are willing to pay more for non-cage eggs

There is strong evidence that consumers are willing to pay more for eggs produced in non-cage systems. The Eurobarometer, a series of large scale surveys carried out by the European Commission in all EU Member States, has revealed that the way farm animals are treated is a serious consideration for many citizens and consumers.

According to Eurobarometer studies, the majority of citizens in the Visegrad countries are willing to make a substantial effort to buy eggs from hens that enjoy higher welfare standards. In 2005, 55% of Polish citizens said “they are willing to pay more for eggs from a system that is animal welfare friendly” (Eurobarometer, 2005)³. In 2007, 59% of citizens in all the four

countries said “they would be willing to change their usual place of shopping in order to buy more animal welfare friendly food products” (Eurobarometer, 2007)⁴.

The egg industry is concerned that producing eggs in non-cage systems entails higher costs, and that the industry will be forced to cover these costs. This report shows that this is not necessarily the case. Research carried out by Compassion in World Farming shows that the extra cost of producing free-range and barn eggs rather than battery eggs, is only 1.3 and 2.6 eurocents per egg⁵.

Table 2
Egg production costs in various systems based on the Commission's socio-economic report⁶.

	12 eggs (eurocents)	1 egg (eurocents)
Cost of producing conventional battery cages	66	5.5
Cost of producing barn eggs	82	6.8
Cost of producing free-range eggs	98	8.1
Extra cost of producing free range eggs rather than battery eggs	32	2.6
Extra cost of producing barn eggs rather than battery eggs	16	1.3



The industry does not need to bear this cost. Under the Common Agricultural Policy (CAP), it is possible for farmers to be compensated for the extra cost of applying stricter animal welfare standards than the legal ones. Indeed, EU Member States can include in their national rural development programmes for 2007–2013 several measures allowing participating farmers to get funding. These measures include the possibility to get funding for adapting to new stricter animal welfare standards (measure 131), for participating in quality schemes (measure 132) or to get animal welfare payments (measure 215) for applying standards which go significantly further than minimum legal ones⁷.

Higher production costs are also compensated for by the higher prices of eggs from non-cage systems. As a result, the margins for free-range eggs are approximately double those for cage eggs⁵ (See table 3).



Table 3
Gross margins for battery, barn and free-range eggs shown by the European Commission's socio-economic report⁶.

	Battery eggs	Barn eggs	Free-range eggs
Gross margin per 1 kg eggs (i.e. 16 eggs) (eurocents)	19.5	25.0	38.0

EGG PRODUCTION IN THE VISEGRAD COUNTRIES

There are about 83 million laying hens in the Visegrad countries producing approximately 15 billion eggs annually³. The majority of hens are farmed in battery systems, although a significant number are farmed as free ranging flocks on small family farms.

Fig 1
Egg production in the Visegrad countries from 1996 to 2006 ('000' tonnes) source: Faostat

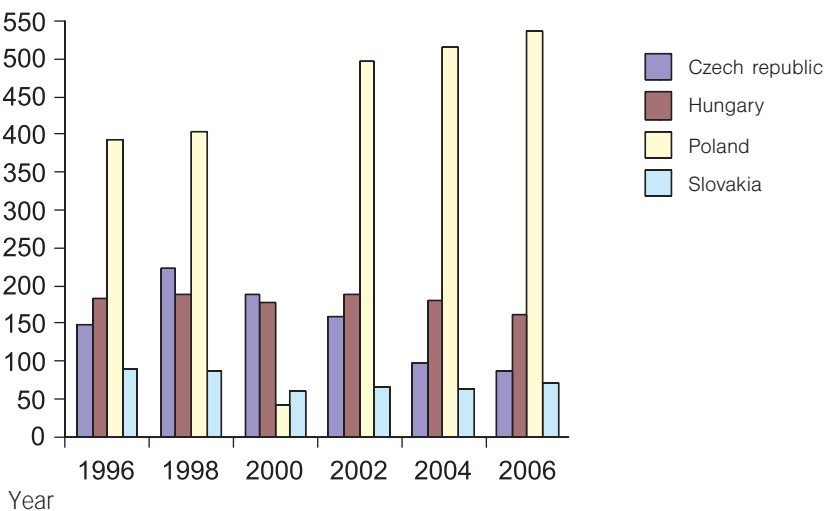
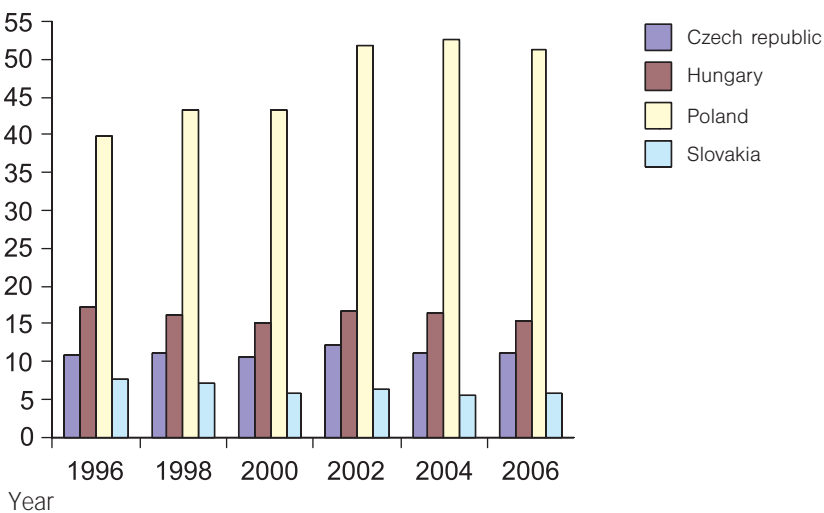


