

# **Can Egg Farmers Educate the Consumer?**

**Encouraging support for the production system**

**A report for**



By Kate Mason

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# Executive Summary

The Australian egg industry has been rapidly changing in the last decade. Animal activists and welfare groups have put pressure on phasing out cage eggs and growing more free range. The market is showing clear signs that consumers are not ready to pay the higher cost of production, and they do not understand these differences in the cost of production. Part of the reason for this is that supermarkets are buying eggs at below the cost of production and thus creating unrealistic expectations for consumers. This study was undertaken to see how other countries were educating their consumers around animal agriculture and agriculture in general.

Research for this study topic was undertaken in Australia, China, USA, Netherlands, UK, Canada and New Zealand.

A number of conclusions are drawn from the research. In the USA for example, a visit to Fair Oaks Farms located in Indiana showed how they were educating the consumer to the reality of commercial farming. Cotswold Farm Park in the UK was more of a theme park for agriculture, providing an experience to the visitor that offered more fantasy agriculture than commercial reality. The Rondeel concept in the Netherlands is a well thought out commercial egg farm that is open to the public to help consumers understand intensive egg production.

It seems that, despite best efforts to educate consumers, they are often influenced – and ideas distorted – by outside factors like supermarkets, animal activists, media, public figures, politicians and small-scale boutique farmers without the necessary commercial knowledge.

Instead of focussing on education the consumer, the whole of agriculture needs to work together to build trust with consumers, so that when information is presented, it is the trust in the relationship that allows consumers to understand what farmers do and how they operate rather than taking in ideas from groups like animal activists.

From a consumer point of view, animal welfare is based on human perception. Where there is any question, it is inevitable human welfare prevails. Consumers want to spend less of their income on food yet are demanding agricultural practices which have a higher cost of production, such as free range and organic.

Wastage and overeating, which is effectively waste, shows disrespect for food and agriculture. The message to our consumers needs to be “*Respect food that is grown with respect*”.

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# Foreword

Our diversified family farming operation is located 40km from Kojonup, three hours south of Perth in Western Australia (WA). It was 2005 when I founded an egg business with 100 hens at the age of 19, at a time when my dreams were bigger than my bank balance. We are now running 6,000 hens in a rotationally pastured free-range system. Branded as “Katie Joy's Free Range”, eggs are sold directly into retail stores in WA. Other enterprises include growing, processing and packaging certified organic rolled oat, branded as "Mason's Country Fresh" and distributed through wholesalers across Australia. We also run a small sheep flock of 600 ewes for organic crossbred lamb production, which are sold and marketed through an organic grower cooperative into WA butchers and retailers including Coles.

In 2013, I commenced on the committee for management for the Commercial Egg Producers of Western Australia (CEPWA). I was awarded a place in the Woolworths Agricultural Scholarship program where I spent two weeks learning about the business of agriculture from a retailers' perspective. I have been director for the WA Organic and Biodynamic Meat Cooperative, which is essentially a group of farmers who collaborated to brand and market organic beef and lamb directly into retail stores.

Free range is a rapidly evolving category in the Australian egg industry. I have concerns for small businesses like mine who may be forced to either get big or get out if they cannot match efficiencies of the larger scale free-range operations that are growing rapidly to feed this demand for alternate systems. My motivation to study the egg industry was to give insight to businesses like mine in regards to where market segment is headed in the future, allowing us to stay in the game.

The issue at the centre of problems currently faced by the egg industry comes down to consumers increased concern for animal welfare and the retail giants who have seized this as a marketing opportunity, such as Coles, Woolworths, and more recently IKEA. Consequently, there are some large free-range operations being set up to meet the growing demand for what the consumer considers to be more welfare friendly. The problem is that now that the hens are out of cages, there has been sensationalized public outcry that the free-range hens are not being farmed the way that was expected. The broken relationship between the farmer and the consumer, further facilitated by the supermarket duopoly, is at the heart of the turmoil in the egg industry and it seems some issues are even pitting farmer against farmer, which has an

overall negative impact on the industry.

When I started on this Nuffield Scholarship journey, I held a strong belief that educating the consumer would play a vital role in the future direction for the Australian egg industry and across all Australian agricultural industries. I felt we had to rebuild that relationship and more importantly, work out how we could achieve this through educating the consumer. I have a philosophy that, if you can find a positive in every challenge, these will be your advantages to succeed, as it sets you apart in a competitive world. I see an opportunity in the challenge to feed the growing population

I travelled to China, United States of America (USA), Canada, Netherlands, United Kingdom (UK) and Ireland. In China it was amazing to see the cultural differences with respect to the dinner table. In the USA, it was witnessing the sheer scale of agricultural enterprises like Fair Oaks Dairy Farm. In the Netherlands, there was so much innovation to solve problems and outside-the-box thinking, which was inspirational. In the UK, a marketing conference in London was a brilliant culmination of presentations from experts of leading global brands such as Microsoft and LEGO. In Ireland, a highlight was the once in a lifetime opportunity to sit beside a Prime Minister at the launch of “Taste of Cavan.”



*Figure 1: The Author, Kate Mason, Kojonup, WA*

# Acknowledgments

Firstly, I would like to thank Megan, my mum, for being on the farm and with my children for every minute I wasn't.

To Rhyce, my husband, who has more patience than one could believe is possible.

To my children Jack, Asha and Lucy, who missed me every time I was gone but still let me go again.

