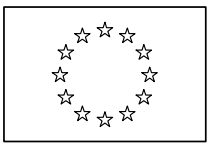

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on the various systems of rearing laying hens in particular those covered by Directive 1999/74/EC

{SEC(2007) 1750}

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(Text with EEA relevance)

1. BACKGROUND

Council Directive 1999/74/EC of 19 July 1999 lays down minimum standards for the protection of laying hens[1] and outlines in particular provisions applicable to unenriched and enriched cage systems and alternative (non-cage) systems.

The Directive provides that the rearing of laying hens in unenriched cage systems will be prohibited with effect from 1 January 2012. The Directive also mandates the Commission to submit to the Council a report based on a scientific opinion on the various systems of rearing laying hens taking into account pathological, zootechnical, physiological and ethological aspects as well as environmental and health impacts. The report shall also be based on a study of the socio-economic implications of the various systems and their effects on the Community's economic partners[2]. The Directive is complemented by legislation on the registration of establishments keeping laying hens[3] and on the labelling of eggs[4] as well as on food safety aspects[5].

The protection and welfare of animals is of high interest for the Community policies. The Protocol on the protection and the welfare of animals annexed to the EC Treaty by the Treaty of Amsterdam states that the Community shall pay full regard to the welfare of animals in formulating and implementing Community policies on agriculture, transport, the internal market and research. The primary objectives and main areas of action identified in the Community Action Plan on the Protection and Welfare of Animals[6] adopted in 2006 are also relevant to this communication.

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1 OJ L 203, 3.8.1999, p. 53.

2 All studies and position papers used for the purposes of this Communication are listed in Commission Working Document No. SEC(2007) 1750. All documents referred to in that document are cited in their original language.

3 Commission Directive 2002/4/EC on the registration of establishments keeping laying hens, covered by Council Directive 1999/74/EC (OJ L 30, 31.1.2002, p. 44).

4 Council Regulation (EC) No 1028/2006 on marketing standards for eggs (OJ L 186, 7.7.2006, p. 1) and Commission Regulation No 557/2007 laying down detailed rules for implementing Council Regulation (EC) No 1028/2006 on marketing standards for eggs (OJ L 132, 24.5.2007, p. 5).

5 Regulation (EC) No 852/2004 of the European Parliament and of the Council on the hygiene of foodstuffs (OJ L 139, 30.4.2004, p. 1) and Regulation (EC) No 853/2004 of the European Parliament and of the Council laying down specific hygiene rules for food of animal origin (OJ L 139, 30.4.2004, p. 55).

6 COM(2006) 13 final.

2. VARIOUS SYSTEMS OF REARING LAYING HENS

2.1. Pathological, zootechnical, physiological and ethological aspects

In November 2004 upon a request from the Commission the European Food Safety Authority (EFSA) issued a scientific report and opinion on welfare aspects of various systems of keeping laying hens[7] which confirm that animal health and behavioural aspects are of the utmost importance for the welfare of the animals. Concerning *animal health* the opinion highlights that infectious diseases may appear in any housing system but that their occurrence differs between systems. While in outdoor systems the contact with wildlife represents a risk for the health, in indoor systems an important health risk factor is the more frequent bird-to-bird contact due to a higher stocking density and an environment where pathogen density is likely to be increased. In general it can be concluded that the probability of exposure to infectious agents and relevant consequences are influenced by environmental factors, management systems and hygiene measures.

Concerning the main aspects that could affect *laying hen welfare and health* under farming conditions scientists have made the following considerations:

– Injurious pecking presents a serious problem and may lead to extensive tissue damage, cannibalism and mortality. The risk of pecking decreases with the increase of the quality of farming methods such as in extensive systems and when the farming skills and the knowledge by the managers about the risk factors are higher. The use of systematic beak-trimming to control injurious pecking is criticised by the scientists as painful.

– Cannibalism is an unpredictable problem which can be difficult to control and often results in high mortality. It has more severe consequences in alternative systems[8], especially in hens with intact beaks.

– Bone breakage is less frequent in hens in enriched cages and alternative systems that have shown significantly stronger bones and less bone breakage than hens in unenriched cages.