Fig. 2
Number of laying hens per country (million hens) source: Faostat



Egg production in the Czech Republic

There are approximately 10.4 million laying hens in the Czech Republic. Of these approximately 5 million are in intensive cage systems and the other 5 million are hens in small family farms⁹. There are only 4 breeders of barn hens in the Czech Republic, producing some 100,000 to 180,000 hens in 2006¹⁰.

The Czech Republic exports approximately 180 million eggs annually and imports approximately 700 million eggs. The majority of imports are from Poland, Lithuania and Austria. Average egg consumption per capita was 249 eggs in 2006⁹.

Egg production in Hungary

The Hungarian laying hen stock of 15 million hens is made up of 2 million breeders, 5 million hens in intensive cage systems and 8-9 million free ranging hens on family farms¹¹.

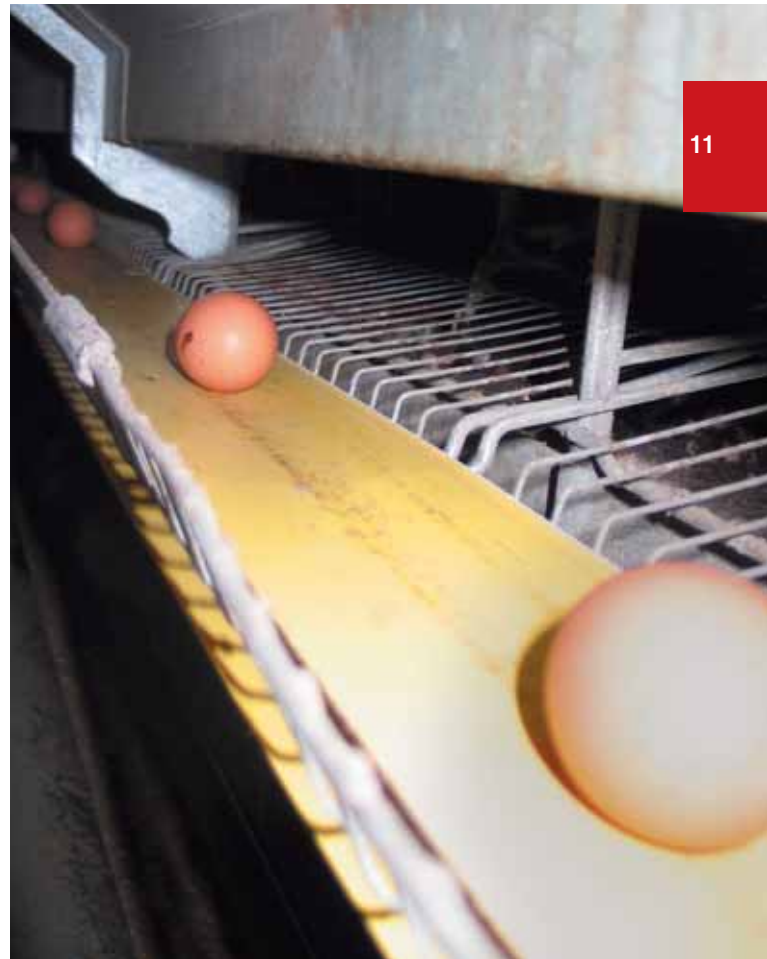
45% of egg production comes from family farms, the rest is produced by 10-12 big and 20-25 medium companies. Annual consumption of eggs per capita is 284-287 eggs, higher than the EU average of 220 eggs¹². The Hungarian Poultry Breeders Association¹³ claims that after joining the EU, the number of laying hens in intensive systems has decreased by 20 percent. Whilst annual egg production was 1,5 billion eggs before accession, by 2007 it had decreased to 1,17 billion. Imports have increased as a result. Since joining the EU, the number of producers has decreased by 35%. The sector will again be threatened by the compulsory decreasing of Salmonella incidence by 40 percent next year and by the 2012 deadline for using conventional cages.