I would really like to thank Australian Eggs, formally Australian Egg Corporation Limited (AECL) for investing in my Nuffield Scholarship. It has positively changed my life in more ways than I could fit into a few sentences.

Mention must be made of the outstanding assistance I received from Kai Ianssen from the former AECL during the course of this study. It has been the opportunity of a lifetime to step outside of my local community and business.

The Nuffield network is absolutely inspiring. One fine morning across the globe I had to pinch myself to see if I really was having breakfast with Enda Kenny, the Prime Minister of Ireland. The experience included tea, toast, eggs and an amazing conversation.

Nuffield has challenged everything I know and given me the tools to be able to continue to challenge, learn and innovate. I now have a more global perspective on agriculture and business. Personal growth has been a huge part of it for me and I am really excited about contributing to our industry and community into the future.

# Abbreviations

AECL:	Australian Egg Corporation Limited
ABS:	Australian Bureau of Statistics
CEPWA:	Commercial Egg Producers of Western Australia
DEFRA:	Department for Environment, Food and Rural Affairs
GMO:	Genetically Modified Organism
MBE:	Member of the Order of the British Empire
PIX:	Poultry Information Exchange
UK:	United Kingdom
USA:	United States of America
WA:	Western Australia



# Objectives

- Understand and explore the various strategies currently employed around the world to connect with and educate the consumer about agricultural practices.
- Analyse consumer values and perceptions to understand their demands in regards to animal agriculture.
- Understand and outline difficulties facing agricultural industries attempting to educating the consumer.
- Look at new ideas for marketing eggs to consumers besides “production method”.

# Chapter 1: Introduction

## Australian egg industry facts

A snapshot of the Australian egg industry in 2003 is world's away from the industry statistics when awarded a Nuffield Scholarship in 2013. The landscape in 2003 comprised 89% cage production and a mere 5.5% free range production (Australian Bureau of Statistics, 2004).

According to the Australian Bureau of Statistics (ABS), the average free-range egg farm operating in 2002 had 1,000-2,000 birds. The number of egg farmers recorded in the industry was around 457, but by the year 2013 it had declined by 60% to just 277 and the average free-range flock size was 30,000.

The push for change has come from animal activists and further pressure has been mounted by supermarkets using egg production systems as their marketing point of difference. Each of the supermarkets released statements to say that they would be cage free by 2018; these statements were subsequently changed to later dates because the neither the consumer nor the industry were ready.

## Chapter 2: Connecting with the Consumer

Around the world, agricultural industries are interacting with consumers in various ways. Some examples of the strategies being employed in connecting the modern consumer with agriculture include desensitization in the USA, fantasy agriculture in the UK, transparent agriculture in The Netherlands, regional branding and innovative farm gate retailing in New Zealand.

### 2.1 Desensitization

Fair Oaks Farms is located in Indiana, USA. It first began in 2002 by joining nine dairy farming families from California. They are now one of the largest dairy farms in the USA. In March 2013, they were milking 37,000 cows which were housed across ten barns. They were also employing over 400 people and producing well over 1.5 million litres of milk per day.

Public relations is potentially one of their biggest risks, due to the sheer scale of Fair Oaks and that all the cows are housed indoors and thus not considered by consumers as free range. Through innovation, Fair Oaks Farms have found an opportunity in this liability by opening the doors to the general public, showing every aspect of production and processing. This is a very proactive move, not generally undertaken by large-scale agriculture. Although possibly not the intent of the founders, a side effect of having the operation open to the public is that it acts to desensitize the consumer. It has effectively allowed Fair Oaks Farms to tell their story first and to promote all of the positive aspects of the enterprise, while desensitizing the consumer to a potentially shocking reality of large-scale milk production.

The birthing barn has 80-100 cows giving birth each day. It is set in an amphitheatre with a one-way glass screen, with the cows giving birth on a stage in a man-made birthing suite. There is a costume-clad employee on stage with a microphone to talk the audience through the process. Jed Stockton said they did not select the cows that they use in the birthing barn, but if they had a difficult birth, they would use it as an opportunity to explain to the audience the realities of agriculture in a sympathetic way.

After a huge success with their “show-all dairy farm”, the pig industry has partnered with Fair Oaks and invested in a similar ecotourism operation running from the same farm. In 2013, they were in the process of building a 3,000 sow piggery that “*literally throws open the barn door to let you see what goes on inside a modern pig farm*” ([fofarms.com](http://fofarms.com)). Jed Stockton also mentioned that they are looking into building a million-bird layer facility that they would also open to the public.

At Fair Oaks Farms, visitors have the opportunity to see ‘behind the scenes’ while being informed on the positive aspects of the initiative like the environmentally friendly, state of the art anaerobic digester that powers the farm, the milk trucks and the tour buses. Educating the consumer in this environment where potentially negative aspects of large-scale farming are explained and presented alongside positive facets effectively removes the ‘shock-factor’ and creates a positive relationship between Fair Oaks farms and their consumers.

## **2.2 Fantasy agriculture in the UK**

Cotswold Farm Park opened to the public in 1971 with the aim of providing a home for a collection of rare breeds including cattle, goats, pigs, sheep and horses with particular emphasis on education, research and the future of farming. In 1999, Joe Henson passed the farm on to his son Adam and his business partner Duncan Andrews. Since then, Adam Henson has been awarded a Member of the Order of the British Empire (MBE) in recognition of his services to conservation and has opened a conservation area on the farm.

