



House of Commons  
Environment, Food and Rural  
Affairs Committee

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# **Poultry Farming in the United Kingdom**

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**Thirteenth Report of Session 2002–03**

*Volume I*





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Environment, Food and Rural  
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**Thirteenth Report of Session 2002–03**

*Volume I: Report, together with formal  
minutes*

*Ordered by The House of Commons  
to be printed 16 July 2003*

## Environment, Food and Rural Affairs Committee

The Environment, Food and Rural Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Environment, Food and Rural Affairs and its associated bodies.

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### Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at [www.parliament.uk/parliamentary\\_committees/environment\\_\\_food\\_and\\_rural\\_affairs.cfm](http://www.parliament.uk/parliamentary_committees/environment__food_and_rural_affairs.cfm).

A list of Reports of the Committee in the present Parliament is at the back of this Report.

### Committee staff

The current staff of the Committee are Gavin Devine (Clerk), Tim Jarvis (Second Clerk), Richard Kelly and Dr Kate Trumper (Committee Specialists), Mark Oxborough and Louise Combs (Committee Assistants), and Anne Woolhouse (Secretary).

### Contacts

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## Summary

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A common theme in the evidence we received was that, as a result of more stringent welfare standards, the United Kingdom poultry industry faces significantly higher costs than some of its foreign competitors. Increasing trade liberalisation is also likely to increase the pressure on the industry. These two factors are eroding the ability of the United Kingdom poultry industry to survive.

We share the concerns of the industry about its future and believe that it is appropriate for those who wish to sell in our marketplace to meet the standards expected of our own producers. We call on the Government, with its European Union partners, to develop a strategy to ensure that all poultry meat, eggs and products containing them conform to the food safety, animal welfare and environmental standards that we expect of producers in the Single Market.

We also expect the Government to provide more certainty for the industry. We argue that it can do this by involving the industry fully in the development of poultry welfare legislation and by clearly explaining its objectives for both the new chicken meat welfare Directive and the review of the Hen Welfare Directive. We urge the Government to promote the United Kingdom industry's track record in implementing new welfare standards, especially to the consumer.





# 1 Introduction

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1. This Committee and its predecessor, the Agriculture Committee, have long taken an interest in the competitiveness of United Kingdom agriculture. A number of factors persuaded us to carry out an inquiry into the poultry industry: the increasing levels of poultry imports into the United Kingdom; the ongoing trade liberalisation talks which are likely to reduce protection against imports; a growing desire to improve welfare for all farmed livestock; and the Government's recent consultation on a unilateral ban on enriched cages. We therefore decided to appoint a Sub-committee to:

examine the state of poultry farming ... [looking] particularly at the impact of new regulations on the industry and its competitiveness, and on animal welfare standards.<sup>1</sup>

2. The Sub-committee took oral evidence in June, from Compassion in World Farming, the British Retail Consortium, the British Egg Industry Council, the British Poultry Council, the Transport and General Workers' Union and Lord Whitty the Parliamentary Under-Secretary of State (Farming, Food and Sustainable Energy) at the Department for Environment, Food and Rural Affairs (Defra). In July, we visited Brazil in connection with a number of our current inquiries, including this one. The written and oral evidence we received, and the visit, have informed our thoughts. We are grateful to all those who have helped us in this inquiry.

3. A common theme in the evidence we received was that production and regulatory costs were significantly lower in competing countries outside the European Union and that these were eroding the ability of the British industry to survive in the face of welfare standards that were already in place. According to the British Egg Industry Council (BEIC):

“the future competitiveness of the industry is under serious threat from new legislation and commercial challenges during the next decade. While this includes environmental and food safety legislation, the greatest threat is from implementing new animal welfare legislation at the same time as world trade is liberalised”.<sup>2</sup>

The British Poultry Council (BPC) argued that:

“new EU welfare rules on chickens must take international trade rules into account and not further constrain the competitiveness of EU producers”.<sup>3</sup>

4. Our report begins with a brief review of the poultry industry, animal welfare legislation changes it faces and world trade rules. It then considers the future competitiveness of the United Kingdom poultry industry in the light of these issues. In doing so, it addresses the role of the Government in ensuring that the industry is fully informed of the challenges it will face, and in protecting the industry, and consumers, from imports which do not comply with the welfare standards required of our own producers.

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1 Environment, Food and Rural Affairs Committee Press Notice of 17 March 2003.

2 Ev 25, paras 5-6.

3 Ev 48, summary concerns.

## 2 Background

### Production and trade

5. The poultry industry comprises two distinct sectors, eggs and meat. The two sectors are represented by the British Egg Industry Council (BEIC) and the British Poultry Council (BPC), respectively.

### Poultry meat

6. Members of the BPC produce and process all forms of poultry meat: chicken, turkey, goose and duck. By far the largest element of the meat sector is chicken. Table 1 shows the number of birds slaughtered for meat in 2002. The average carcass weight of a chicken is much lower than the other birds so the proportion of birds slaughtered does not equate to the proportion of meat produced.

**Table 1: Poultry industry slaughterings 2002**

	Million birds	Percentage
Chickens	808	94.9
Turkeys	23	2.7
Ducks	20	2.3
Geese	*	

\* under 500,000

*Note Provisional figures*

*Source: Defra, Agriculture in the United Kingdom, see [www.defra.gov.uk](http://www.defra.gov.uk)*

7. The BPC reported that United Kingdom poultry meat production “has increased by 80% since 1985 to 1.5 million tonnes”. The BPC expressed concern that imports of poultry meat increased by 65 per cent between 1997 and 2002 to “almost 440,000 tonnes”.<sup>4</sup> The British Retail Consortium puts the figure at 362,000 tonnes,<sup>5</sup> and Defra records 354,000 tonnes, of which 45,000 tonnes comes from outside the European Union.<sup>6</sup> Figure 1 below shows total available supplies on the United Kingdom market, total imports from both European Union and non-European Union sources, and total imports as a proportion of available supplies. It shows that the amount of poultry meat available to consumers has grown from 1.5 million tonnes in 1995 to 1.7 million tonnes in 2002. Although total imports now account for 20 per cent of supplies, compared to around 10 per cent in 1990, the British Retail Consortium point out that exports have also increased. This is because of the preference amongst British consumers for breast meat: we therefore export more dark meat.<sup>7</sup> Defra’s figures for the United Kingdom poultry meat sector calculate self-sufficiency

4 Ev 43, para 4 and Ev 46, para 37.

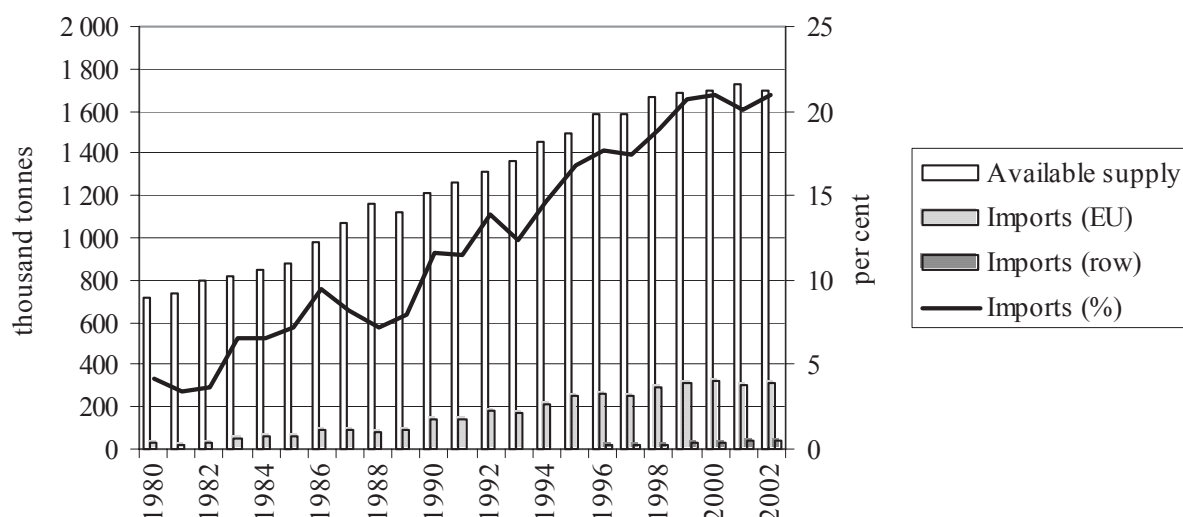
5 Ev 15, para 3.