Egg production in Poland

Poland has the highest egg production of the Visegrad four, with some 51 million laying hens. Large intensive farms of over 3000 hens account for 60% of all egg production. There is a large number of small farms of fewer than one hundred hens in Poland, and these account for approximately 40% of egg production¹⁴. There is an observed annual increase in the number of hens kept in intensive caged systems as production becomes increasingly concentrated¹⁵. Annual egg consumption per citizen was 214 eggs in 2005¹⁶. Poland exports 11% of its total egg production, whilst imports of eggs account for less than 2% of total production¹⁷.

Egg production in Slovakia

Slovakia is the smallest egg producer of the Visegrad countries, with approximately 5 million egg laying hens. Although the majority of egg production in Slovakia takes place on intensive battery farms, there are ten large barn system farms, of which the two largest supply most of the supermarkets. The few organic farms are small scale farms, therefore the supermarkets which plan to introduce organic eggs in the future are likely to import them from Hungary¹⁸. The average egg consumption per capita was 217 eggs in 2006.



THE SUPERMARKET SURVEY IN THE VISEGRAD COUNTRIES

A short questionnaire and cover letter were sent to the major supermarket retailers in each country with the aim of analysing the availability of eggs from non-cage systems in those supermarkets. The results of the survey carried out in each country are outlined on the following pages.

Conclusions from the four countries

- A positive sign from the Visegrad countries is supermarket response to consumer demand, as some supermarket chains are beginning to introduce eggs from non-cage systems. A number of chains claim to have plans to introduce eggs from non-cage systems in the near future.
- Nearly all retailers surveyed did not have a Corporate Social Responsibility (CSR) policy or an animal welfare policy.
- Knowledge of the production systems of eggs and awareness of compulsory egg labelling was very poor among company press officers, quality managers and traders, suggesting that this information is not passed onto consumers.
- A lack of suppliers appeared to be the major obstacle to selling eggs from non-cage systems. A number of Slovakian companies appear to have plans of solving this problem by importing eggs.
- A lack of consumer demand for eggs from non-caged systems was another reason cited by low budget chains mainly for not stocking these products. For the supermarkets which already successfully promote organic food, such as Jednota in Slovakia, this was not an obstacle.
- Many chains were not able to provide information about the proportion of eggs on sale from various production systems as the company does not collect such data. Traders from some companies admitted that the method of production is not taken into account when sourcing eggs, and that instead price is the most important factor.

The questions asked:

- Does your company have a written corporate social responsibility policy with objectives?
- Is animal welfare included in your corporate social responsibility policy?
- What proportion of your company's total sales volume of shell eggs (both own label and branded) is produced in:
 - I. conventional battery cages
 - II. barn systems
 - III. free-range systems
 - IV. organic systems?
- What were your total sales of eggs in 2006?
- Does your company have plans to introduce non-cage alternative (barn, free range or organic) eggs in the next five years (by 2012)?
- What, in your opinion, are the main barriers to increasing stocks of non-cage alternative eggs (barn, free-range, organic) in your chain? (lack of consumer demand, lack of eggs produced in non-cage systems, lack of available information on eggs from non-cage systems, high price of eggs produced in non-cage systems, other)



The survey in the Czech Republic

Table 6
Key food retailers. Source: From Beijing to Budapest. Winning brands winning formats, PriceWaterhouseCoopers 2004/2005

Name	Group name	National turnover (m EUR, 2004)	Number of stores (2004)
Makro	Makro	1282	11
Albert, Hypernova	Ahold	1161	231
Kaufland, Lidl	Schwarz	1159	153
Billa, Penny Market	Rewe	782	122
Tesco	Tesco stores	705	25
Globus	Globus	638	12
Plus	Tengelmann	634	130
Carrefour	Carrefour	369	10
Interspar, Spar	Spar	369	17

The questionnaire was sent to the retailers outlined above. Of the eleven retailers contacted, only Tesco, Spar and Ahold answered the questionnaire. Makro, Plus and Globus did not provide any answers to the questionnaire, despite repeated attempts to make contact.