The visitor attraction is just a small part of the operation, with the business spanning a total of 650 hectares, including a 400-hectare arable enterprise. Henson’s emphasis on ‘the future challenge’ is certainly admirable. However, in terms of educating his visitors and consumers, the commercial reality of farming is lost on Cotswold Farm Park. The visitor attraction can be compared to a theme park for agriculture. While the ‘touch barn’ is a valuable experience for families, it appears Henson is inadvertently working towards creating a more sensitive consumer and begs the question as to what exactly consumers are becoming sensitive to. Despite engaging the public, as demonstrated by Henson’s widespread media success in the UK, this softer side of farming is still lending towards consumer misconceptions. It should be recognized that Henson is certainly helping to develop the relationship between farmer and consumer, but Cotswold Farm Park is not the model from which the industry could base educating the consumer. *This returns to the fundamental issue that educating the consumer must revolve around the true realities of commercial farming and help them to understand the importance of quality over quantity.*

Interestingly, despite working alongside the well-known chef Jamie Oliver, Adam Henson has criticized the negative perception of the realities of farming championed by Oliver. Instead, in an interview in 2011, Henson argued that, “*We should all be prepared to tell the world about where our food comes from and thus should be willing to improve welfare standards to a level that both farmers and consumers can be proud of*” ([telegraph.co.uk](http://telegraph.co.uk))

## 2.3 Transparent agriculture in the Netherlands

In the Netherlands, the Venco Group have commercialized a concept that has been designed with the consumer in mind. Everything about the Rondeel has consumer perceptions at the forefront of the innovative design.

It is a commercially viable system that clearly set out and explains to the consumer what is happening. It is addressing the consumer's need to attribute human welfare to animal welfare. The whole operation has been broken into very distinct sections (Figure 2).

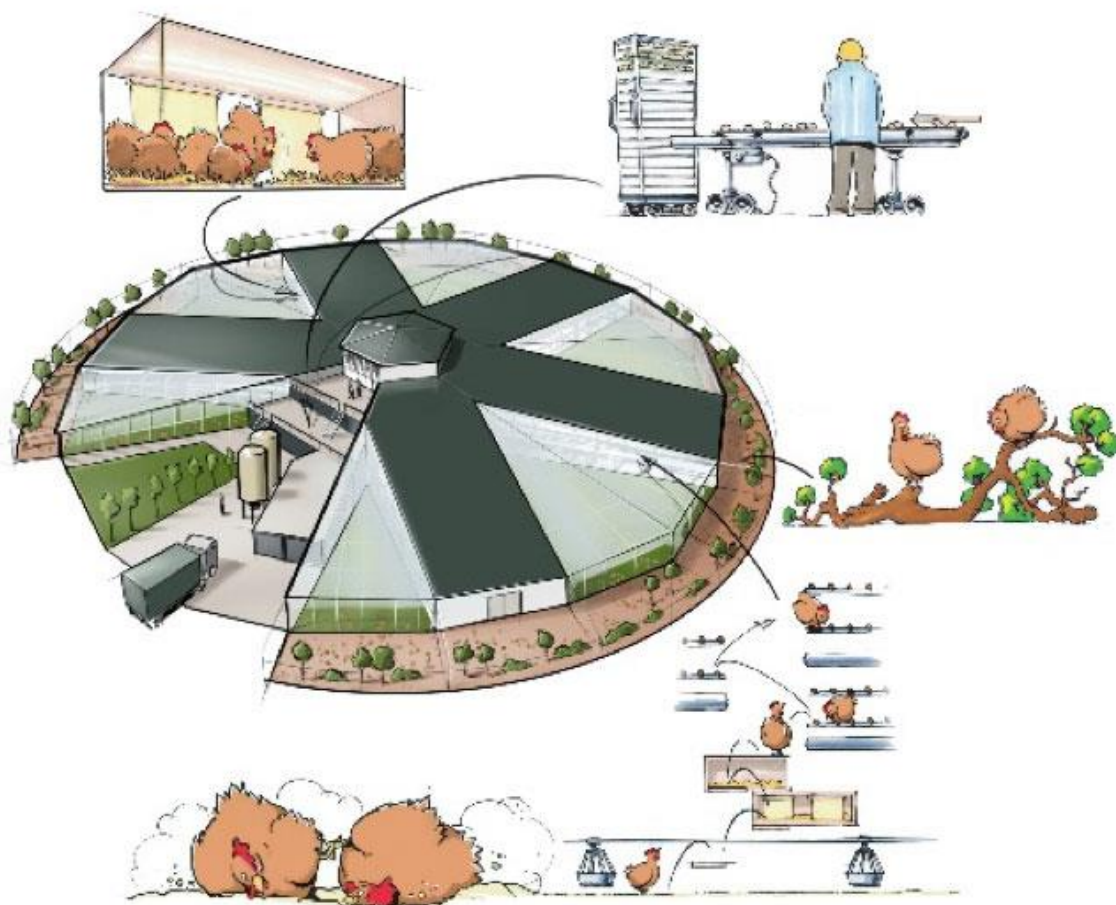
The 'night quarters' cater to the hens 'basic needs': feeding, drinking, resting and laying. This section is equipped with Vencomatic's bowlegg terrace system, an aviary system in which these provisions are incorporated. The unique feature of this system is its fully retractable, insulated side wall which enables the creation of a uniform climate in both the day and night quarters.

