



**Report of the European stakeholders
seminar of retailers, consumers'
organisations and animal welfare
protection organisations**

Society stakeholder seminar

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Introduction

EconWelfare is a European research project aiming to provide suggestions for national and European policy makers to further improve farm animal welfare (AW).

The second Work Package (WP) of this project is focussed on the “Stakeholder analysis of strengths and weaknesses of current standards and initiatives” which supports the further improvement of animal welfare in Europe.

Within the framework of the EconWelfare project a stakeholder seminar has been organised in Brussels on March 25th, 2010, in collaboration with the Directorate General Health & Consumers of the European Commission, in order to collect the view of society on upgraded animal welfare standards. The seminar has to be considered as an integration of the research carried out on the attitudes and expectations of consumers and citizens towards increased levels of animal welfare which go beyond the minimum legal requirements based on literature reviews.

The seminar has therefore been directed towards **multiple retailers’ organisations**

Although the Eurobarometer indicates a significant interest of consumers and citizens in higher animal welfare levels, in particular for poultry and pigs, the consumers’ organisations do not rank animal welfare high on their political agenda. A part from some exceptions, the literature research has pointed out that these organisations often do not have a significant knowledge on farm animal welfare issues.

as representatives of the expression of the demand of consumers and citizens and **non governmental organisations (NGOs)** dedicated to the protection of animal welfare, which represent the part of society which has the highest sensibility towards animal welfare

In order to structure the debate the participants have been invited to discuss four statements which refer to the main issues and problems related to public and private initiatives aimed to improve the welfare of farm animals. After a general introduction to the EconWelfare project, the participants have been split in two groups for the first discussion session: one group composed by multiple retailers and the other one by animal welfare NGOs.

This session has been followed up by a plenary session, where convergences and divergences of opinions between the two groups could emerge. The discussion of both groups have been moderated by researchers of the EconWelfare team.

The statements are originating from the stakeholder consultation and the literature studies carried out in the eight EconWelfare partner countries.



Participants

	Last Name	First Name	Affiliation	Country
Multiple Retailers				
1	Hilbrands	Aldin	Royal Ahold	NL
2	Commellini	Federico	Coop Italia	IT
3	Sahin	Fatma	Eurocommerce	BE
4	Aumuller	Roland	Global Gap	DE
5	Noga	Zeeva	CELCAA	BE
6	Somhorst	Marlijn	Centraal Bureau Levensmiddelhandel	NL
7	Lecerf	Rémi	CARREFOUR	FR
8	Dolon	Coline	CARREFOUR	FR
9	Baumann	Per	COOP Sweden/Svenskhandel	SE
Animal Welfare NGOs				
1	Effiong	Essien	Eurogroup for Animals	BE
2	Van den Berg	Bert	Dierenbescherming	NL
3	Ohm	Sabine	Provieh	DE
4	Salzborn	Claudia	Deutscher Tierschutzbund	DE
5	Stevenson	Peter	Compassion in World Farming	UK
Researchers				
1	Spoolder	Hans	Livestock Research WUR	NL
2	de Roest	Kees	CRPA	IT
3	Ferrari	Paolo	CRPA	IT
4	Schmid	Otto	FiBL	CH

The statements

The statements which have been the focus of the seminar were:

1. Higher levels of animal welfare should be achieved primarily through mandatory EU regulations.
2. Farmers and farmers groups will only go for higher animal welfare if there are sufficient financial incentives.
3. Voluntary animal welfare schemes combined with labelling, are the most effective in raising animal welfare as they act through the market mechanism.
4. The best way to change consumers' buying behaviour is to educate and inform them about animal welfare.

During the first discussion session both groups have been moderated by the researchers of the project who asked the participants to give their opinion and comments on the statements.



Results of the discussions of the group of retailers

Statement 1. Higher levels of animal welfare should be achieved primarily through mandatory EU regulations

New EU rules are not needed but rather the enforcement of the existing regulations is necessary to improve the level of animal welfare. This is the main position of the retailers, who in the debate have identified two ways to achieve this:

5. to develop knowledge and awareness of those actors in the chain who must apply the rules to ensure animal welfare;
6. to implement a monitoring system which has to be effective and not too expensive in terms of money and time.

The current legislation is basically adequate to ensure a good standard of living. What does not work are the controls and the exchange of information between national governments and the European Commission. For this reason, according to retailers, the rate of those who do not meet the legal requirements on animal welfare is still high.

Centralised public control requires enormous financial and human resources and is not effective because the chance to be caught is very low: for cross-compliance controls on the single farm payment a farmer is checked on average once in every 20 years.

According to the retailers, a public-private partnership should be established to streamline the system of controls, entrusting the control of farms to third parties.

For example, you can think of annual or biannual inspections carried out by a third party on farms that adhere to a retailer schemes. Public control could then focus only on those farmers not joining any welfare scheme, whereas the public authorities should have access to the audits of private control bodies by entering into the data bases of private control schemes, from which samples would be extracted for testing.

According to the view of the retailers it is difficult to develop higher/better animal welfare standards which do not include their involvement. To confirm this thesis, retailers reminded the example of the food safety legislation, which was implemented by farmers to the extent to which they were required to comply with it.