None of the companies have a CSR policy which includes animal welfare, however, a number of companies appear to have introduced eggs from non-cage systems, namely Ahold, Spar and Tesco.

The reasons cited for not stocking eggs from non-caged hens were most commonly high price of eggs from non-cage systems, followed by lack of information on non-cage eggs and suppliers, low consumer demand and finally lack of producers.



Table 7
Reactions of Czech retailers to the egg questionnaire

Name	Reaction to the Questionnaire	Comment	Questionnaire answers
Ahold	Answered questionnaire	—	<ul style="list-style-type: none"> • CSR policy: yes • Cage eggs: 94% • Barn eggs & free range: 6% • Organic: 0%
Billa	Billa did not answer due to current restructuring work	—	—
Kaufland	Refused to answer	“We cannot disclose the data you require”	—
Lidl	No answer	—	—
Penny Market	No answer	“As Penny Market is a discount store, it is not profitable to sell high welfare eggs, we sell the products with the highest demand...when we see an interest from consumers, we will change our supply of products”	—
Spar	Answered questionnaire	—	<ul style="list-style-type: none"> • Battery cage eggs: 90% • Barn system: 10% • Free-range: 0% • Organic system: 0%
Tesco	Answered questionnaire	—	<ul style="list-style-type: none"> • CSR policy: yes • Animal welfare in CSR: No • Battery cage eggs: 97,5% • Barn: 2,5% Free-range: 0% • Organic system: 0%

The survey in Hungary

Table 8
Key Hungarian food retailers. Source: From Beijing to Budapest.
Winning brands winning formats, PriceWaterhouseCoopers 2004/2005

Name	Group name	National turnover (m EUR, 2004)	Number of stores (2004)
CBA	CBA Kereskedelmi	1,967	2,836
Tesco	Tesco	1,648	69
Coop	Coop Hungary	1,422	4,963*
Metro	Metro	1,049	13
Reál Hungária	Real Elelmiszer	954	1,840
SPAR	Spar, Interspar, Kaiser's	866	153
Cora, Match, Smatch, Profi	Louis Delhaize	732	9
Auchan	Auchan Group	722	211
Plus	Tengelmann	606	157
Penny Market	Rewe	515	142

*2005

The questionnaire was sent to the retailers outlined above. Of the 13 supermarkets contacted, only Metro and a local chain of Plus provided some answers to our questions. CBA, Coop and Real refused to answer, providing the reasons cited below. Tesco, Spar, Cora, Auchan, Penny Market and Lidl did not provide any answer to the survey, despite repeated contacts.



Table 9
Reaction of Hungarian retailers to the egg questionnaire

Name	Reaction to the Questionnaire	Comment	Questionnaire answers
CBA	Refused to answer	"It is not in our power to provide you with data"	—
Coop	Refused to answer	"The co-operation is not timely"	—
Reál	Refused to answer	"Eggs have no central procurement. Sourcing eggs is the resonsibility of tregional or individual stores"	—
Metro	Answered in letter form	"METRO Group has increased the sales of non-cage eggs in Germany. We believe that a commercial enterprise can only be successful in the long term if efforts are made to protect the environment and animals, and by convincing consumers of the importance of this. Therefore we would like to expand our successful initiatives in Western-Europe to Hungary.	—
Plus	Central office refused to answer, one local shop answered	Central office: "It is not in our power to co-operate with you"	<ul style="list-style-type: none"> • No animal welfare policy • Cage eggs: 100% sales • No current plans to introduce alternatives.



The survey in Poland

Table 10

Key Polish food retailers. Source: From Beijing to Budapest.