The 'day quarters' facilitate the hens' natural behaviour, such as free-ranging and dust bathing. A natural environment is simulated in this section which encourages many of the hens to utilize these facilities. Visitors also have the opportunity to observe the hens' natural behaviour from the confines of the visitor tunnel installed in one of the day quarter sections. The tunnel offers visitors a hen's-eye view of all the going-on in the Rondeel. The day quarters are covered with a protective translucent tarpaulin, which excludes rain and the droppings of other birds while also enabling the hens to roam and reap the benefits of fresh air.

The 'wooded area' caters to the hens' natural instinct to forage, explore and take shelter. The wooded area is an enclosed area in which the hens are free to range, whilst enjoying protection from the threat of foxes or birds of prey. The tree trunks placed throughout the forest apron have proven a highly popular feature among hens.

The 'Central Core' comprises three floors. The ground floor houses the poultry farmer's working area, where the eggs are packed using a Prinzen packing machine. A visitor centre is accommodated on the first floor, from which visitors can proceed through a special tunnel, to view the hens in their own living environment. Visitors are welcomed on a daily basis and are given the opportunity to learn about and experience first-hand the benefits that the Rondeel offers. The second-floor houses two Agro Supply heat exchanger units, which are used to both regulate the climate in the night quarters and to pre- and post-dry the manure.

There are stairs to climb, which provide access to a tunnel that leads directly across the centre of the barn. Below the centre of the barn is the packing and grading floor. Here you can see all the eggs coming out of the barns that been constructed in a wagon wheel configuration. Once a visitor has crossed this and learned about egg production, the hallway leads on to stairs down into an outside viewing area. The concept is clever that when you walk down into the tunnel it has the average adult eye level matching the ground level – the birds eye level. A series of fun steps for children to stand on and also see the birds at their level. The clever aspect of this inset tunnel is that visitors see the birds on the artificial green grass at eye level, as equals, as opposed to the viewing area in other agritourism ventures such as Fair Oaks Farms where visitors look down on the operation. Eggs are available for sale on farm and also value-added products such as Advocaat.



**Figure 2: The Rondeel concept. Source: <http://www.rondeeleieren.nl/en/het-rondeel>**

The way eggs are marketed also sets the Rondeel apart as the packaging has been designed for seven eggs in a circular pattern. This round carton symbolically ties together the Rondeel concept (the five barns in a wagon wheel construction) with the end product. Due to the fact that there are seven eggs in each carton (standard retail packs cartons contain six, 12 or 18 eggs),

the Rondeel eggs have a different price point which gives them a competitive edge in the marketplace.

One of the other big innovations of the Venco group is that they were really thoughtful on the team they employed to design the concept. They had government support and Peter Vingerling, who had a long-term career in the animal rights industry, heads the team. Not only were they using his perspective on the project but also tapping into his industry contacts which was instrumental in the fruition of the project.

The whole concept has been designed to please the consumer whilst also educating them about the realities of commercial farming. Having an open farm operation built with the consumer in mind fosters a positive relationship with not only the brand but also the product, eggs.

## **2.4 Regional branding - Ireland**

Regional branding is increasingly being used in parts of Europe which can be seen as part of the growing trend for consumers wanting to know where their food has originated.

County Cavan is a county on the northern border of Ireland and agriculture is its largest industry. In 2012, the inaugural “Taste of Cavan” festival was launched that engages consumers and promotes regional produce as part of regional branding. The author attended the opening in 2014 where they were expecting over 35,000 attendees, more than 100 stallholders and had numerous celebrity chefs engaged.

Typically, two months before “Taste of Cavan,” an event is held where they invite someone with a high media profile to launch the festival. In 2014, it was the Taoiseach (Prime Minister) Enda Kenny. This aimed to attract good media coverage to launch the event. “Taste of Cavan” promises something for all ages and genders. Through the way it engages its attendees, it promotes a positive link between consumers and agriculture.

## **2.5 Innovative farm gate retailing – New Zealand**

Julian Raine is the owner of Raine Farms in New Zealand, which has been in the family since 1944. The farm has had a dairy focus for over 80 years in the Nelson area, which has a climate allowing the cows to be outdoors all year. Julian operates a relatively new rotary dairy which milks 200 cows per hour, contrary to the way previous generations hand milked each cow for ten minutes. In 2013, Raine Farms invested in vending machines which are now located in five

locations local to the farm and dispense pasteurized milk directly to the end user in glass bottles which the customer can purchase a bottle from the machine or bring their own recycled bottle. The milk has a couple of points of difference from a marketing perspective. The milk has not been homogenized (“had the fat smashed up” as Julian calls it) and also the cows have been tested for the A2 gene. Milk from cows with this gene are seen as more “tummy friendly” for consumers who may previously have had trouble digesting milk.



# Chapter 3: The Consumer

## 3.1 Who is the modern consumer and what do they want? Can farmers give it to them?

The author believes that the consumer wants it all, even if it is at the cost of the farmer. “More for less” is a saying championed by the retail industry, but Karen Campbell, from Glenrath Farms in Scotland, said that there is more and more quality assurance. In her words:

*“The end user must pay. Someone has to pay and if it is the farmer then they will go bust.”*

A presentation by Luke Dunkerley of Woolworths gave a good insight into the twenty-first century Australian consumer. *“The modern consumer is looking for products to have a relationship with, but human interaction is the most important thing in life and in business”*. Luke went on to say that marketing is just the practice of building and maintaining relationships and the one you really want is the love story relationship. Marketing is also about showing customers that what matters to them matters to you. Marketing often tells the customer how good the product is, but the best marketing listens to the consumer, engages and questions the supplier, but it is a matter of balance and you can't always get it right. Apple has mysteriously been able to say, *‘I want what you want’*. Apple has become a part of some people's fingerprint. *“How can you have people own your brand, defend it and talk as if it is their own?”* (Dunkerley, L. September 2014).