6 Defra, *Agriculture in the United Kingdom 2002*, see: [www.defra.gov.uk](http://www.defra.gov.uk).

7 Ev 15, paras 2-3.

on the basis of domestic production, ignoring domestic exports. Defra figures show that self-sufficiency has fluctuated between 89 per cent and 99 per cent since 1980.<sup>8</sup>

**Figure 1: Total availability of poultry meat in the United Kingdom (thousand tonnes carcass weight equivalent) and imports (as a percentage of available supply) from European Union (EU) and rest of world (row)**



Source: Defra, *Agriculture in the United Kingdom*, see [www.defra.gov.uk](http://www.defra.gov.uk)

8. Defra reported that imports of poultry meat from countries outside the European Union increased from 2,000 tonnes in 1995 to 45,000 tonnes in 2002.<sup>9</sup> The BPC believes that “much of the chicken imported from The Netherlands also originates in Brazil or Thailand”.<sup>10</sup>

9. Average weekly consumption of poultry within the home exceeds the consumption of beef, pork and lamb combined, although consumption has declined since 1996/97 (see Table 2).

**Table 2: Household consumption of meat, poultry and eggs (grams per person per week)**

	1996/97	2000/01	2001/02
Carcass meat*	231	240	229
Poultry (primary)	277	274	248
Eggs (number)	1.77	1.62	1.65

\* beef and veal, mutton and lamb, pork

Source: 1996/97 and 2000/01 – *National Food Survey*, 2001/02 – *Expenditure and Food Survey*, see [www.defra.gov.uk](http://www.defra.gov.uk).

8 Defra, *Agriculture in the United Kingdom 2002*.

9 Defra, *Agriculture in the United Kingdom 2002*, see [www.defra.gov.uk](http://www.defra.gov.uk).

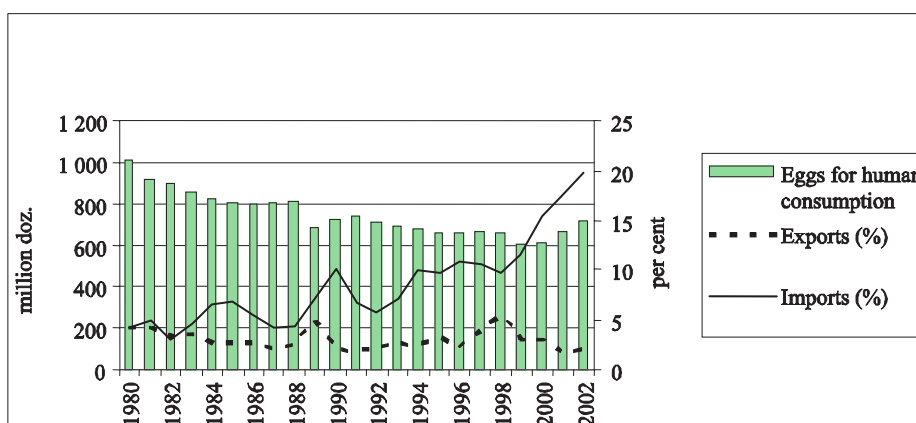
10 Ev 46, para 37.

10. The British Retail Consortium noted that the food service sector accounted for about 30 per cent of the total food consumption in the United Kingdom and did not expect that proportion to be any lower for chicken.

## Eggs

11. Since the early 1980s there has been a considerable decline in egg production in the United Kingdom. There has been a decline in consumption<sup>11</sup> (see Table 2), although the BEIC pointed out that the decline has levelled off and that sales of “Lion eggs are increasing”.<sup>12</sup> There has also been a shift in consumption from eggs in their shells to processed eggs. This development has made importing and exporting eggs easier. There has consequently been an increase in the amount of eggs imported into the United Kingdom (see Figure 2). In 1980 net imports (i.e. imports less exports) of eggs were zero; by 2002 they accounted for 13 per cent of available supply.

Figure 2: United Kingdom egg production, imports and exports



Source: Defra, *Agriculture in the United Kingdom*, see [www.defra.gov.uk](http://www.defra.gov.uk)

## European Union legislation

12. The next few years will see a review of existing European Union legislation covering the poultry industry and proposals to introduce new legislation. European Union Directive 1999/74 (the Hen Welfare Directive) lays down minimum standards for the protection of laying hens. It was agreed in July 1999.<sup>13</sup> It raised the minimum space per caged bird to 550 cm<sup>2</sup>, banned the installation of new battery cages from 1 January 2003 and the use of existing battery cages from 2012.<sup>14</sup> The Directive is subject to a review in 2005.<sup>15</sup> The European Commission is also developing a Directive on welfare standards in the meat sector.<sup>16</sup>

11 Q 108.

12 Q 167. ‘Lion eggs’ are those that meet the food safety standards of the Lion Code of Practice (see X18, paras 81-84).

13 See [europa.eu.int](http://europa.eu.int).

14 Ev 27, paras 39 and 40.

15 Ev 71, para 25.

16 Q 182, Q 305.

## World Trade Organisation

13. The European Union used to protect both sectors of the poultry industry from imports through a system of variable import levies. However, as a result of the Uruguay Round Agreement on Agriculture in 1993, now part of the World Trade Organisation international trade rules, that approach was no longer permitted. The Uruguay Round Agreement on Agriculture resulted in a switch from “a myriad of non-tariff measures ... to a regime of bound tariff-only protection plus reduction commitments”.<sup>17</sup> Non-tariff barriers were converted to tariffs which reflected the extent to which protected market prices exceeded world market prices.<sup>18</sup> Developed country members agreed to complete the conversion process by 1995, and from 1995 to 2001, tariffs were cut by an average of 36 per cent for all agricultural products, with a minimum 15 per cent reduction for any product. In addition, 1986-88 levels of import access had to be maintained, or increased to 5 per cent of domestic consumption. The WTO reported that these import access opportunities “are generally implemented in the form of tariff quotas”.<sup>19</sup>

14. Under Article 20 of the Agreement on Agriculture, members committed themselves to further negotiations on agricultural trade liberalisation, starting in 2000.<sup>20</sup> At the Doha Ministerial Conference, the negotiations on agriculture were incorporated into the wider WTO negotiations. The whole round of negotiations is due to be completed by 1 January 2005. Any increase in trade liberalisation will affect the level of competition experienced by the United Kingdom poultry industry.

## 3 Competitive pressures

### Animal welfare

15. The RSPCA described a number of animal welfare issues which it said arose in the egg and meat sectors of the poultry industry. These concerns are summarised in the table below.