Winning brands winning formats, PriceWaterhouseCoopers 2004/2005

Name	Group name	National turnover (m EUR, 2005)	Number of stores (2005)
Makro, Real	Metro	3,043	52
Biedronka	Jeronimo Martins	1,348	805
Tesco, Savia	Tesco Poland	1,329	105
Carrefour, Champion	Carrefour	1,127	103
Auchan	Auchan Poland	985	33
Albert	Ahold Poland	760	183
Kaufland, Lidl	Schwarz Group	758	227

The questionnaire was sent to the major retailers outlined above, as well as some popular smaller chains: Euro, Bomi, Piotr & Pawel, Marcpol, Spolem and Zabka. Of the fifteen chains contacted, only Tesco, Spolem and Piotr & Pawel provided answers to the questionnaire. Ahold (Albert) is currently being taken over by Carrefour and therefore could not answer. Makro, Marcpol, Kaufland, Auchan, Biedronka, Carrefour, Lidl and Zabka did not provide any answers, despite repeated attempts to make contact.

A number of companies appear to be introducing barn eggs, although this is occurring on a local scale. A lack of suppliers appears to be the major obstacle to stocking eggs from non-cage systems. Large discount chains also cited lack of consumer demand for such products.

Few companies appear to have CSR policies which include animal welfare. As in the other countries, supermarket representatives' and traders' knowledge of hen welfare issues and egg labelling was limited.



The survey in Slovakia

Table 12
Key Slovakian food retailers. Source: From Beijing to Budapest. Winning brands winning formats, PriceWaterhouseCoopers 2004/2005

Name	Group name	National turnover (m EUR, 2004)	Number of stores (2004)
Jednota	Coop Jednota	789	over 2,300
Tesco	Tesco	492	25
Billa	REWE	268	65
Kaufland	Schwarz	210	23
Hypernova	Ahold	163	19
Carrefour	Carrefour	158	4
Lidl	Schwarz	N/A	39

The questionnaire was sent to seven major Slovakian retailers outlined in the table below. Of the retailers contacted, only Billa, Hypernova and Kaufland refused to answer the questionnaire, although Kaufland was interested in being informed about new developments in this topic. Hypernova specified that the reason for not responding is the fact that they are leaving the Slovakian market. The decision to leave, however, was revised in November 2007 due to improved business results in 2007.

A number of chains have introduced non cage eggs, with Jednota-BA appearing to have the greatest sales of barn eggs. Jednota-BA is planning to introduce organic eggs in 2008. In October 2007 Tesco became the first retailer to introduced organic eggs. Carrefour has introduced barn eggs in autumn 2007.

Of the chains contacted, only Tesco specified that it has a CSR policy that also includes animal welfare. Most retailers either did not have such a policy or were unable to answer the question.

The reasons for not stocking non-cage eggs cited by low budget chains such as Tesco and Lidl were the high cost and low demand for such products. Jednota-BA, which possibly has a different customer base, cited a lack of suppliers as the major obstacle, claiming that demand from customers is high.





Table 13
Reaction of Slovakian retailers to the egg questionnaire

Name	Reaction to the Questionnaire	Comment	Questionnaire answers
Tesco	Answered questionnaire	—	<ul style="list-style-type: none"> • CSR policy: yes • Animal welfare in CSR: yes • Cage eggs: 86% • Barn eggs: 14%
Coop Jednota-BA	Answered questionnaire	—	<ul style="list-style-type: none"> • CSR policy: No • Cage eggs: 65% • Barn eggs: 35%
Carrefour	Answered questionnaire	"We introduced barn eggs in autumn 2007 and we estimate that barn eggs will make 5% of our 2008 sales."	Cage eggs: 100%
Lidl	Answered questionnaire	"We have to satisfy the demand of our customers who at this time are low cost oriented. When this changes, we will also change our supply."	Cage eggs: 100%
Kaufland	Refused to answer questionnaire	"We do not provide this kind of information, but we would like to be informed about this topic."	—
Ahold	No answer as Ahold are leaving the Slovakian market. In November 2007 they revised their decision to leave and decided to stay in Slovakia.	"We made a decision, and we will not change it."	—
Billa	Refused to answer questionnaire	No reason specified.	—

EGG LABELLING INFLUENCES CONSUMER BUYING HABITS

A new European law came into effect in January 2004 which makes it obligatory to label all shell eggs and egg boxes with the production method (cage, barn, free-range or organic). This labelling is not obligatory for small farms of 50 hens or less which sell eggs locally, however the name and address of the farm must be provided.