An idea sparked at a two-day marketing conference in London, attended by 12,000 people, who heard speakers representing Microsoft, Lego and Sony. was that businesses need to think differently, and not stop there. businesses are at risk if running in a straight line. For those who are production driven and efficiency focussed, this should be just one part of the business. *Those who innovate will eventuate and those who hesitate will dissipate*. Yes, an egg is an egg but there are different marketing strategies being utilized to add value to this staple product, giving consumers a point of difference.

A clever idea that can be seen at Chippindale Foods in the UK is selling “Bee Friendly” eggs. A discussion with Ruth Corbet, a researcher from the University of Glasgow pointed in the direction of a paper written by Professor John McInerney and gave further understanding of how “Bee Friendly” eggs add value for the modern consumer. In his words:

*“People will willingly contribute financially to causes with which they expect to have no direct contact, and of which therefore they will make no obvious use – such as saving the blue whale, preserving some work of art for the nation or protecting some threatened natural heritage – simply because of the utility they gain from ‘knowing it is still there’. They assign what is termed an ‘existence value’, and it is self- evidently an authentic economic value comparable with use values because of the willingness to incur costs to gain that value. Similarly, people are willing to incur cost (forego benefit) and not use something in case they may wish to use it later – even though this may be quite improbable; in this instance they are said to assign an ‘option value’, again a valid (and potentially measurable) economic value. Many motives for conserving natural resources are based on the utility derived from knowing they will be available for use by subsequent generations (again at the risk that, in the event, the beneficiaries may not want them after all), thus conferring on those resources a so-called ‘bequest value’.* (McInerney, J. 2004)

Burnbrae Farms in Ontario, Canada, is the largest holder of egg quota nationally. They operate seven grading floors and three processing plants. They are the largest liquid egg processor and according to Margaret Hudson from Burnbrae, they are also the number one marketer, for which they have received numerous awards. During a meeting March 2013, while touring the grading and processing facilities at Burnbrae headquarters in Toronto it became increasingly noticeable that omega 3 enriched eggs were a big thing. Margaret excitedly conveyed that the idea had come from a visit to Australia in the 1995, where she spent some time with an Australian egg farmer who was trying it out on the Australian market. He was adding fish products to the feed to enhance the omega 3 content in the eggs, but it was largely unsuccessful due to a slight fish taint in the egg taste and smell. When Margaret returned to Canada, she convinced her dad to let her work on the idea with alternate sources of omega 3 and found some success with flax seed which did not taint the eggs. The concept was a successful innovation with Canadian consumers taking it up when it was launched in 1996. It is now the number two selling egg products in retail stores in Canada.

### **3.2 A clear conscience**

*“The consumer is a hypocrite; they want to have a clean conscience as cheaply as possible!”* (Schouwenburg, H., 2014). This refers to the notion that while consumers want to purchase free range eggs, price is also important to them, indicating that animal welfare is not necessarily their first preference.

Hans suggests that the only reason consumers consider welfare of farmed animals is an attempt to keep their own conscience clear. Take for example the move by Coles supermarket to lower the price of free-range eggs in Australia. This distorts the markets and a spokesperson for Coles said that by reducing the price of free-range eggs the retailer aims to "*make it easier for consumers to buy free range eggs*". (Australian Broadcasting Corporation (ABC), 2017)

This leads to the following questions.

- If welfare was at the forefront of consumer's minds, then why would free range eggs need to be sold at a lower price?
- Will this approach lead to consumer expectations that the lower price is what they should pay for free range eggs?

Yet, the true price of eggs produced by smaller farmers actually has a higher cost of production and makes it very difficult for them to sell above cost price into a market which is actually leading consumers, consumer groups and activists to complain that eggs are produced on larger farms with higher efficiencies which is not "*true free range*".

It seems that the consumer is not educated in the fact that smaller farms with the lower stocking densities that these groups require, actually have a higher cost of production and cannot possibly deliver eggs to the marketplace at the price they are demanding. While free range eggs are seen to be sold at a premium, the simple idea of this is that there is more profit margin for the farmer; this is not true, the higher cost is due to the actual cost of production. The action of a retailer distorting the price of a product sets a new benchmark in consumer minds for what that particular product is worth and will lead to smaller farmers being forced out of the market, due to tightening margins and being unable to compete.

Thus, it can be seen that animal welfare is only one aspect of value in consumer's minds and the value placed on this attribute is different to each consumer depending on their own life aspects. "*Value is not an inherent and invariant characteristic of something, like molecular weight or valency, but is a distinctly human construct; it is something assigned by people, and in the absence of people it has no meaningful interpretation*" (McInerney, J. 2004). For consumers, it is only at the price, which depends on their own value system, that animal welfare is important.

A spokesperson for Animals Australia has been quoted as saying "*Hens have been paying a*

*terrible price for cheaper eggs*” (ABC, 5 October 2013). This statement places all responsibility on the farmer. Is it not a far more logical scenario that consumers have literally been paying the price for cheaper eggs? Free-range eggs have been readily available in supermarkets for the last decade and demand has not been out-stripping supply. While blame can easily be placed directly on farmers for producing eggs from cages, some responsibility must be placed on consumer for their purchase choices. Every dollar spent is a direct vote from consumers on which products they demand and are willing to pay for in the marketplace.