**Table 3: The RSPCA’s concerns about animal welfare in the poultry industry**

egg sector	meat sector
battery cages beak trimming	breeding (genetic selection has led to inactivity and reduces time spent performing natural behaviours) health issues (leg health, heart and lung problems, sudden death syndrome) environmental conditions (stocking density, heat stress, lighting) broiler breeders (feed intake is restricted to allow birds to reach sexual maturity)

Source: RSPCA, Ev 97-Ev 100

17 WTO, *Introduction to the WTO Agriculture Agreement*, p. 5, see [www.wto.org](http://www.wto.org).

18 WTO, *Agriculture: fairer markets for farmers*, see [www.wto.org](http://www.wto.org).

19 WTO, *Introduction to the WTO Agriculture Agreement*, pp. 6-7.

20 WTO, *Introduction to the WTO Agriculture Agreement*, p. 20.

Compassion in World Farming also highlighted these issues and set out additional concerns including, in the egg sector, enriched cages, and in the meat sector, overcrowding and chronic hunger in the breeding flock.<sup>21</sup>

### **Poultry meat sector**

16. Compassion in World Farming said that “there are virtually no species-specific laws protecting broilers on-farm”.<sup>22</sup> Defra also noted that “the chicken meat sector is the one major area of livestock production not so far covered by EU farm animal welfare standards”.<sup>23</sup> Although there is no specific legislation on welfare standards, the sector is covered by industry standards and a Government code. In oral evidence Compassion in World Farming pointed to discrepancies between Defra’s animal welfare code and the industry-owned Assured Chicken Production (ACP) standards.<sup>24</sup> Specifically, the industry’s standards allow stocking densities that are 10 per cent higher than those recommended in Defra’s code.<sup>25</sup> Defra’s welfare code says: “the maximum stocking density for chickens kept to produce meat for the table should be 34 kg/m<sup>2</sup>, which should not be exceeded at any time during the growing period”.<sup>26</sup> The ACP scheme “does not permit planned stocking regimes which plan to exceed 38kgs/m<sup>2</sup>”.<sup>27</sup>

17. In response, the BPC said that the Defra guideline for stocking density was over 30 years’ old. It told us that academic work assessing the codes was underway, and that the bird’s genotype had changed, housing design – including ventilation capacities, ease of management, and quality of housing – had improved, as had the quality of nutrition and hygiene standards since the stocking density “rule of thumb” was introduced 30 years ago.<sup>28</sup> Lord Whitty argued that assurance standards were an “industry responsibility”. However, he acknowledged concerns about the public’s understanding of them. He said that “we need to do a lot more work both on the standards and to generalise them and make sure that they are more understandable and accepted by the public as a whole”.<sup>29</sup>

**18. We agree that assurance standards in the meat poultry sector are primarily a matter for the industry, although consumers are obviously interested parties. We are concerned that some standards are below those contained in Defra’s welfare codes, and consider that the industry should bring its codes and standards up to those set by Defra. In addition, Defra should consider its codes in the light of current academic work and, if necessary, revise them accordingly. We recommend that Defra should then bring forward proposals to enforce the standards outlined in its welfare codes.**

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21 Ev 1-Ev 2, paras 2-18, and Ev 4 paras 37-42.

22 Ev 4, para 34.

23 Ev 71, para 24.

24 Assured Chicken Production is an independent company that owns and develops the Assured Chicken Production Scheme standards. It is a company limited by guarantee and the members of the company are the British Retail Consortium, the British Poultry Council and the National Farmers’ Union (*Assured Chicken Production Standards 2002-03*, March 2002, p. 2).

25 Q 33;

26 Defra, Welfare code for meat chickens and breeding chickens, para 59, July 2002.

27 Assured Chicken Production, *Poultry Standards 2002-03*, March 2002, para 5.25.

28 Qq 185-187.

29 Q 335.

19. Both Defra and the BPC told us that the European Commission is developing a Directive on welfare standards in the meat chicken sector.<sup>30</sup> The BPC added that it welcomed “this work which will bring together and add to existing rules and regulations and apply them equally across all EU Member States”.<sup>31</sup> It expected specific rules to come forward from the Commission “very shortly”.<sup>32</sup> However, it is not clear how long the Council of Ministers will take to agree the rules or how long they will allow the poultry meat sector to fully implement them. **We welcome the development of legislation on welfare standards in the poultry meat sector that will apply across the European Union. We hope that Defra and all stakeholders will play a positive and critical role in the development of a welfare directive, in order to permit its adoption and implementation as quickly as possible. Defra must therefore ensure that it allows adequate resources to achieve this.**

20. During the course of our inquiry there were press reports about farmers reintroducing the use of legal antibiotic growth promoters.<sup>33</sup> The British Retail Consortium told us that the Assured Chicken Production scheme “does not formally prohibit the use of antibiotic growth promoters”.<sup>34</sup> This reinforces the need for consumers to be made more aware of the standards that underpin the appearance of any assurance scheme logo on the chicken they purchase.

### **Egg sector**

21. The egg industry’s biggest concern about welfare is the cost of implementing the ban on the use of conventional (or unfurnished) battery cages. The Hen Welfare Directive banned the installation of new battery cages from 1 January 2003 and the use of existing battery cages from 2012. In place of battery cages, the Directive permits free range and barn systems, and the use of ‘enriched’ cages.<sup>35</sup> The Directive is subject to a review in 2005,<sup>36</sup> When the European Commission will present a report to the Council of Ministers on the welfare implications of various systems for keeping laying hens. The report will also take into account socio-economic factors and the outcome of the WTO negotiations.<sup>37</sup>

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30 Ev 71, para 24.

31 Ev 44, para 20.

32 Q 182.

33 The Guardian, “Chicken farmers reintroduce growth drugs despite public fear”, 27 May 2003, p. 1; The Daily Telegraph, “Action over chickens pumped full of drugs”, 28 May 2003, p. 7; The Times, “Farmers return to drugs for chickens”, 28 May 2003, p. 2.

34 Q 77.

35 Ev 27, paras 39 and 40.

36 Ev 71, para 25.

37 European Council Directive 1999/74, Article 10.

*Enriched cages<sup>38</sup>*

Enriched cages are required to provide:

At least 750cm<sup>2</sup> of cage area per hen, 600cm<sup>2</sup> of which shall be usable (“usable area” is defined as an area, other than any nesting area, used by laying hens at least 30cm wide with a floor slope not exceeding 14% and with headroom of at least 45cm); the height of the cage other than that above the usable area shall be at least 20cm at every point and no cage shall have a total area that is less than 2000cm<sup>2</sup>;

A nest;

Litter such that pecking and scratching are possible;

Appropriate perches allowing at least 15cm per hen; and

Suitable claw-shortening devices.

There are also requirements for the provision of feed and water.

22. On 24 July 2002, Defra launched a consultation about measures which would go beyond the requirements of the Directive. It sought views on:

- the proposal that enriched cages for laying hens should be banned in England from 2012 along with conventional battery cages, resulting in egg production solely from non-cage systems;
- the continued use of enriched cages in England subject to revisions found to be necessary to improve the welfare of hens (based on current and future research to be taken into account in the review of the Hen Welfare Directive in 2005); and
- a Partial Regulatory Impact Assessment which assesses the impact of the proposed ban on enriched cages.