– Foot disorders or deformation of the keel bone occur mainly due to inappropriate perch design.

– Concerning mortality rates in some large enriched cage or alternative systems, latest studies suggest[9] that the use of the most developed large enriched cages or alternative systems can result in low mortality rates.

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7 Opinion of the Scientific Panel on Animal Health and Welfare on a request from the Commission related to the welfare aspects of various systems of keeping laying hens.

8 Non-cage systems as referred to in Chapter I of Directive 1999/74/EC.

9 LayWel, workpackage 3, p. 58 et sqq.

As regards the respect of the *behavioural priorities* of the animals the EFSA opinion concludes that hens prefer to lay their eggs in a nest site, preferably an enclosed nest and formed by a pre-moulded or mouldable substrate. Therefore, suitable, adequately distributed nests should be provided in housing systems. Also drinking, feeding, foraging and probably dust bathing are high priority behaviours. Furthermore, resting and perching are important aspects of birds' welfare and all birds should be able to perch at the same time. In particular roosting at night on an elevated perch is a behavioural priority as are other necessary movements such as foraging and dust-bathing. If hens cannot perform such high priority behaviours, this may result in significant frustration, or deprivation or injury, which is detrimental to their health and welfare.

Lower stocking densities as applied in enriched cages have been proven to be beneficial in this respect. However, the behavioural repertoire is still restricted in enriched cages compared with hens kept in alternative systems.

2.2. Public health and environmental protection aspects

The EFSA opinion and report contained a specific chapter on the consequences of different housing systems on food safety (microbiological and chemical hazards).

Research up to date does not allow the conclusion that one of the existing husbandry systems needs to be phased out due to risks for public health.

Concerning the impact of hen farming on environmental protection a study, undertaken for the Commission, concluded in 2005 that the expansion of all intensive egg production systems had a significant negative impact on the quality of water, air and landscape[10]. However, it is becoming more evident that in the future any aspect related to sustainability will have to be taken into account in further development of husbandry systems for laying hens[11].

2.3. Relevant Community Funded Research Projects

The Community co-financed research project "Welfare implications of changes in production systems for laying hens" (LayWel[12]) aimed at optimising rearing systems for laying hens and in particular enriched cage systems. The project, concluded in 2006, confirms that unenriched cages present inherent animal welfare problems. With the exception of unenriched cages it was found that alternative systems had the potential to provide satisfactory welfare for laying hens although further research was still needed. Mortality rates vary remarkably between different group sizes, system designs, genotypes and beak-trimmed or non-beak trimmed birds. The study highlights that mortality can be low in large enriched cages.

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10 http://ec.europa.eu/agriculture/eval/reports/pig_poultry_egg/eggsum_en.pdf.

11 Renewed EU Sustainable Development Strategy, http://register.consilium.europa.eu/pdf/en/06/st10/st10117.en06.pdf.

12 http://www.laywel.eu/

The project "EGGDEFENCE[13]", suggested that the housing system, which is only one of the possible contamination routes, did not affect the penetration of eggs by Salmonella. Therefore further research projects have been set and are under way on related issues. The SAFEHOUSE[14] project will analyse the epidemiology of contamination of eggs and colonisation of laying hens with Salmonella and other zoonotic pathogens in relation to the housing environment, and carry out risk assessment studies, enabling to describe and rank the risks to the consumer of eggs. Meanwhile a complementary project, RESCAPE[15], will implement a multidisciplinary strategy at the level of hens (breeding) and eggs (egg defence mechanisms, decontamination and sorting of eggs) to reduce the risk of eggs unsuitable for human consumption entering the food chain.

Finally, the Community funded Welfare Quality project[16] explores the integration of animal welfare in the food quality chain. The development of animal welfare indicators and their use for the monitoring of welfare conditions will provide tools to respond to consumers' demand for reliable and transparent information about the animal welfare standards applied. It aims at enhancing the competitiveness for animal welfare friendly products.