### **3.3 Perception vs. reality**

Although there is no formal scale for measuring (or even ranking) animal welfare, consumers do form images about rearing conditions. In this sense, despite animal science, animal welfare is ultimately a human perception and it is on this basis that action is taken. This makes clear that animal welfare is in reality a subset of human welfare, the animals’ preferences and wellbeing having relevance only to the extent that they are important. Consumers respond to perceptions of animal wellbeing because it makes them feel better to do so, or uncomfortable to ignore the impact on them. *“However, if there is any conflict between consumer preference and the animal’s preference, it is ours which inevitably prevails.”* (McInerney, J. 2004)

### **3.4 Why the consumer can’t have it all**

While consumers are wanting to spend less of their income on food, they are asking for products that have higher cost of production. For example, genetically modified organism (GMO) free food is a potential solution that is being offered as a way for more cost-efficient food production, yet there has been some protest from the general population, not because they do not want cheaper food, but because they simply do not understand and the first reaction to the unknown can sometimes be fear.

# Chapter 4: Roadblocks to Educating the Consumer

The first meeting for this study was with an agricultural consultant in Canada. When explaining the topic of how to educate the consumer, a look came over his face almost as if he was examining whether the author could handle the truth. Then he said: *“Forget about it and get a new topic! You will never educate the consumer, as there are too many that have a vested interest in confusing the consumer.”* (Martin, H. June 2013) This immediately questions what influences farmer’s relationship with the consumer.

This also leads to the question of what that vested interest is? Bottom line profit is at the top of the list. In Europe in 2011, the farmers price represented just 21% of the food product price by the time it was in the consumer’s trolley. By direct comparison at the same time, the USA farmer was receiving just 12%. ([westernfarmpress.com](http://westernfarmpress.com), 2011) In both cases the producer’s share has continuously declined over time, representing the way food culture and trends have changed towards more processed foods in western countries regardless the fact that agriculture is the starting point in the food chain.

## 4.1 Duopolies

Supermarkets ultimately using their influence to tell the consumer what they want. The supermarkets now have a closer relationship with consumers than farmers do. Food comes from the supermarket, not from the farm. It is key for supermarkets to have a good relationship with consumers while the farmers now focus on their relationship with the supermarket.

Woolworths in Australia suggest that it crucial for the consumer to have a positive experience at the point of handing over their money. It is the second most important focus after getting the consumer into the store in the first place. Consumers are enticed into the store by the price of basic essentials such as bread, milk and eggs. (Luke Dunkerley, September 2014)

Are supermarkets selling consumers what consumers want to buy or are they wanting them to buy what they sell? The Head of Supply Chain for Woolworths in 2013, said *“You farmers need to take a leaf out of our book. If you say something enough times it becomes the truth. There are people in your industry that need harnessing. You need to sort that out!”* (De Thomasis, T. 2013) This was in reference to influencing consumers on what kind of eggs to buy.

## 4.2 Animal activists

*“The animal activist industry is in no way an exception to having a vested interest in profits and with an ignorant civilian army at their disposal, success has been rapid”, (Vingerling, P. June 2014). When posing this single question to a consumer: “Should animals be treated humanely?” The obvious answer is yes and lack of understanding of best practice farming allows consumers to take the view of the animal activists even though it may not be correct.*

Margaret Hudson from Burnbrae farms in Ontario, Canada, says that one of the big issues faced in animal agriculture is that there is an activist community focused on abolishing animal agriculture and they take the fact that less than 2% of the population farms; they use that lack of information to provide misinformation and sway people away from animal agriculture. Margaret is at a loss with all the effort that they have put in to consumers and says in the egg industry that it is back to the future because this represents Burnbrae Farms 50 years ago, in the 1960s, with a cow barn and little hen coops. Ironically, the industry went into the hen house for welfare reasons. In Margaret’s words:

*“My father used to patrol the grounds with a shotgun to get both the two- legged and the four- legged predators and he would speak of the disease risk and problems with their feet when the birds had outdoor access. We have worked very hard to get the chickens into the barns to reduce exposure and improve animal welfare, but Burnbrae Farms are constantly being targeted on social media and as a family we take it very personally. People are always coming at us about our practices, people who do not really understand animal agriculture and who have been fed misinformation. And how do we navigate this? We come back to our values, quality and integrity, respect, loyalty and customer service and are reaching out to consumers and driving transparency. All these things that drive our family values are also driving how we go about business.”*

Burnbrae farms have been marketing eggs from free-run layer houses since 1998. Free run provides choice because there are still some consumers who buy based on price. Consumers in general buy based on price, so the consumer mindset needs to shift, and people need to become more educated and industry will shift with that. It is for all these reasons that hens migrated into this environment Based on people being increasingly focussed on animal health and wellbeing, Burnbraeis moving back into free run and enriched systems (Hudson, M, 2014) Margaret sees these changes coming about due to pressure from animal activists.

### 4.3 Media

One purpose of journalism is to provide citizens with the information they need to make the best possible decisions about their lives, their communities, their societies, and their governments (<https://www.americanpressinstitute.org/journalism-essentials/what-is-journalism/purpose-journalism/>).

Michael Pollan is a journalist and a prime example of someone who is influencing an audience to think that they can have it all. Published by the Washington Post November 2014, Pollan's article, which is directed at politicians and titled "*How a national food policy could save millions of lives*" presents more of a fairy tale than anything of modern reality with many statements contradicting one another.