The label on shell eggs includes the production system number, where:



“0” denotes organic production



“1” denotes free-range production



“2” denotes barn production



“3” denotes cage production

THE IMPORTANCE OF CORRECT LABELLING

Despite the results of the Eurobarometer showing that consumers are willing to buy eggs from welfare friendly systems it is not easy for them to do so. A staggering 82% of consumers in the Visegrad countries cannot easily identify welfare-friendly products on the shelves, stating that it is difficult to identify from the labelling that the product was sourced from welfare-friendly production systems³.

A 1998 survey of consumers in the UK, Germany, France, Italy and Spain carried out by Eurogroup for Animals showed that consumers are misled by egg labelling. The majority said they believed labels such as “farm fresh” or “farm eggs” related to eggs from non-caged hens. In reality, such labels are often used for eggs which come from laying hens kept in cruel and inadequate battery cages. Such misleading labelling can result in consumers not buying the welfare-friendly products they want, and this in turn having a negative effect on the potential profits that retailers could make from exploiting this market.

The Visegrad Animal Welfare groups urge supermarkets to ensure that whole eggs and products containing eggs are clearly labelled so that consumers can make an informed choice when shopping.

Based on:

- Commission Regulation (EC) No 2295/2003 of 23 December 2003 introducing detailed rules for implementing Council Regulation (EEC) No 1907/90 on certain marketing standards for eggs.
- Council Regulation (EEC) No 1907/90 of 26 June 1990 on certain marketing standards for eggs.

CONCLUSIONS

The majority of laying hens in the Visegrad countries are farmed in the intensive cage system which has been shown to have inherent welfare problems. Only alternative systems such as barn, free range and organic are able to provide hens with an appropriate standard of welfare.

The majority of supermarkets in the Visegrad countries only stock eggs from cage systems. A significant number of supermarket representatives were not aware of the differences between the various production systems or of the importance of labelling, which suggests that they are not able to pass this information onto their customers.

Despite this, consumers in the Visegrad countries show significant interest in farm animal products produced to high welfare standards. The 2005 and 2007 Eurobarometer surveys reveal that the majority of consumers are willing to pay a premium for eggs produced to high animal welfare standards, and even to change their place of shopping to buy such products.

The market for farm animal products produced to high standards is clearly underdeveloped. Consumers are not able to buy the welfare friendly products they want – 80% told Eurobarometer in 2007 that it was difficult to identify from the labelling that the product was

sourced from welfare friendly production systems. Because consumers are not able to buy the welfare-friendly products they want, this in turn is having a negative effect on the potential profits that retailers could make from exploiting the welfare-friendly market.

The Visegrad animal welfare groups urge all retailers to:

- Introduce a clear Social Corporate Responsibility Policy and make animal welfare a part of this policy. We believe that this is a good indicator of a company's commitment to improving animal welfare and that there is also a strong business case for doing so.
- Introduce and increase stocks of eggs and products containing eggs from hens kept in well managed alternative systems such as barn, free-range or organic systems.
- Provide clear labelling on all shell eggs and egg products so that consumers can know about the welfare of the laying hens that produced them.
- Educate staff about the various production systems of eggs and egg labelling so that they can pass this information onto consumers
- Introduce an auditing system which will allow to control numbers of eggs sold from each system.
- The key role that can be played by supermarkets is stressed by the Commission's socio-economic report¹. It states that "change will be very much market driven" and that in particular "the attitude of retailers and consumers could be highly important in that (potentially consumer led) moves away from caged eggs by retailers with a substantial market share would have a significant impact on the sector".



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"I am delighted to confirm that Sainsbury's are firmly committed to phasing out all caged shell eggs prior to the EU legislative deadline of 2012, and as such we are working closely with our suppliers to achieve a sustainable non-cage supply base for the future."

Sainsbury's Trading Director, Mike Coupe

"Marks & Spencer is very proud to have been the first retailer to develop a Leading Standards position with the introduction of our 100% free-range policy. This is backed up in our customers' feedback, which has been extremely positive. It is clear our customers are happy knowing they can buy any of our food products with complete confidence that if egg is an ingredient, it is from a free-range hen."

Guy Farrant, Food Director, Marks & Spencer

"It is a deliberate choice of Colruyt to stop the sale of cage eggs. It has to do with quality. Quality from producer to consumer is very important. Quality means sustainable enterprise, with attention for the environment, for humans and for animals.' We are glad to have undertaken this step. It gives a good feeling to our customers and ourselves as we can see that our sales are going well too.'

Jan Prinsen, Colruyt Supermarket