2.4. Socio-economic implications and effects on the Community's economic partners

The Commission financed an independent study on the socio-economic implications of the various systems to keep laying hens[17] (Agra CEAS study). The study analyses the development of production costs and the competitiveness of EU producers in relation to the implementation of animal welfare requirements, also simulating the EU situation after the ban on unenriched cages as well as various scenarios of future potential changes affecting the European egg market. Additional data on the socio-economic consequences of Directive 1999/74/EC have also been taken into consideration (see annex).

It should be noted that until today limited data are available concerning enriched cages. According to the Agra CEAS study production costs, variable as well as fixed costs in the EU increase in line with higher animal welfare standards. In a study commissioned by the industry it is stated that the increase in production costs could amount to about 10% compared to unenriched cages[18].

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13 http://ec.europa.eu/research/agriculture/projects/qlrt_2000_01606_en.htm

14 http://www.safehouse-project.eu/index.php?rub=Egg_contaminating_zoonotic_pathogens. The 3 year project started on 1 October 2006.

15 http://www.rescape-project.eu. The 3 year project started on 1 October 2006.

16 http://www.welfarequality.net.

17 "Study on the socio-economic implications of the various systems to keep laying hens", Final Report for The European Commission submitted by Agra CEAS Consulting Ltd**.,** updated version 2005.

18 "Impact of EU Council Directive 99/74 "welfare of laying hens" on the competitiveness of the EU egg industry" p. 21.

However, extra costs of producing an egg in a barn instead of an unenriched cage system are estimated at 1,3 cents and extra costs of producing an egg in a free-range instead of an unenriched cage system at 2,6 cents[19]. Granted that an average egg from an unenriched cage costs at present around 9 cents, the change from unenriched to enriched cages might increase the costs of each egg by less than 1 cent.

According to the Agra CEAS study the producer gross margins per kilogram eggs rise in line from the unenriched cage to the barn and to the free range systems. With free range systems the producer gross margins are twice as high compared to unenriched cage systems. In organic systems gross margins are not quite as high as in free range systems. Analysing the gross margins it was evident that although margins are rising with higher animal welfare standards, the overall production per farm might decrease.

Today some disadvantages for EU producers are alleviated by factors such as tariffs and transport costs[20]. The importance of the proximity of EU-producer to the market is relevant to the market for eggs in shells. Due to a limited shelf-life of shell eggs imports from third countries mainly concern processed eggs (dried or liquid) for which a competitive gap shall be recognised.

2.5. Consumers' attitude to the welfare of laying hens

In 2005 and 2006, two EUROBAROMETER surveys on consumers' attitudes to the welfare of animals were carried out in the EU[21]. They show that animal welfare is an issue that citizens rank highly giving it an 8 out of 10 on average in terms of importance. In particular poultry (laying hens and broilers) is a priority area of action for animal welfare in the views of citizens. Concerning the welfare of laying hens 44 % of the consumers answer that their welfare should be improved the most, compared to 42 % for broilers and 28 % for pigs. Importantly, welfare of laying hens was rated to be bad by 58% of the interviewees. Data show that the EU-consumers mostly assume that they have the power to influence animal welfare standards by selective purchases. However, consumers do not seem to be completely content with the existing labelling schemes, also with the one for eggs.

The actual EU-wide buying pattern also shows that consumers are aware of different systems of keeping laying hens and they pay attention to the production system indicated on the label. 16 % of the interviewees indicate that they buy mostly eggs coming from hens kept in cage production; 10 % buy eggs from indoor alternative systems and 38% eggs from free-range systems. 18 % admit not to pay attention to the husbandry system and 8 % of the consumers answered that they do not buy eggs at all.

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19 Compassion in World Farming on the basis of the Commission's socio-economic study, cp. "Alternatives to the barren battery cage for the housing of laying hens in the European Union" p. 27.

20 Cp. "Impact of EU Council Directive 99/74/EC "welfare of laying hens" on the competitiveness of the EU egg industry".

21 "Attitudes of consumers towards the welfare of farmed animals" and "Attitudes of EU citizens towards Animal Welfare", cp. Annex "Studies".