### 4.4 Well recognised figures

Nuffield Scholar, Nick Chipendale was passionate about the danger of a public figure damaging the industry due to the power they hold to influence consumers. Nick remembers vividly the case of UK Health Minister Edwina Curry in December 1988. This article below from BBC News which was printed on the 3 December 1988.

*"Egg industry fury over salmonella claim. Health minister Edwina Currie has provoked outrage by saying most of Britain's egg production is infected with the salmonella bacteria. Mrs Currie, MP for South Derbyshire, made her remarks during a television interview. She has angered farmers, politicians and egg producers, some of whom have been calling for her resignation and are threatening to sue. "Most of the egg production in this country, sadly, is now affected with salmonella," she told reporters. Ministry of Agriculture ministers are reported to be extremely "angry" at her comments. A spokesman said more than 30 million eggs were consumed every day last year. 'Highly irresponsible' This is compared to 26 outbreaks of salmonella reported during that time. Mrs Currie's officials in the Department of Health have been unable to provide evidence that most chickens are infected with salmonella. Her comments have incensed the farming industry and egg producers who are expecting a sharp fall in egg consumption as a result. The British Egg Industry Council said it was seeking legal advice on whether it could sue Mrs Currie over "factually incorrect and highly irresponsible" remarks. A spokesman said the risk of an egg being infected with salmonella was less than 200 million to one. The National Farmers' Union said it might seek legal damages. Mrs Currie has been unavailable for comment since her remarks were made. Not only did Edwina Currie greatly influence the UK population, but later revelations cast further poor publicity on the egg industry*

when it was revealed years later in 2001 that there had been a cover-up of a report that found there had been a salmonella epidemic of considerable proportions.

## 4.5 Politicians

Over the years, there has been many situations where well-intentioned legislation or activist activities may be detrimental to improving animal welfare. Animal welfare can also become worse when legislators make standards so strict that an animal industry is shut down in one country and production is transferred to another country that has lower standards. This has already happened in Europe with the egg industry. Eggs are now being imported from Eastern Europe into Western Europe. The standards for animal welfare in Eastern Europe are poor. Exporters of eggs, milk, and meat should be required to adhere to the standards of the importing country. This problem is starting to be recognised in nations such as Germany. The problem in that nation is that the community is demanding higher animal welfare standards on German farms, while consumers – often the very same people – are making purchase decisions that favour products imported from Eastern European nations that do not have the same animal welfare standards as Germany does.

## 4.5 Farmers themselves

Peter Vingerling from Vencomatic in the Netherlands believes that farmers may create some of their own problems by not listening to the consumer and suggests that it could be helpful if farmers were to *“Deliver something that consumers want, not something that the farmers have got.”* In 2003, agricultural industry in the Netherlands started to discuss change in the chain of production. Pre-1998, pigs were still in a stall system and at that time the tone of the attitude was *“We make it, you buy it”* It was at this point that it all changed. In Peter’s words, *“Now we are asking what the consumer wants and producing it. There were 3-4 years where nobody was taking the lead, there was no leadership. The farmers union were no longer dictating to the farmers; it was a period of great unrest. The agricultural industry had a defensive way of thinking and the code of practice was a perfect example. The fact people are now living in big cities with little connection to agriculture. We should not be educating the consumer. We need to educate the farmer. Peter says that farmers should be asking “What do I have to do to satisfy you?” and he was also very strongly of the opinion that “The three things you (farmers) have to do is change your shitty attitude, change your shitty attitude and change your shitty attitude!”*

Neil Deans, Manager of Nelson Marlborough Fish & Game in New Zealand, has run a very



good campaign against dairying. 'Dirty Dairying' is a campaign which begun in 2002 led by the Fish and Game Council of New Zealand. It was a well-led campaign which was responsible for the consequent Dairying and Clean Streams Accord in 2003. This was a voluntary agreement between Fonterra, Ministry for the Environment, Ministry of Agriculture and Forestry and regional councils.

Fish & Game NZ manages, maintains and enhances sports fish and game birds, and their habitats, in the best long-term interests of present and future generations of anglers and hunters. They are a not-for-profit organisation, funded through the sale of fishing and hunting licenses. The general population have strong ties to Fish and Game because hunting and fishing is a large part of the culture in NZ. Fish and Game had nothing to lose in launching the campaign to clean up New Zealand's waterways and stop dairy farmers from polluting the water ways with effluent. In effect it caused a lot of damage to the reputation of the New Zealand Dairy industry domestically. To clean up their public image they had to clean up their farming practices.

Neal Deans (Manager, Nelson/Marlborough Fish & Game) said that "*there are good dairy farmers who want to do the right thing, but they are being tarred with the same brush although if they won't call their (as an industry) own how can you expect consumers to believe you.*"

Neil also said that the farmers side of the situation was made weaker by their lack of response to the media and it really put them the back foot, highlighting the importance of ensuring there is professional public relations support within the industry to deal with negative situations that could arise in the media and damage an industries reputation Without an industry-based reply, they had nothing from the dairy side to balance the activists view.

There is an endless turnover of smaller hobby farmers starting out with idealistic views, particularly those who are selling direct to consumer at local markets and roadside farm shops. There is little sense of commercially viable agriculture on sufficient scale to feed a whole population. Social media offers a perfect public stage for informing the consumer about agriculture, no matter how right or wrong that information is.