The consultation document made clear that “if a ban is placed on enriched cages then the only system for producing eggs in England after 2012 will be non-cage systems such as barn and free range”.<sup>39</sup> **We suggest therefore that Defra research and publish its own assessment of the costs, the gains and the problems arising from both barn and free-range production in the United Kingdom. We also call on Defra to investigate what steps might be followed to ensure that only eggs produced in barn and free range systems can be *purchased* in the United Kingdom if domestic production moves over to such methods.**

23. On 18 March 2003, Defra announced the conclusions of the consultation exercise. It said that “the Government would defer a decision on banning enriched cages in England until conclusions have been received in the EU on [the Hen Welfare Directive], following the review proposed for 2005”.<sup>40</sup> The BEIC welcomed the fact that a ban on enriched cages

38 Defra, *Consultation on a possible ban on the use of enriched cages for laying hens in England*, 24 July 2002, see: [www.defra.gov.uk](http://www.defra.gov.uk)

39 Defra, *Consultation on a possible ban on the use of enriched cages for laying hens in England*, 24 July 2002.

40 Defra News Release 98/03, 18 March 2003.



was not announced. It argued that “uncertainty” was “one of the greatest threats to a business”.<sup>41</sup> Compassion in World Farming, on the other hand, regretted that the European Union had not banned enriched cages. It hoped that at the 2005 review of the Directive, the United Kingdom:

“will take the lead in persuading our EU partners to:

- a) maintain the prohibition on conventional battery cages; and
- b) prohibit ‘enriched’ cages as scientific research indicates that these cages offer no worthwhile welfare benefits to hens”.<sup>42</sup>

*The Five Freedoms*<sup>43</sup>

1. FREEDOM FROM HUNGER AND THIRST - by ready access to fresh water and a diet to maintain full health and vigour.
2. FREEDOM FROM DISCOMFORT - by providing an appropriate environment including shelter and a comfortable resting area.
3. FREEDOM FROM PAIN, INJURY OR DISEASE - by prevention or rapid diagnosis and treatment.
4. FREEDOM TO EXPRESS NORMAL BEHAVIOUR - by providing sufficient space, proper facilities and company of the animal’s own kind.
5. FREEDOM FROM FEAR AND DISTRESS - by ensuring conditions and treatment which avoid mental suffering.

24. In its submission to the consultation on banning enriched cages, the Farm Animal Welfare Council (FAWC) reported that some research on the welfare issues of enriched cages was underway, and some research had been completed. However, it “does not yield an integrated picture of the overall welfare outcomes”. The FAWC argued that reference to its ‘Five Freedoms’ in considering the welfare aspects of production systems should provide the starting point in forming views on the acceptability of enriched cages for laying. It concluded that:

“until the findings of such research are available there is no unequivocal basis on which the Minister could dismiss the concept of enriched cages - other than on a fundamental belief that a ‘cage’ is by definition an unacceptable environment for laying hens”.<sup>44</sup>

25. The BEIC noted the research at ADAS Gleadthorpe to which the FAWC referred in its submission.<sup>45</sup> The BEIC also told us about industry-hosted, Defra-sponsored research into “colony cages”. These are enriched cages capable of housing 40 or 60 birds. The BEIC reported that space could be allocated to the different requirements of enriched cages “far

41 Ev 28, paras 44-45.

42 Ev 1, para 3 and para 10.

43 FAWC.

44 FAWC response, of 11 December 2002, to Defra consultation on the future of enriched cages for laying hens, see [www.fawc.org.uk](http://www.fawc.org.uk).

45 Q 145.

more effectively” in these cages.<sup>46</sup> **We believe that a science-based solution must be found to the welfare issues related to enriched cages. We suggest that the framework of the five freedoms outlined by the Farm Animal Welfare Council should be carefully considered as the basis for any decision. We welcome the co-operation between Defra and the industry in the research into ‘colony cages’.**

26. Germany has decided to ban enriched cages from 2012, and to implement the ban on conventional cages, from 2007, five years earlier than required under the Hen Welfare Directive.<sup>47</sup> **Defra should reconsider its decision not to ban enriched cages only when the research work into enriched cages is completed.**

### ***Addressing animal welfare concerns***

27. The BEIC calculated that “the capital cost of meeting the full requirements of [the Hen Welfare Directive] will be £432 million as producers move to either enriched cages or free range barn systems”, and that “the Directive will also increase the cost of production by a minimum of 4.8 p/dozen”.<sup>48</sup> Compassion in World Farming acknowledged that production costs would increase but described the increase as “small”. It argued that, through its procurement policies, the Government should act as “catalyst and facilitator ... [to] persuade consumers, the supermarkets, the fast-food caterers and the food manufacturers to support EU hen welfare standards by only buying eggs produced to those standards”.<sup>49</sup>

28. Lord Whitty acknowledged that Government has a role to play in encouraging consumers to fulfil their responsibilities but said that “it is more of an educational role”.<sup>50</sup> We agree that the Government has a role to play in informing consumers, but we are doubtful about the weight consumers will attach to hen welfare issues when buying eggs. **Nevertheless the Government should commission research and develop proposals relating to animal welfare improvements.**

29. Lord Whitty thought that the Government had some responsibility in terms of public procurement, which he portrayed as an element of the sustainability of supply. He told us that “we are currently trying to inculcate a recognition of that in public procurement of food”. He also pointed out the factors that constrain Government’s efforts, such as the budgets within which public procurement operate and the fact that it is not possible to discriminate against competitors.<sup>51</sup> We accept that budgets are finite. However, if tenders are clearly expressed and open to competition, we can see no reason why animal welfare conditions cannot be specified.

30. **Defra should continue its consultation on sustainable procurement with other Government departments, emphasising the legal requirements that already apply to poultry farmers and those that will apply in future. In consultation with the Office of**

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46 Q 129.

47 Ev 1, para 8 and Q 46.

48 Ev 27, paras 41-42.

49 Ev 1-Ev 2, paras 11-12 and Ev 3, paras 26-27.

50 Q 317.

51 Q 319.

**Government Commerce, it should consider developing standard tender documents for all Departments to use. The public sector should be prepared to buy British products rather than the cheaper products of countries not subject to the same standards.**

31. Lord Whitty was not persuaded that, if Defra imposed higher standards, it was obliged to support the industry in meeting those standards. He said that “it is slightly difficult to have a continuous basis of effectively using the taxpayers’ money to subsidise producers for obeying the law”.<sup>52</sup> **We accept the Minister’s argument that Government should not subsidise producers for obeying the law but conclude that this in turn imposes a requirement on Government to legislate only when strictly necessary. If Government cannot demonstrate that the costs of the legislation to those affected are proportionate to improved standards, it must question the reasons for proposed legislation. To prohibit by legislation competition by United Kingdom producers is clearly wrong.**

### Trade liberalisation

32. Both the BEIC and the BPC linked their concerns about increasing animal welfare standards to the ongoing negotiations on world trade liberalisation. In these negotiations, the European Union has accepted the case for “greater market access for all, lower trade-distorting farm subsidies, [and] sharp reductions for all forms of export aid”.<sup>53</sup> It has also secured further discussion on the use of animal welfare payments.<sup>54</sup>

33. The BEIC argued that the prospect of trade import tariffs being reduced coincided with increasing welfare standards which would increase the egg sector’s capital and running costs. As a result of these two pressures, it saw the industry’s competitiveness being “very, very seriously undermined”.<sup>55</sup> The BEIC described the ‘clean hands, dirty mouth’ scenario, in which “we export our welfare concerns and we allow eggs and egg products to come back in from systems which are banned from use here in the European Union”.<sup>56</sup> The BPC similarly argued that imports were cheaper because their production costs did not reflect European “social values”.<sup>57</sup> It reported European Commission data that shows “it costs €1.35 to produce a kilo of poultry meat in the UK compared to €0.72 in Brazil”.<sup>58</sup> We examined these concerns during our visit to Brazil (see box).