Moreover they argue for programs of training and education to improve the knowledge of farmers, transport companies and industries about animal welfare legislation.

Statement 2. Farmers and farmers' groups will only go for higher animal welfare if there are sufficient financial incentives

According to several studies a healthy animal that feels well and expresses its natural behaviour will also produce well. For this, animal welfare should be the baseline for a correct farm management and does not need any financial incentive, but a right mentality of farmers. Thus incentives or subsidies could be given in case the farmers would have to adjust or expand their facilities and equipment to comply with new rules.

Incentives are not the only problem because if the single animal could produce more as it is provided with more space, it is also true that decreasing the number of animals per square meter reduces the total farm production.

This means that you have to increase the profitability of production in order to cope with lower production volumes: important is that farmers need long lasting contracts to decide long-term investments.

Statement 3. Voluntary animal welfare schemes combined with labelling, are the most effective in raising animal welfare as they act through the market mechanism

With regards to this statement retailers expressed different positions. Someone agrees, some others disagree and point out the differences between labels and brands.

Labels can be interesting for a very few number of consumers, who are more aware of animal welfare and of organic production



and who are already willing to pay more. It is very difficult to explain in a label all the information needed to communicate the message completely and correctly to all European consumers; they do not have enough tools to understand through a label the differences between products on the shelf and their various prices.

For the large majority of the consumers a retailer brand is much better, because consumers will trust it when the brand guarantees high animal welfare, controlled by third part audits.

To improve the consumers' understanding of the level of animal welfare in the products they are buying, a harmonised assessment system should be used in all EU Countries. The new assessment system should be accepted and could replace the own schemes of retailers.

Although Welfare Quality® is recognised as an independent measurement system, based on innovative approach to the problem, not all retailers think it could be able to run in practice. Other retailers who know the Welfare Quality® system better think that the animal welfare assessment must be a combination of current audits, resource based indicators and a series of feasible outcome indicators.

Statement 4. The best way to change consumers' buying behaviour is to educate and inform them about animal welfare

The lack of knowledge of consumers about how the animals live in the farms is a problem recognised by retailers. Forty years ago more people than now were used to live close to the farms and to know how the animals were raised and slaughtered: this was natural.

Nowadays most people have no idea on animal farming and they make a lot of confusion between animal welfare and organic production.

They need to be educated and this should be not only a task of retailers, but also of public authorities, which should promote initiatives, especially involving children and young people.

But education is different from information and we should take into account of the fact that a label cannot include all information which is behind animal welfare. Too many concepts ends up in confusing the people who want to purchase.

This is why consumers prefer to ask the institutions to act as guarantor of animal welfare.



Results of the discussions of the group of NGOs

Statement 1. Higher levels of animal welfare should be achieved primarily through mandatory EU regulations

The regulations are not the engine to achieve higher animal welfare quality, but rather the consequence of a request that comes from society.

This happened, for example, with the veal calves: only after the pressing demands of the animal protection movements not to keep them in boxes and after a retail chain started selling meat from animals not kept in boxes and fed with fiber, demonstrating that this management system was technically and economically viable, only then the EU issued a specific legislation on veal calves.

The improvement of animal welfare also depends on the willingness of the retailers. According to a survey conducted by interviewing ten retail companies, animal welfare is seen as a competitive advantage and an opportunity for differentiation, respectively by 56% and 49% of the sample. For this reason, the NGOs point out that a higher level of animal welfare is closely related to private standards and to the benefit that can be drawn from the retail brand. Obviously, the rules are fundamental to extend the higher animal welfare levels to all Countries, so it is important to enforce them.

Currently, public opinion in the Northern Countries of Europe is more sensitive to this issue. Given the different feeling and different knowledge of animal welfare expressed by consumers in the different EU Countries, it would be important to harmonize standards and labels, as has been done for organic production.

Statement 2. Farmers and farmers' groups will only go for higher animal welfare if there are sufficient financial incentives

According to NGOs, the farmers do not get enough money now to cover their production costs in the food chain. So it is ne-

cessary to give them the right margin to cover the extra cost of complying with the animal welfare schemes or financial incentives or subsidies to adapt the livestock equipment to better animal welfare management.

It is true that higher animal welfare does not necessarily mean higher costs and NGOs have been keen to highlight in the debate that interventions to improve animal welfare, also by reducing intensive farming, cuts the veterinary and health care costs and can generate benefits as well.

For the NGOs, the incentives of the CAP are insufficient to assist those who want to improve animal welfare and inadequate to convince others to implement it. In addition, the measures are limited and do not include pigs and poultry. So why not thinking about tax cuts, which would certainly be to the advantage of all farmers?

Given that that meeting higher animal welfare standards represents a competitive advantage for those who sell the final products, it would be fair that the costs and benefits are distributed better throughout the supply chain. This would help farmers, and the larger distribution of animal friendly products would lead to lower prices for consumers.

In addition, one NGO states that animal welfare is cheaper than organic farming, and might have a good market demand and could be a good opportunity for farmers.