Due to the competitive nature of running a business in an industry that relies heavily on the domestic market, existing farmers are less likely to accept newcomers, thus creating an "us and them" relationship. Farmers and businesses often write claims on packaging to generate a point of difference to the industry when in fact it is industry standard practice; for example, the banning of hormones in the 1950s.

## 4.6 Consumers

Hans Schouwenburg said They do not want to know the whole truth. “*While we can show them, they do not necessarily want to know the whole process or truth*” (Schouwenburg, H. 2014).

One example when visiting China during the course of the scholarship, it was observed that the whole animal is often served on the table, such as chicken, fish or pork, and is presented as an animal and not just a part. Western culture is moving more toward eating food that cannot be recognised as an animal, allowing the consumer to partly remove themselves from the guilt of being a part of the animal farming industry.

# Conclusion

Three different styles of on-farm education for the consumer have been explored, with desensitisation in the USA, a fantasy theme park for agriculture in the UK and an open egg farm transparently showcasing agriculture in the Netherlands. Weighing up the pros and cons of these three styles, the transparent approach in the Netherlands had some good outcomes, including educating the consumer and creating a platform for a good relationship with agriculture and encouraging respect for the production system.

While farmers can offer education to consumers, it seems that there are many contributing factors influencing whether the consumer wants to be educated about the food they eat. It seems that price is a huge factor when it comes to purchasing decisions. With animal welfare, not all consumers have the time, or the necessary, to be educated about agricultural production.

The most important issue for consumers is their own conscience, and the need for a clear conscience can influence which ideas (factual or not) that consumers are willing to take on board to support their own choices. Perceptions are enough for consumers to base buying decisions on. Consumers do not always want to be a part of the full story in animal production and the way meat is consumed as a modern culture, where it is unrecognisable as an animal, shows this.

It seems that, despite best efforts to educate consumers, they are often influenced, and their ideas distorted, by outside influences like supermarket advertisements, animal activists, media, well-recognised public figures, politicians and small scale boutique farmers, without the commercial knowledge required to evaluate this information.

Instead of focussing on educating the consumer, the whole of agriculture needs to combine to build trust with consumers, so that when information is presented, it is the trust in their relationship that allows consumers to understand what farmers do and how they operate rather than taking in ideas from other groups, such as animal activists.

At the forefront of this will be the need for industries, backed by government, to maintain quality control, as this is one of the biggest issues effecting the trust in the relationship between farmers and their consumers.

# Recommendations

- Farmers need to look for new, innovative business ideas to engage the consumer.
- Wastage and overeating, which is effectively waste, shows complete disrespect for food and agriculture. The message to consumers needs to be “Respect food that is grown with respect.”
- Instead of focussing on educating the consumer, the whole of agriculture needs to work together to build trust with consumers, so that when information is presented, it is the trust in the relationship that allows consumers to understand what farmers do and how they operate rather than taking in ideas from groups like animal activists.
- Stop measuring the success on eggs per capita and consider the idea of dollars per dozen. Every agricultural sector is competing against each other. If a consumer is not eating chicken for dinner then they are likely eating pork or lamb or beef. If not eggs for breakfast they are eating cereal or fruit. Growing food consumption per capita seems an enticing situation, however the industry will ultimately create problems with respect for food and food production if scale doesn't result in improved efficiencies.

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# Plain English Compendium Summary

<b>Project Title:</b> Can egg farmers educate the consumer?	
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Scholar:	Kate Mason
Organisation:	PO Box 332 Kojonup WA 6395
Phone:	08 9834 2271
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<b>Objectives</b>	<ul style="list-style-type: none"><li>• Understand and explore the various strategies currently employed by Australia and other countries to educate the consumer about agricultural practises;</li><li>• To analyse consumer values and perceptions to understand their demands in regards to agricultural production and retail;</li><li>• To understand and outline difficulties facing agricultural industries with regard to educating the consumer.</li></ul>
<b>Background</b>	<p>The Australian egg industry has been a rapidly changing scene in the last decade. Animal activists and animal welfare groups have put huge pressure on phasing out cage eggs and growing more free range. The market is showing clear signs that consumers are not ready to pay the for the higher cost of production and they do not understand these differences in the cost of production. Part of the reason for this is that supermarkets are buying eggs at below the cost of production and thus creating unrealistic expectations for consumers. This study was undertaken to see how other countries were educating their consumers around animal agriculture and agriculture in general</p>
<b>Research</b>	Undertaken in Australia, China, USA, Netherlands, UK, Canada and New Zealand
<b>Outcomes</b>	<p>In the US, a visit to Fair Oaks Farms located in Indiana showed how they were educating the consumer to the reality of commercial farming. Cotswold Farm Park in the UK was more of a theme park for agriculture, providing an experience to the visitor that offered more fantasy agriculture than commercial reality. The Rondeel concept in the Netherlands is a well thought out commercial egg farm that is open to the public to help consumers understand intensive egg production</p>
<b>Implications</b>	<p>It seems that, despite best efforts to educate consumers, they are often influenced and their ideas distorted by outside factors like supermarkets, animal activists, media, well recognised public figures, politicians and small scale boutique farmers without the necessary commercial knowledge. Instead of focussing on educating the consumer, the whole of agriculture needs to work together to build trust with consumers, so that when information is presented, it is the trust in the relationship that allows consumers to understand what farmers do and how they operate rather than taking in ideas from groups like thef animal activists</p>
<b>Publications</b>	Presentation at the Nuffield Australia National Conference, Launceston, September 2014