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52 Q 314.

53 European Commission Press Release IP/03/457, *WTO farm talks: "We will plough on", says Fischler*, London/Brussels, 31 March 2003, see: [europa.eu.int](http://europa.eu.int).

54 WTO, *Negotiations on Agriculture: First Draft of Modalities for the Further Commitments*, Attachment 7, para 7, see [www.wto.org](http://www.wto.org).

55 Q 115.

56 Q 169.

57 Q 206.

58 Ev 46, para 37.

*Perdigão chicken plant, Rio Verde, Goiás, Brazil*

In July 2003, the Committee visited the chicken processing plant operated by Perdigão SA in Goiás state, Brazil. The plant, which is only six years old, is extremely efficient and well-equipped. It processes approximately 1.5 million chickens each week. The company controls all aspects of production, providing farmers with chicks, feed, supplements and eventually processing; it also determines matters such as the design of the sheds in which the chickens are kept.

Labour costs at the plant are much lower than in the United Kingdom. Cutters in the processing line are paid around US\$120 a month (the minimum wage in Brazil is around US\$80 a month). Input costs are also low: the plant has been deliberately situated in an area where maize and soya, the feeds given to the chickens, are grown. Although the Rio Verde plant currently produces mainly for the domestic market, the company is keen to increase its export volumes.

Many of the issues raised by British producers as concerns about imports are not apparent at the Perdigão plant: it was clean and modern, and appeared to take health and safety concerns very seriously. However, it was clear that it had some advantages compared to its United Kingdom counterparts in addition to its low cost base.

- the company had received fiscal support from the Goiás state government to help it set up at Rio Verde (as we discuss in paragraph 49 below);
- there were signs that animal welfare was not as rigorously enforced as in the United Kingdom: we were told that if the line broke down live chickens might remain shackled for up to half-an-hour before being taken down – and it was clear that some of the operators hooking birds on the line did so quite roughly; and
- the regulations faced by the plant are not as onerous as those in the United Kingdom: protein wastes from the plant are used for fertilizer; other wastes are fed to pigs also processed by the company; and parts of the chicken that do not enter the human food chain, such as the feet, are sold on for human consumption.

We asked about another concern raised about Brazilian poultry: the use of antibiotics as growth-promoters. The management assured us that at the Rio Verde plant they only used chemicals approved by the Brazilian government, in poultry both for the domestic and export markets.

However, it was clear to us that the real strength of this plant was the competitive advantage given to it by scale, low wages and careful co-ordination of farm production and factory output, all of which make it a strong competitor to United Kingdom producers.

34. The Farm Animal Welfare Council set out what it argued were the implications for the industry of different welfare standards applying to domestic producers and those exporting to this country. In the context of the egg sector, it said that:

“if the UK were to ban the use of modified cages without also banning the consumption of eggs produced in caged systems, this would create inequality between domestic and external producers, whether from the EU or overseas. This might well represent a worthy act of principle, but it could merely result in ‘exporting’ the welfare problems and do little or nothing to allay UK public concerns over the welfare of laying hens. A unified EU policy approach, at least, must be the objective. FAWC’s approach is based on the principle that, to be consistent and meaningful, welfare standards defined as acceptable have to be applied to all livestock-derived food products consumed in this country – from wherever they are sourced”.<sup>59</sup>

59 FAWC response, of 11 December 2002, to Defra consultation on the future of enriched cages for laying hens.

## Tariff protection

35. There are currently eight tariff lines for egg imports. Each distinct form of egg is the subject of a different tariff. For example, the tariff on eggs in shell, imported into the European Union, is €30.40/100kg, compared to a market price of €90/100kg.<sup>60</sup> There are numerous codes for poultry, under three main headings: chickens, turkeys, and ducks, geese or guinea fowl.<sup>61</sup>

36. Both the poultry industry bodies called for continued tariff protection. The BEIC made the case for exempting some tariff lines from cuts at all, or at the very least minimum reductions of tariffs.<sup>62</sup> The BPC considered that “tariffs are the most appropriate means of ensuring that the EU social values enshrined in EU legislation are not undermined by cheap imports from third countries not meeting the standards”.<sup>63</sup> Defra told us that “in line with overall UK policy, there is no prospect of action to increase tariff protection or block imports”.<sup>64</sup>

37. We have previously argued the merits of trade liberalisation and improved trading relationships.<sup>65</sup> We believe that tariffs should continue to be scaled back to promote trade liberalisation. However, as long as WTO rules do not permit discrimination between goods on the basis of production and processing methods,<sup>66</sup> our own producers may face higher welfare standards, and therefore higher costs, than some of those who export to the United Kingdom. **We believe that it is essential for those who wish to sell in our national marketplace to meet the standards expected of our own producers, though we accept that this requires common European Union standards and common enforcement at European ports.**

38. We acknowledge that the issue is complicated. Other WTO rules, such as the Agreement on Technical Barriers to Trade, prevent the introduction of non-tariff barriers. Compassion in World Farming expressed some optimism following the WTO rulings on the “shrimp-turtle” case<sup>67</sup> that importing countries could impose conditions of access to protect the environment, as long as the effectiveness of the programme was comparable. Compassion in World Farming saw “no reason why this approach should not be extended to animal welfare”.<sup>68</sup>

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60 The BEIC reported current tariff levels, see Ev 43, Annex A.

61 See the EU TARIC database ([http://europa.eu.int/comm/taxation\\_customs/dds/cgi-bin/tarchap?Lang=EN](http://europa.eu.int/comm/taxation_customs/dds/cgi-bin/tarchap?Lang=EN)).

62 Ev 28, para 52.

63 Ev 47, para 47.

64 Ev 72, para 35.

65 Environment, Food and Rural Affairs Committee, *The Future of Agriculture in a Changing World*, HC 550, Session 2001-02, para 93.

66 Q 280.

67 The United States imposed a ban on the import of certain shrimp and shrimp products because sea-turtles, protected under United States legislation, were killed in harvesting shrimps. India, Malaysia, Pakistan and Indonesia took a complaint against the ban to the WTO. The ruling on the dispute upheld the complaint because the ban was discriminating. But the Appellate Body said its ruling did not prevent the protection of endangered species (see [www.wto.org](http://www.wto.org)).

68 Ev 3, para 29.

*Agreement on Technical Barriers to Trade*<sup>69</sup>

“This agreement will extend and clarify the Agreement on Technical Barriers to Trade reached in the Tokyo Round. It seeks to ensure that technical negotiations and standards, as well as testing and certification procedures, do not create unnecessary obstacles to trade. However, it recognizes that countries have the right to establish protection, at levels they consider appropriate, for example for human, animal or plant life or health or the environment, and should not be prevented from taking measures necessary to ensure those levels of protection are met. The agreement therefore encourages countries to use international standards where these are appropriate, but it does not require them to change their levels of protection as a result of standardization.

“Innovative features of the revised agreement are that it covers processing and production methods related to the characteristics of the product itself. The coverage of conformity assessment procedures is enlarged and the disciplines made more precise. Notification provisions applying to local government and non-governmental bodies are elaborated in more detail than in the Tokyo Round agreement. A Code of Good Practice for the Preparation, Adoption and Application of Standards by standardizing bodies, which is open to acceptance by private sector bodies as well as the public sector, is included as an annex to the agreement.”

