

**Report of five national workshops of
representatives of farmers'
organisations, animal transport
companies and dairy and meat industry**

Chain actors workshops

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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 focused 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 five stakeholder workshops have been organised in the United Kingdom, the Netherlands, Poland, Macedonia and Italy in order to collect the view of chain actors on upgraded animal welfare standards. In each workshop representatives of the farmers' organisations, of the animal transport companies and of the meat and dairy industry discussed about the advantages and drawbacks of increased levels of animal welfare which go beyond the minimum legal requirements.

The five countries have been chosen taking into account the expected differences in attitude of the chain

Between EU member states the representatives of farmers' organisations, transport companies and meat and dairy industry may give different views on upgraded levels of animal welfare, but, interestingly, on several issues also a strong convergence has been registered.

actors in these countries as the debate on this subject is very much influenced by the local opinion of society on 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 started to discuss the statements moderated by the researchers of Newcastle University (UK), Wageningen Livestock Research (NL), Agricultural University of Warsaw (PL), the University of Skopje (MC) and the Research Centre on Animal Production (IT).

Of interest has been to register where convergences and divergences of opinions between the actors of the chains could emerge.

The statements are originating from the stakeholder consultation and the literature studies carried out in the eight EconWelfare partner countries and the same statements have been used in the society seminar where multiple retailers and animal protection NGOs have expressed their view.



Breakdown of participants according to type of organisation

	UK	NL	PL	MC	IT
Farmers and producers organisation	3	7	5	22	10
Trade and transport	1	1	1	3	1
Meat and dairy industry	3	3	1	20	3
Total	7	11	7	45	14

The statements

The statements which have been the focus of the workshops 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 five national workshop discussions

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

A common shared view of all chain actors in the five countries is that there is no need for more EU animal welfare legislation as the actual level of legislation is enough to guarantee a reasonable level of animal welfare. There is however a strong need for a uniform enforcement of existing animal welfare regulations in the EU in order to prevent unfair competition. The British chain actors are in particular concerned about the fact that EU legislation is not correctly interpreted and implemented in all Member States and that the resources of the inspection services are insufficient to enforce farmers and transport companies to comply with the rules. In addition, AW legislation should not be raised in single Member States above the general EU level as also generating distortion of competition.

Another reason to be against further upgraded legislation is the fear of extra administrative and bureaucratic burdens on farms, as already now this burden has come considerable. Next to the possible increase of production costs these extra administrative costs create a risk of a loss of competitiveness of EU animal production.

Italian industry argues that of course more restrictive regulations would increase animal welfare, but the declining purchasing power of many families in Europe does not allow for a general price increase for animal products. Higher animal welfare should therefore be enhanced only by private and voluntary initiatives.

According to most representatives of farmers', transporters and meat processing industry organisations, mandatory EU regulations are considered as the primary means to achieve higher levels of AW. Some Italian chain actors even state that further mandatory regulations are not necessary at all because the market will

steer producers towards certain upgraded standards.

Polish and Macedonian representatives point out that the awareness of a farmer about the influence of animal welfare standards on efficiency and health of animals is even more important than regulations.

They stress the need for further education of farmers and transporters in improving the handling of animals. When this being achieved also compliance with existing legislation will be higher.

According to the opinion of the Dutch chain actors a basic level of AW within the EU should be achieved by EU legislation and unilateral national upgrading of legislation will cause a loss of competitiveness. Higher AW levels should be initiated on basis of market demands and beyond the basic legislation the market should pose its own rules.

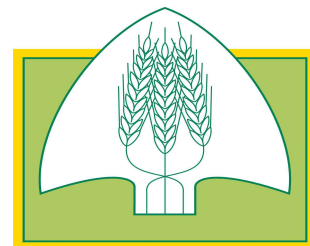
Most Dutch representatives therefore believe that the actual EU legislation is already sufficient to ensure a minimum level of AW, but it is necessary to uniform implementation and enforcement.

Furthermore new EU regulations, stricter than the present ones, can limit the competitiveness of European producers compared to third countries. The EU should not regulate so strongly that third countries will take over the European market.

Farmers are already under a considerable bureaucratic burden because of different regulations on keeping farm animals and raising legislation on AW would result in a loss of competitiveness because of an increase in production costs.

The Italian chain actors argue that AW regulations should also include mandatory communication towards consumers.

To implement EU legislation on AW in their country the Macedonian representatives ask for proper education about AW and for governmental assistance to the process of transformation and adaptation of existing farms to the new requirements.



COLDIRETTI



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

Most participants in the five Countries agree on the fact that farmers and farmers groups will only go for higher AW if there are sufficient financial incentives as they need to be rewarded for capital investment necessary to improve AW.

This holds in particular for a system change, which should be backed by subsidies. The Italian farmers' representatives observe however that public financial incentives are not able, at present, to encourage a general upgrading of AW standards. The Italian processing industry argues that economic incentives should come from the market as temporary public incentives are not sufficient to improve AW; they agree with English chain actors that many improvements of AW could be self-funded through higher animal health, which lowers costs of production although not all improvements in AW result in economic benefits for farmers. Improved stockmanship focused on a better animal welfare may lead to an increase of

production levels and consequently create significant economic benefits for farmers.

Dutch farmers argue that financial incentives are important, but there are also other ones: love for profession and recognition as a good entrepreneur. To them three kinds of welfare measures are important: 1) measures with financial benefits, 2) cheap measures that contribute to a good image and 3) expensive measures which imply a great leap forward for which financial incentives are necessary.

For them however it is important to seek a balance between AW and production efficiency; the processing industry makes herself distinctive by providing more welfare for the same price but AW is insufficiently valued in the market.