A majority of citizens in the EU (57%) stated that they are willing to pay more for eggs sourced from an animal welfare friendly production system. In detail 25% of the interviewees indicated that they are willing to pay an additional 5%, 21% to pay an additional 10%, 7% to pay an additional 25% and 4% are even willing to pay more than an additional 25%.

The results of the EUROBAROMETER surveys are supported by data on the development of alternative systems. According to the Agra CEAS study the share of the EU laying hen flock kept in non-cage systems rose between 1993 and 2003 from 3,56% to 11,93%.

Further analysis on consumers' interests is ongoing in the framework of the Welfare Quality[22] project.

2.6. Registration of establishments and egg labelling

As foreseen in Directive 1999/74/EC, Commission Directive 2002/4/EC obliges Member States to register all egg producing establishments and to attribute to them a code indicating the farming method, the Member State and the registration number. According to the marketing standards for eggs[23] class A eggs shall be stamped with this code. Furthermore the husbandry system shall be indicated on the pack in easily visible and clearly legible type and in defined terms. The husbandry systems are specified by a reference to Directive 1999/74/EC with additional requirements for eggs from free range systems.

In general, class A eggs imported from third countries shall be stamped with the ISO code of the country of origin preceded by “non-EC standards” if no evaluation by the Commission has stated equivalence with EC standards.

The current egg labelling system does not foresee a mandatory differentiation between eggs coming from unenriched or enriched cages. It is allowed to add voluntarily an indication if the egg was produced in an enriched cage.

Furthermore, farmer organisations, animal welfare organisations and retailers have developed in several Member States an increasing number of labelling schemes indicating that they are welfare friendly. The visibility and the effect on the market are under study[24].

2.7. Relevance of Common Agricultural Policy (CAP) to hen's farming

As regards potential benefits for animal welfare measures are foreseen under rural development policies[25]. Support for investments in agricultural holdings or the processing and marketing of agricultural products can be granted by Member States to improve animal welfare, co-financed by the Community.

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22 http://www.welfarequality.net.

23 Council Regulation (EC) No 1028/2006 and Commission Regulation (EC) No 557/2007.

24 Cp. for example Welfare Quality Reports No. 3.

25 Council Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 277, 21.10.2005, p. 1).

2.8. Implementation and enforcement of Directive 1999/74/EC

Most Member States correctly transposed Directive 1999/74/EC. But until today in most Member States producers have made very little progress in introducing enriched cages or shifting toward alternative systems. However, the Commission is informed that major retailers in several Member States are developing marketing strategies for eggs produced in alternative systems.

The FVO published in 2005 a report about a series of missions concerning laying hen farms carried out during 2004. These missions provided evidence that in some Member States there were still difficulties with the implementation of the Directive. Each of the Member States concerned has subsequently provided to the Commission an action plan on how they intend to address these issues in the future. The Commission services take further follow-up action where areas of non-compliance continue to be addressed in a unsatisfactory manner.

3. CONCLUSIONS

Animal welfare is a core value for EU citizens who seem particularly concerned about the welfare of farmed poultry and in particular of laying hens. By Council Directive 1999/74/EC Member States agreed on various measures laying down minimum standards for the protection of laying hens, with a staged implementation of some provisions over a time period extending to 2012 taking into account the economic impact of the measure.

Studies have shown that the animal health problems occurring in *alternative systems* can mainly be minimized or even solved by a proper management or suitable design. *Enriched cages* improve the welfare of the animals in comparison with unenriched cage systems and further optimisation seems possible in the future. In contrast the *unenriched cages* cause several animal welfare problems that are *inherent* to the systems. Scientific studies have concluded that the disadvantages of unenriched cages outweigh the possible advantages of reduced parasitism, good hygiene and simpler management. Further research is, and will continue to need to be, performed to assess the extent to which rearing systems for laying hens *inter alia* provide optimal standards of animal health and welfare as well as food safety.

Inspections have shown that several Member States have problems with the correct implementation of Directive 1999/74/EC. The Commission will intensely monitor the development by performing further FVO missions and act by ensuring an appropriate follow-up of FVO missions.

The estimation on consumption trends in significant EU 15 Member States reports a regular increase of consumption of table eggs from non-cage systems[26].