*Article 2.1 of the Agreement on Technical Barriers to Trade*

“Members shall ensure that in respect of technical regulations, products imported from the territory of any Member shall be accorded treatment no less favourable than that accorded to like products of national origin and to like products originating in any other country.”

39. Unless consumers and producers can be confident, through explicit and verified labelling, that eggs and poultry meat from outside the European Union have been produced under comparable welfare conditions to those applying within the Union, it is unacceptable to open the market. **We believe that efforts should be made to ensure that accurate labelling of production and processing methods is required. The Government and its European Union partners must work within the WTO to highlight the concerns our consumers have. They should explore with the WTO how existing rules can be interpreted and ultimately press for the reform of rules on production and processing methods to allow distinctions to be identified.**

### ***Animal welfare payments***

40. The CAP reform agreed on 26 June 2003 includes “a strengthened rural development policy with more EU money, new measures to promote the environment, quality and animal welfare and to help farmers to meet EU production standards starting in 2005”. The changes to the rural development regulation will allow support to be given to:

“farmers who enter into commitments for at least 5 years to improve the welfare of their farm animals and which go beyond usual good animal husbandry practice. Support will be payable annually on the basis of the additional costs and income foregone arising from such commitments, with annual payment levels of maximum € 500 per livestock unit”.<sup>70</sup>

69 See: [www.wto.org](http://www.wto.org).

70 European Commission Press Release IP/03/898, EU fundamentally reforms its farm policy to accomplish sustainable farming in Europe, Luxembourg, 26 June 2003

41. The BPC and the BEIC expressed different concerns about this approach. The BPC argued that compensating EU producers for producing to higher standards than those of competitors “places the cost on the wrong party”.<sup>71</sup> It argued that it should be the importers who carry the cost of complying with EU requirements, not the EU taxpayer. We have considerable sympathy with this view. The BEIC argued that CAP budgetary pressure meant that even if WTO rules permitted payments for animal welfare, they would take a long time to materialise.<sup>72</sup>

42. Defra made a slightly different point but agreed that budgetary pressures were a factor. It noted that “significant additional sums” were unlikely to be available for rural development measures in the United Kingdom. It added that “payments under the new optional measures would be competing for limited funds against other Rural Development options, which could provide better value for money and more easily identifiable public benefits”.<sup>73</sup> Defra is already committed to the ‘entry-level’ environmental scheme that will require domestic funding in addition to the European Union’s contribution to our rural development programme. **In the light of the revised EU rural development rules, Defra should indicate at the earliest possible opportunity whether, and to what extent, it plans to amend the England Rural Development Programme to include animal welfare payments, and what level of total payments are realistically foreseeable.**

## Other issues

### Import quality

43. We received a number of representations about the quality and quantity of imports.<sup>74</sup> The Transport and General Workers’ Union also expressed “alarm” about recent increases in the level of imports of poultry meat.<sup>75</sup> Mr Allenson, the Rural, Agricultural and Allied Workers’ Trade Group National Secretary, told us that “when we talk about creating a level playing field, I have no problem with coinciding with the employers’ arguments because it is our members’ jobs and livelihoods [that are at stake]”.<sup>76</sup>

44. There are concerns about import quality in both the egg and meat sectors. Lord Whitty told us that as a result of nitrofurans<sup>77</sup> being identified in poultry meat, every consignment from Brazil and Thailand is now checked and that “where a source has been identified as having nitrofurans or additives in them then supplies from that source have been stopped”.<sup>78</sup> However, the BPC said that “none of the offending Brazilian plants have been delisted by the Commission”.<sup>79</sup> It is, though, important not to generalise: the plant we visited at Rio Verde in Brazil appeared to us to be operating to standards we might expect.

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71 Ev 47, para 45.

72 Ev 29, para 63.

73 Ev 70, paras 11-12, see also Q 288.

74 For example, Ev 85, para 3, Ev 93 [X07], Ev 59, Ev 105, para 8, and Ev 46, para 37.

75 Ev 59, Q 213.

76 Q 264.

77 “Nitrofurans are veterinary medicines banned from use in food-producing animals in the EU. This is due to concerns about the possibility of an increased risk of cancer if people are exposed to them over a long period of time” (Food Standards Agency press release, 23 October 2002, see: [www.foodstandards.gov.uk](http://www.foodstandards.gov.uk)).

78 Qq 276-277.

79 Ev 46, para 41, see also Q 203.

45. The Food Standards Agency has identified a number of problems, including the addition of water and the inclusion of protein derived from other animals. Its concern was that the products were incorrectly labelled. It noted that “the presence of undeclared pork or beef proteins in chicken has caused great concern, especially among some religious groups”.<sup>80</sup>

46. The BEIC was concerned that legal imports did not meet the higher standards of its Lion Quality Scheme. It highlighted the case of eggs from Spain that “were at the centre of outbreaks of Salmonella in the human population”.<sup>81</sup> Lord Whitty told us that “Spanish egg production is supposed to be the same standard as the rest of the EU” and that when standards were not met action was taken.<sup>82</sup>

**47. We recommend that Defra should consider what steps it can take to increase confidence among the industry, politicians and consumers that imports from inside and outside the European Union are appropriately checked and conform to Union standards. Defra should also address concerns about the lack of action taken against those who infringe food safety and labelling rules. It should accept that it has an implicit contract with British producers that rules imposed on them will be imposed on their competitors, whether inside or outside the European Union.**

48. The British Retail Consortium told us that

“retailers use independent auditors in addition to their own technical teams to inspect and approve farms and processors to ensure that their own individual specifications are met. This means that own brand poultry products sourced from outside the European Union are produced under equivalent conditions to those that are required of UK or other EU producers”.<sup>83</sup>

The British Retail Consortium’s representatives told us that Safeway’s code of practice, for example, aimed for once a year auditing. However, they acknowledged that auditing “is more difficult when you are talking about a site in Thailand or Brazil but, even there, we would expect to visit them unannounced at least once every two years”.<sup>84</sup> British poultry producers raised a number of concerns about the quality of imports from overseas. **We believe it is incumbent upon those who import poultry products to demonstrate to domestic producers that equivalent standards are met by those imports. We suggest that this means that auditing of producers and processors overseas should therefore occur on the same frequency as home producers and processors, and that importers supplying the catering trade should inspect producers they source from in the same way as supermarkets and other retailers.**

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80 “FSA water in chicken update May 2003” (Food Standards Agency press release, 21 May 2003).