Statement 3. Voluntary animal welfare schemes combined with labelling, are the most effective in raising animal welfare as they act through the market mechanism

A voluntary scheme and its labels are certainly an effective tool, but are likely to remain an important asset for only a niche of consumers, especially if the standards are very high. If we simply come up with small steps, there would be a greater involvement of farmers, who might approach the schemes with less suspicion and the appeal of animal friendly husbandry systems, would increase.

According to most NGOs the retailers are the best actors able to push products

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with a content of higher animal welfare. This is because they can advertise their commitment to animal welfare directly at their points of sale or through newsletter to the customers. This can create a virtuous circle that increases the market demand and therefore a greater commitment to animal welfare.

Many voluntary schemes are similar but very different and are likely to create confusion in the minds of those who must choose a product. The risk is that products with different levels of animal welfare seem equal to the eyes of consumers. So it would be better to have a single mandatory scheme with an official label, comprehensible and reliable. Transparency is a very important factor to consumers for understanding what lies behind a label.

Statement 4. The best way to change consumers' buying behaviour is to educate and inform them about animal welfare

Education and information on animal welfare are crucial according to NGOs, but

then you must have a label which you can trust, giving accurate and harmonised information and enabling the consumers to choose the type of product they are looking for. But then, the market should be able to provide enough animal friendly products, otherwise we cannot achieve a balance between supply and demand.

Of course you have to understand what consumers' education means, because they have no idea how the animals are raised in industrial systems. The blame for this also is the false information provided by several labels of livestock products that present wrong images evoking farming systems which are very far from those actually adopted in modern farms.



FINAL DISCUSSION IN THE PLENARY SESSION

The best way to raise animal welfare, according to NGOs, is a combination of **legislation** and other private initiatives, whereas the retailers' opinion is that governmental control would be insufficient and too costly. So they propose to delegate annual or biannual controls to private auditors, which in their turn would be controlled by public authorities, letting the government concentrates its efforts on farms and companies where there are more risks as they do not adhere to any welfare schemes.

The NGOs do not completely agree, because only private audits on private farms might be also a risk which may undermine the efficiency of the audit.

Instead, the parties agree they should collaborate further on this topic and work out an affective system. Of course the basis of discussion should be the minimum standards, that cannot be below the law, because some private assurance schemes have, in practice, a lower level than legislative standards.

On the other hand, governments have to play their role in controlling compliance with the animal welfare laws.

As regards **financial incentives** for farmers the NGOs are of the opinion that there are other reasons for farmers to operate than only for financial incentives, because farming is a way of life. Of course this is not enough, because if animal friendly products obtain a price premium, it would be right that farmers have a fair share of the margin. So, before asking farmers to

invest in higher animal welfare we should give them their fair share in the value chain.

To some NGOs, the retailers should have the responsibility of choosing what is ethical and what is not, as they did with the cage eggs in the Netherlands, where the retailers took the lead already years ago, stating that cage eggs are not ethical, stopping to sell them anymore. Consumers in this way did not have the option to choose.

Even though there is competition between retailers, the NGOs ask to work with them to establish a baseline for minimum ethical standards. Retailers agree, but also say that they should allow consumers to choose between standard products and premium products.

To this claim, NGOs reply that the cheapest product should not be placed on the market when it does not comply with minimum ethical standards. Also discounted products should always meet the minimum animal welfare standards.

Concerning **voluntary welfare schemes** as the most effective way to raise animal welfare, NGOs and retailers should clarify, first of all, what kind of scheme they are talking about, because in this moment there is a contrast between those who want to measure animal welfare by means of an outcome-based assessment system and those who prefer to keep a traditional input based scheme. Despite Welfare Quality® has produced very important results and is stressing the use of outcome based assessments of animal welfare, the NGOs and the retailer underline that both outcome and input assessment are important to evaluate animal welfare: they underline that you cannot



have a good animal welfare results if you use poor resources.

With reference to **education and information** as the best ways to change consumers' buying behaviour, NGOs ask retailers to be more clear and transparent by communicating how they are really involved in animal welfare, how much animal welfare is “contained” in their products and what they guarantee to their customers. Without a real transparency, retailers cannot ask consumers to trust them and pay a higher price.

As there are a lot of private schemes of animal welfare, labels cannot give all the information which consumers would need; therefore to explain it to consumers, retailers

can use also other tools. For example they could publish their policy on animal welfare and the adopted schemes on their website.

A different position has been expressed by retailers. Their opinion is that private retailer brands for consumers are much more important than labels, because consumers trust these brands.

Therefore the question about how communicating animal welfare to the people remains open, because of the difficulty to make information simple and understandable.



Colophon

This report is part of the deliverable 2.2 "Report of the European stakeholders seminar of retailers, catering and consumers' organisations" of the EconWelfare project.

EconWelfare is a European research project aiming to provide suggestions for national and European policy makers to further improve farm animal welfare. In collaboration with stakeholder groups it collates and investigates the options and their impacts on the livestock production chain, the animal and European society.

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**Good animal welfare in a socio-economic context:
Project to promote insight on the impact for the animal, the production chain and European society of upgrading animal welfare standards**

