



Inquiry into the financial performance and current operations of the Ministry of Agriculture and Forestry and a review of factory farming versus free-range farming

Recommendation

The Primary Production Committee makes the following recommendations to the Government:

- that more emphasis be placed on promoting free-range farming in order to strengthen New Zealand's green image and to improve animal welfare standards
 - that the codes of conduct governing farming practices be reviewed to create consistency between the standards applied to agricultural and companion animals
 - that regulations be produced for the management of free-range farms
 - that independent research be commissioned to improve the definition of what constitutes normal animal behaviour and the findings be incorporated into animal welfare codes
 - that independent research be commissioned into what farming practices provide the best living conditions for farm animals
 - that subsidies be provided for farmers to convert to free-range farming
 - that the Government reinvest the resources allocated to improving factory farming practices into encouraging the uptake of free-range farming
 - that independent research be commissioned into what impact producing a greater proportion of free-range products would have on food prices.
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Introduction

The purpose of this report is to summarise our consideration of the financial review and current operations of the Ministry of Agriculture and Forestry (MAF) and our inquiry into factory farming versus free-range farming.

We recognise the importance of the agricultural industry to New Zealand's economy and believe it is of critical importance to the sector that high standards of animal welfare be maintained. As young New Zealanders we strongly feel the agriculture sector should move away from factory farming practices and adopt more humane production methods.

When considering issues of animal welfare, we were conscious of the need to balance animal welfare with ensuring that any possible changes in animal management policies would not place unreasonable burdens on farmers. We were also mindful of the need to keep food prices affordable to all New Zealanders.

We heard evidence from Paul Stocks, Deputy Director-General, Policy at MAF, Lachlan McKenzie, Dairy Chairman, Federated Farmers of New Zealand, and Hans Kriek, director of Save Animals From Exploitation campaigns.

Financial review

We were interested to hear about the work undertaken by MAF during the past year, particularly in areas relevant to our inquiry, such as animal welfare and protecting the integrity of New Zealand's agricultural products. We note that primary production constitutes 65 percent of our exports, and were pleased to hear the emphasis the ministry places on the importance of maintaining New Zealand's reputation as an ethical producer of food.

We heard that animal welfare is a key focus for the ministry, and were pleased to hear that MAF's resources for this purpose have increased substantially. Animal welfare now has a budget of \$4.5 million for the 2010/11 year, an increase of \$1.6 million from 2009/10, and the number of staff working on animal welfare issues has doubled.

We were told the ministry intended to focus more on communication and education to help farmers ensure they were complying with animal welfare laws. The ministry stressed there were very few cases of deliberate animal abuse; in most cases investigated by the ministry factors such as drought contributed to the mistreatment of farm animals.

Animal welfare and farming practices

We asked whether free-range farming created better living conditions for animals. We heard from Save Animals From Exploitation (SAFE) that free-range farms generally afforded good animal living conditions, provided the farms were well managed.

We were concerned to hear that factory farming of chickens and pigs confined the animals to barns and subjected the animals to cramped, dirty conditions, where they were unable to exhibit their normal behaviour. Pigs were left to wallow in their own excrement and chickens often suffered broken bones, and osteoporosis caused by calcium deficiencies as a result of laying too many eggs. We note a report in 2006 found that nearly 3.5 million

chickens a year died from various health problems before reaching the age of six weeks. These are not practices which we want to pass on to future generations.

We heard from Federated Farmers that all farming practices in New Zealand conformed to the Animal Welfare Act 1999. The organisation said it was committed to high standards of animal welfare, and believed factory farming gave the animals acceptable living conditions. We were told it was not in a farmer's interest to treat their animals poorly; if an animal is stressed then it is unlikely to grow or breed productively. Federated Farmers contend that the use of farrowing crates, cages which contain a sow and her piglets, and battery cages for chickens provide humane conditions for animals. They argued that without these measures piglets would be accidentally crushed and hens would fight.

Animal welfare codes

We were told by MAF that animal welfare standards were fluid and gradually changed in line with societal perceptions. We note that some changes are already being slowly implemented, but we would like to see changes implemented more quickly in the future. For example, the use of sow stalls and farrowing crates will be restricted by 2015, and the size of battery cages will be gradually increased during the next four years. We are pleased that legislation has been passed which would impose greater penalties on people convicted of animal abuse. We intend to monitor the effect of these changes.

However we remain concerned that the changes proposed may not go far enough to address animal welfare issues. Of particular concern to us are the restraints on normal animal behaviour. We believe the code, as it stands, is too heavily weighted in favour of factory farming. While we accept that animal welfare codes have been produced following scientific consultation, we believe an independent review is needed, and any recommendations arising from the review are acted on by the Government.

Of particular concern to us was the difference in standards applied to different types of farm animals. We note sheep and beef are farmed in a free-range manner and would like to see these methods applied to the farming of poultry and pigs. We are also concerned by the different standards applied to some agricultural animals and companion animals, such as dogs. We believe that if a dog owner locked his or her pet in a cage for weeks at a time, they would be prosecuted. While we do not believe agricultural animals should necessarily receive the same treatment as pets, we are concerned by this double standard.

The economic impact of free-range farming

While we are in favour of encouraging free-range farming practices, we are concerned that they could lead to higher food prices. New Zealand is still recovering from the impact of the global recession, and we are keenly aware of the financial pressures faced by many families.

We heard that while consumer surveys often revealed strong support for free-range products, this did not often translate into sales, with only 10 percent of shoppers regularly buying free-range products. Free-range farming requires more resources and is often more labour intensive, which means the produce is more expensive.

We believe if more farmers could be encouraged to convert to free-range farming, prices would be likely to drop as the free-range market became more competitive. We also believe the Government should provide subsidies to assist farmers keen to convert from factory to free-range farming.

We heard much of the pig farming in Canterbury follows free-range farming methods, with pigs housed outside. We heard that pork produced on these farms is nevertheless sold for the same price as factory-farmed pork. We believe this is clear evidence that free-range farming methods can benefit both the livestock and the consumer.

We believe the labour-intensive nature of free-range farming could bring additional benefits to the economy by creating jobs. Given the high levels of unemployment which currently exist, we believe free-range farming has the potential to increase employment opportunities in the agricultural sector.

We noted a report by the accountancy firm KPMG, which predicted that New Zealand agriculture, including meat and animal production, has as little as five years before large-scale intensive farming in South America, western China, and central Asia erodes our cost advantage in producing bulk commodities. The report recommends that New Zealand start revising industry structures, practices, and products to give New Zealand produce better value well in advance of dominance by large-volume commodities from these new suppliers.

We believe free-range farming could provide the necessary point of difference for New Zealand in the international market. We have long promoted our “clean, green” image in tourism marketing campaigns, but are aware this image does not have the standing which it did in the past. The promotion of free-range farming could tie in with other measures, such as tourism campaigns, to market this comprehensive green image to the rest of the world. Free-range agricultural products could be profitable exports in themselves, and help promote the New Zealand “green” brand to the international tourism market.

Appendix

Committee procedure

The committee met on 6 and 7 July 2010 to consider the inquiry. The committee received and heard three submissions. Evidence was heard from the Ministry of Agriculture and Forestry, Federated Farmers of New Zealand, and Save Animals From Exploitation, and advice was received from the Office of the Auditor-General.

Committee members

Phoebe Balle (Chairperson)
Thoraya Abdul-Rassol
Emily Bowden
Sarah Darroch
Kerri Duthie
Alice Markie
Bethany Mathers
Rebecca Quansah
Caitlin Wiseman
Rick Zwaan