81 Ev 31, para 92.

82 Q 330.

83 Ev 16, para 14.

84 Q 69.



### *Indirect supports*

49. It is worth noting that foreign poultry and egg industries often benefit from a range of indirect state supports. For example, in Brazil we were told that the government pays for veterinary inspections at chicken plants, whereas in the United Kingdom processors are required to pay the Meat Hygiene Service for its work. Moreover the Perdigão plant at Rio Verde had benefited from a local tax ‘holiday’ in order to encourage investment there. Such supports obviously affect the relative competitiveness of foreign and British producers. **The Government should reflect on such indirect supports in its approach to trade negotiations.**

### *Supermarket power*

50. Both the BEIC and the BPC expressed concern about the buying power of the multiple retailers.<sup>85</sup> An inquiry by the Competition Commission into supermarkets in 2000 recommended a code of practice to put relations between supermarkets and their suppliers on a clearer and more predictable basis.<sup>86</sup> The “Code of Practice on Supermarkets Dealings with Suppliers” was published on 31 October 2001. It applies to supermarkets with more than an 8 per cent share of the grocery market: currently Asda, Sainsbury’s and Tesco.<sup>87</sup>

51. The BPC said that its members have not noticed any reduction in the demands made on them by the various supermarkets as a result of the Code. It was reluctant to cite specific examples “for very real fear of retaliatory action”.<sup>88</sup> Lord Whitty told us that his personal impression was that the Code “is not working and it is not working partly because people are afraid to put their head above the parapet”.<sup>89</sup> He also thought that the costs of higher welfare standards were disproportionately borne by farmers.<sup>90</sup> We are concerned about the effectiveness of the Supermarket Code of Practice. This issue also emerged during our inquiry into gangmasters: a number of those submitting evidence to the Committee in respect of this inquiry expressed doubt about the effectiveness of the Code.

52. In February 2003, the Office of Fair Trading (OFT) announced that it would “conduct a review of the Supermarkets Code of Practice, one year after it came into effect”. At the end of the review, the OFT will report on whether the Code is working effectively and whether it should be changed. The OFT also noted that the Government was committed to reviewing the Code annually.<sup>91</sup> **We welcome the current review by the Office of Fair Trading of the Code of Practice on Supermarkets’ Dealings with Suppliers, and the commitment to further annual reviews. We urge the retail sector to respond carefully, constructively and rapidly to the concerns that have been expressed about the operation of the Code.**

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85 Ev 31, para 87, Ev 48, paras 59-61.

86 Office of Fair Trading press notice 16/03, 17 February 2003, see: [www.offt.gov.uk](http://www.offt.gov.uk).

87 DTI press release 2001/606.

88 Ev 48, paras 59-60.

89 Q 339.

90 Q 338.

91 Office of Fair Trading press notice 16/03, 17 February 2003.

### Environmental regulation

53. Representatives of the poultry industry also identified concerns over environmental regulation. Since the beginning of this year, new or substantially changed installations require Integrated Pollution Prevention and Control (IPPC) permits. IPPC regulates industrial pollution,<sup>92</sup> which includes emissions from large poultry units. At present only new installations require an IPPC permit; from 1 January 2007, this requirement will apply to all existing installations. Permits will have to be renewed annually.<sup>93</sup> Both the poultry meat and egg sectors have had some experience of obtaining initial permits and both highlighted the time consuming and costly process involved.<sup>94</sup>

54. Lord Whitty told us that he was satisfied with the IPPC rules, and that the UK was not gold-plating the IPPC directive.<sup>95</sup> We note that from January 2007 all plants will require a permit. As a result, approximately 1,200 applications from existing broiler units may arrive at the same time.<sup>96</sup> **The Environment Agency should review the time taken to process Integrated Pollution Prevention and Control permit applications for new installations. It should assess whether it has the resources that will be required to ensure that all existing installations have permits by 2007, and publish the results of this assessment.**

### Animal by-products regulation

55. Defra told us that the Animal By-products Regulation<sup>97</sup> would affect the poultry industry in many ways: “the new regulation ends the possibility of on-farm burial or burning of carcasses as a disposal method for fallen stock”; it introduced new controls on the disposal of blood and feathers from slaughterhouses. Defra contended that arrangements were in place, and “therefore the new regulation should not affect their competitiveness”.<sup>98</sup> However, whilst we were in Brazil we were told that processing waste from the poultry plant was used as a fertiliser or an ingredient in pig feed. **Defra should outline the food safety implications that arise when imported meat products come from animals fed on feedstuffs banned in this country, and indicate what action is taken to minimise the risk to human health of such imports.**

## 4 An uncertain future?

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56. Defra noted the poultry industry’s “excellent record of product development and innovation”.<sup>99</sup> However, there is the potential for this record to be compromised by increasing uncertainty within the sector about potential legislative changes. There is uncertainty in the egg sector. Following a consultation on banning enriched cages, Defra

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92 Ev 71, para 16.

93 Q 200.

94 Ev 45-Ev 46, paras 28-36, Qq 161-162.

95 Q 342.

96 Q 200.

97 We took evidence from Elliot Morley, then Parliamentary Under-Secretary of State at Defra on the Animal By-products Regulation on 14 May 2003, see: Environment, Food and Rural Affairs Committee *Animal By-products Regulation: Minutes of Evidence*, Session 2002-03, HC 707.

98 Ev 70, paras 14-15.

99 Ev 72, para 35.

said that “there are insufficient grounds *at present* to justify a unilateral ban on enriched cages from 2012” [our emphasis].<sup>100</sup> We heard from the British Retail Consortium that it was “working on the basis that we will be moving to enriched cages in 2012 but we have also heard that that date may be brought forward to 2008”.<sup>101</sup> The Farm Animal Welfare Council also noted that “the inability to pronounce definitively on the acceptability of enrichment leaves the UK egg production industry with considerable uncertainty”.<sup>102</sup> The poultry meat sector has similar concerns about a potential Directive covering welfare standards in this sector.

57. However, we emphasise that it is difficult for the industry to invest or attract finance on the scale necessary to face intense competition unless it is given more certainty about what will be required of it and what Government can do to help. **We believe that the Government can help to bring about more certainty in the poultry industry. It can ensure that the industry is fully consulted in the review of the hen welfare directive and in the development of the meat chicken welfare directive. The Government should set out its current thinking on both these issues: in particular, the extent to which its current welfare code reflects its objectives for the meat chicken welfare directive and under what circumstances it will support the continued use of enriched cages. We believe that transparent negotiations on these issues will assist the poultry industry to meet any new obligations and contribute to reducing the uncertainty facing the industry.**

58. Increased certainty about future legislative developments is especially important for the industry given the likely increase in competition resulting from trade liberalisation. This raises questions about the extent to which the standards to be required of poultry producers in the UK will be the same as those required of our European Union partners, and importers from outside the European Union. In short, will there be a level playing field? **We believe that without some form of intervention United Kingdom and European Union poultry farmers will lose market share to overseas producers who do not have to meet such stringent animal welfare standards. The Government, with its European Union partners, must develop a strategy to ensure that all poultry meat, eggs and their products on the European Union marketplace conform to the standards that we expect of producers in the Single Market, and have been produced to equivalent animal welfare standards.**

## Conclusions and recommendations

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1. We agree that assurance standards in the meat poultry sector are primarily a matter for the industry, although consumers are obviously interested parties. We are concerned that some standards are below those contained in Defra’s welfare codes, and consider that the industry should bring its codes and standards up to those set by Defra. In addition, Defra should consider its codes in the light of current academic work and, if necessary, revise them accordingly. We recommend that Defra should

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<sup>100</sup> HC Debates, 18 March 2003, 40WS.

<sup>101</sup> Q 112.