[26] "Trends in laying hen numbers and the production and consumption of eggs from caged and non-caged production systems", Agra CEAS, p. 18.

Clear information to consumers is the key to allow producers to market eggs from welfare friendly rearing systems. In this context it should be noted that processed eggs, unlike table eggs, are currently not submitted to any legislative requirement for welfare related labelling.

Already today certain retailers and food service operators are marketing predominantly non-caged eggs. Research is ongoing to analyse in which ways retailers may benefit from the various types of animal welfare schemes[27]. Any postponement of the ban on unenriched cages would distort competition and penalise those producers who have today already invested in alternative or enriched cage systems that stand for scientific and technological development.

4. RECOMMENDED ACTIONS

4.1. Providing for new opportunities for competitiveness

High animal welfare standards applied in the EU, including for laying hens, should be promoted as a marketing and competitive advantage at European level using mechanisms as the ones already foreseen and discussed in the framework of the Community Action Plan on the protection and welfare of animals such as:

– Sensitize both, public and private sector, to give priority to the support of scientific investments, information and education in this area;

– Promoting information campaigns on the rearing systems in the framework given by the marketing standards for eggs;

– Ensure cooperation between stakeholders across the supply chain (e.g. producers, processors, retailers, caterers, consumers, governments, NGOs);

– Examining the possibility of the creation of a general EU framework to allow animal welfare labelling on the basis of welfare indicators and certification schemes valid at European level. Such prospective study should be done in line with the general principles of "Better Regulation", in particular assessing thoroughly the economic impact.

The communication to consumers on high animal welfare standards applied in the laying hen sector should include objective information on:

– the production methods applied,

– the fact that implementing higher animal welfare standards could incur extra costs for producers and

– the impact of improved animal welfare standards on egg prices.

[27] "Retailers dealing with welfare schemes", p. 48.

Consumers should be assured that they buy eggs produced in compliance with European values. The improvement of animal welfare in husbandry systems is an element to promote sustainable development, a principle reflecting those values[28].

Farmers could be rewarded for producing premium quality products which are distinguishable from others and therefore benefit from a price premium.

4.2. Change to new husbandry systems and CAP

Based on the scientific studies it is not recommended to amend the current provisions of Directive 1999/74/EC.

The change to new husbandry systems has to be further supported both from the technical and economic side. Efforts of the Member States' authorities should focus on providing technical support for farmers and on encouraging them to shift to new husbandry systems in line with European values on which they can capitalise. The opportunity of training as foreseen under Regulation (EC) N° 882/2004 should be considered.

The relevance of CAP and in particular rural development policies to the laying hen sector should be analysed and be made more visible, including support for investments in agricultural holdings or the processing and marketing of agricultural products which aim to improve animal welfare. Under the CAP it is possible to finance communication campaigns aiming at restoring consumer confidence in agricultural products including eggs. This may include the support of initiatives to communicate better on animal welfare to citizens.

4.3. Research

In the 7th Research Framework Programme a topic is proposed on "Improving animal health, product quality and performance of organic and low-input livestock systems through integration of breeding and innovative management techniques"[29]. The topic description includes poultry production systems. In addition, other topics are put forward on the use of genomic tools and genetics in livestock production.

Further research should be promoted and prioritised to optimise systems for the rearing of laying hens and to minimize health and welfare problems linked to genetic selection. Further research on non-cage systems if they are profitable should be promoted.

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28 Renewed EU Sustainable Development Strategy, http://register.consilium.europa.eu/pdf/en/06/st10/st10117.en06.pdf; cp. also "Good Practice Note Animal Welfare in Livestock Operations", International Finance Corporation, http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_AnimalWelfare_GPN/$FILE/AnimalWelfare_GPN.pdf.

29 Theme 2, Call 2A FP7-KBBE-2007-1-3-07, 2007/C133/07 of 15 June 2007.

Animal welfare indicators and reliable on-farm monitoring systems once delivered in the frame of the Welfare Quality Project will have to be kept updated and further assessed. Also the research in opportunities of marketing of welfare friendly products, carried out in the framework of this project, should be followed up.

The role of animal welfare in the sustainability strategy should be assessed further.