<sup>102</sup> FAWC response, of 11 December 2002, to Defra consultation on the future of enriched cages for laying hens.

then bring forward proposals to enforce the standards outlined in its welfare code (Paragraph 18)

2. We welcome the development of legislation on welfare standards in the poultry meat sector that will apply across the European Union. We hope that Defra and all stakeholders will play a positive and critical role in the development of a welfare directive, in order to permit its adoption and implementation as quickly as possible. Defra must therefore ensure that it allows adequate resources to achieve this. (Paragraph 19)
3. We believe that a science-based solution must be found to the welfare issues related to enriched cages. We suggest that the framework of the five freedoms outlined by the Farm Animal Welfare Council should be carefully considered as the basis for any decision. We welcome the co-operation between Defra and the industry in the research into 'colony cages'. (Paragraph 25)
4. Defra should reconsider its decision not to ban enriched cages only when the research work into enriched cages is completed. (Paragraph 26)
5. The Government should commission research and develop proposals relating to animal welfare. (Paragraph 28)
6. Defra should continue its consultation on sustainable procurement with other Government departments, emphasising the legal requirements that already apply to poultry farmers and those that will apply in future. In consultation with the Office of Government Commerce, it should consider developing standard tender documents for all Departments to use. (Paragraph 30)
7. We accept the Minister's argument that Government should not subsidise producers for obeying the law but conclude that this in turn imposes a requirement on Government to legislate only when strictly necessary. If Government cannot demonstrate that the costs of the legislation to those affected are proportionate to improved standards, it must question the reasons for proposed legislation. (Paragraph 31)
8. We believe that it is essential for those who wish to sell in our national marketplace to meet the standards expected of our own producers, though we accept that this requires common European Union standards and common enforcement at European ports. (Paragraph 37)
9. We believe that efforts should be made to ensure that accurate labelling of production and processing methods is required. The Government and its European Union partners must work within the WTO to highlight the concerns our consumers have. They should explore with the WTO how existing rules can be interpreted and ultimately press for the reform of rules on production and processing methods to allow distinctions to be identified. (Paragraph 39)
10. In the light of the revised EU rural development rules, Defra should indicate at the earliest possible opportunity whether, and to what extent, it plans to amend the

England Rural Development Programme to include animal welfare payments, and what level of total payments are realistically foreseeable. (Paragraph 42)

11. We recommend that Defra should consider what steps it can take to increase confidence among the industry, politicians and consumers that imports from inside and outside the European Union are appropriately checked and conform to Union standards. Defra should also address concerns about the lack of action taken against those who infringe food safety and labelling rules. (Paragraph 47)
12. We believe it is incumbent upon those who import poultry products to demonstrate to domestic producers that equivalent standards are met by those imports. We suggest that this means that auditing of producers and processors overseas should therefore occur on the same frequency as home producers and processors, and that importers supplying the catering trade should inspect producers they source from in the same way as supermarkets and other retailers. (Paragraph 48)
13. We welcome the current review by the Office of Fair Trading of the Code of Practice on Supermarkets' Dealings with Suppliers, and the commitment to further annual reviews. We urge the retail sector to respond carefully, constructively and rapidly to the concerns that have been expressed about the operation of the Code. (Paragraph 52)
14. The Environment Agency should review the time taken to process Integrated Pollution Prevention and Control permit applications for new installations. It should assess whether it has the resources that will be required to ensure that all existing installations have permits by 2007, and publish the results of this assessment. (Paragraph 54)
15. Defra should outline the food safety implications that arise when imported meat products come from animals fed on feedstuffs banned in this country, and indicate what action is taken to minimise the risk to human health of such imports. (Paragraph 55)
16. We believe that the Government can help to bring about more certainty in the poultry industry. It can ensure that the industry is fully consulted in the review of the hen welfare directive and in the development of the meat chicken welfare directive. The Government should set out its current thinking on both these issues: in particular, the extent to which its current welfare code reflects its objectives for the meat chicken welfare directive and under what circumstances it will support the continued use of enriched cages. We believe that transparent negotiations on these issues will assist the poultry industry to meet any new obligations and contribute to reducing the uncertainty facing the industry. (Paragraph 57)
17. We believe that without some form of intervention United Kingdom and European Union poultry farmers will lose market share to overseas producers who do not have to meet such stringent animal welfare standards. The Government, with its European Union partners, must develop a strategy to ensure that all poultry meat, eggs and their products on the European Union marketplace conform to the standards that

we expect of producers in the Single Market, and have been produced to equivalent animal welfare standards. (Paragraph 58)

# Formal minutes

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**Wednesday 16 July 2003**

Members present:

Mr David Curry, in the Chair

Ms Candy Atherton  
Mr Colin Breed  
Mr David Drew  
Mr Michael Jack  
Mr Mark Lazarowicz

Mrs Gillian Shephard  
Alan Simpson  
David Taylor  
Paddy Tipping  
Mr Bill Wiggin

The Committee deliberated.

Draft Report (Poultry Farming in the United Kingdom), proposed by David Taylor, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 58 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Thirteenth Report of the Committee to the House.

*Ordered*, That the Chairman do make the Report to the House.

Several Papers were ordered to be appended to the Minutes of Evidence.

*Ordered*, That the Appendices to the Minutes of Evidence taken before the Poultry Farming in the United Kingdom Sub-committee be reported to the House.—(*The Chairman*).

Several Memoranda were ordered to be reported to the House.

The Committee further deliberated.

[Adjourned till Wednesday 10 September at 2.15 pm

# Witnesses

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## Tuesday 10 June 2003

Page

**Mr Peter Stevenson**, Compassion in World Farming

Ev 5

**Mr Kevin Hawkins**, British Retail Consortium, and **Mr Alan Blackledge-Smith**, Safeway plc.

Ev 17

## Tuesday 17 June 2003

**Mr Andrew Parker OBE**, **Mr Andrew Joret** and **Mr Mark Williams**, British Egg Industry Council

Ev 33

**Mr David Joll**, **Mr Andrew Lewins** and **Mr Peter Bradnock**, British Poultry Council

Ev 52

## Thursday 19 June 2003

**Mr Peter Allenson**, **Mr Geordie Wilcock** and **Mr Heath Quittenton**, Transport and General Workers' Union

Ev 60

**Lord Whitty** and **Mr Andrew Slade**, Department for Environment, Food and Rural Affairs

Ev 73



## List of written evidence

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1	Compassion in World Farming	Ev 1
2	British Retail Consortium	Ev 14, 23
3	British Egg Industry Council	Ev 25, 41
4	British Poultry Council	Ev 43
5	Transport and General Workers' Union	Ev 59
6	Department for Environment, Food and Rural Affairs	Ev 68
7	Lloyd Maunder Ltd	Ev 85
8	Ms Louise Manning	Ev 86
9	DB and HM Masters	Ev 89
10	REJ and R Smaldon	Ev 89
11	Creedy Carver	Ev 90
12	Crowe Livestock & Co	Ev 91
13	Halberton Poultry Ltd	Ev 92
14	NE Horrox	Ev 93
15	Sustain	Ev 95
16	CD Thomas	Ev 96
17	Brandons Growers Association	Ev 96
18	RSPCA	Ev 97
19	British Veterinary Poultry Association	Ev 101
20	National Farmers' Union of England and Wales	Ev 104
21	National Office of Animal Health Ltd	Ev 107

## List of unprinted written evidence

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Additional papers have been received from the following and have been reported to the House but to save printing costs they have not been printed and copies have been placed in the House of Commons library where they may be inspected by members. Other copies are in the Record Office, House of Lords and are available to the public for inspection. Requests for inspection should be addressed to the Record Office, House of Lords, London SW1. (Tel 020 7219 3074) hours of inspection are from 9:30am to 5:00pm on Mondays to Fridays.

British Egg Industry Council (Annexes)

RSPCA (Annexes)

## Reports from the Committee since 2001

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### Session 2002–03

Twelfth Report	The Departmental Annual Report 2003	HC 832
Eleventh Report	Rural Broadband	HC 587
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