On the other hand representatives of the Dutch processing industry object that they are themselves under pressure, as retailers largely determine the prices and more AW cannot be compensated in the market. Therefore the margins from consumer to producer remain an important point of attention.

The representatives of the farmers organisations and to some extent industry as



well underline the necessity that the distribution of value added within the chain should be more balanced. Retailers are capturing an increasing part of value added and are putting farms and industry prices under pressure. The introduction of farm and industry practices aimed at an increase of animal welfare should be adequately rewarded by retailers.

To this regard the Macedonian processing industry is stating that part of the funds to improve AW could be provided by the manufactures in co-operation with the large retail chains which start to operate in the country.

The Polish chain actors confirm the importance of financial incentives to improve AW and in particular the poultry sector expresses their major concern about too high poultry production costs resulting from raising AW standards.

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

Generally speaking all participants agree with the statement that voluntary AW schemes combined with labelling, is effective in raising AW as they act through the market mechanism and reassure consumer about food safety and AW. The effect on animal welfare is however limited as these voluntary schemes interest only niche markets. Italian farmers however point out that voluntary quality certification is not always rewarded by consumers due to the lack of information and production schemes which favour large retailers but not the producers and then no appreciable advantages are expected for the Italian farmers given the current national patterns of consumption.

This opinion is also shared by the Polish chain actors who foresee that the effectiveness of creating voluntary systems in poorer countries like Poland will be limited by the high cost of food products (e.g. beef). The only private schemes which may have success in Poland might be those

promoted by producer organisations which may find the correct balance between costs and returns of a animal welfare scheme. These organisations can decide better what is feasible to achieve in terms of higher animal welfare than retailers.

The British chain actors argue that voluntary schemes promoted by retailers in practice become mandatory, as without complying with these private retailer scheme farmers and industry do not have market access. The assurance scheme is a condition of supplying the retailer. In this way the private voluntary schemes have been effective in raising animal welfare.

The view in Italy of the organic chain actors differs from that of the actors of the conventional chain because they believe that that voluntary standards provide more competitiveness on international market.

Based on their experience the Dutch farmers point out that voluntary AW schemes will be useful only for niche markets and only if they will lead to higher farm efficiency; to the Dutch industry a private initiative must be based somehow on a specific welfare element or on a Better-Life star by the Animal Protection Organisation.

Italian chain actors underline that in the near future voluntary schemes may soon become mandatory as they will be required by all the major abattoirs/processors, principally in the poultry chain.

As regards labelling a Dutch participant also objects that a AW label is not necessary at all, but by means of a clear country of origin label the enforcement of the existing rules should be guaranteed.

In the opinion of the Macedonian participants, who have less practice in AW initiatives, the success of voluntary labels is linked up with campaigns of consumer information and education in which retailers should be directly involved.



VanDrie Group



FOOD GROUP



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

With regards to education and information of consumers about AW as the best way to change consumer behaviour most participants do not totally agree although they all consider it as a complementary and a fundamental factor to support voluntary schemes and other initiatives to improve the level of AW. In the opinion of the Dutch chain actors education is important but does not stimulate consumer buying behaviour as price reduction is doing; to them people like to save money on grocery, although they learned at school about sustainability aspects. Nevertheless all participants agree that education about AW should be extended to all chain actors and focussed principally on the youngest generation.

According to the Italian and English chain actors, consumers should be adequately educated about AW and on objective AW parameters.

They should be informed that intensive farming per se is not a synonym of animal unwellness paying attention to avoid improper or inadequate information that could create negative effects on the market.

Emotional, bad informed and inaccurate descriptions of some production systems by some organisations highlight the need for commonly agreed definitions of AW and production systems with the participation of all stakeholders in the food chain.

The English participants argue that consumers can be easily 'lost' if too much information is provided and agree with the Dutch processing industry that consumers are more interested in what VIPs and celebrity chefs have to say rather than scientific information.

Representatives of the Polish chain actors point out that ultimately Polish consumer decision is based on price and therefore education and information are not sufficient to change consumer behaviour because consumer income also must be high enough to allow him to buy more expensive higher welfare animal products.



Conclusions

Among the chain actors in the five countries there is a general agreement that no new EU regulations should be issued in order to achieve higher levels of animal welfare. Otherwise there is a serious risk that European animal production cannot compete with producers in third countries which are not obliged to comply with similar legislation.

Important is to enforce the existing legislation in order to obtain a higher rate of compliance all over the EU.

A lack of enforcement and local differences in interpretation of the regulations still is creating a distortion of competition among member states for many animal products. In order to achieve more compliance the creation of a higher awareness among farmers about the

economic benefits a higher animal welfare may generate is important.

In order to raise animal welfare furthermore private voluntary initiatives are positively evaluated by the chain actors. Interested citizens and consumers may pay more for products which contain higher animal welfare standards. To this regards differences between the five countries are that British chain actors underline that the private animal welfare brands of the retailers are voluntary but in practice turn out to be mandatory because without adhering to these schemes you do not have market access.

In the Netherlands the private schemes are less invasive and tend to be directed to niche markets, whereas in Italy these initiatives have just started to come up. Although the Polish chain actors do welcome the emergence of private animal welfare schemes, their potential market



share has been judged rather low due to too low income levels.

Investment subsidies are necessary when a system change on the farms has to be performed. Financial incentives are important as well in order to obtain an increase of animal welfare by means of a change in current farm practices.

However, many chain actors share the view that higher levels of animal welfare may also create a higher level of efficiency and economic benefits which partially may offset the extra costs related to these practices. Important is to achieve a better distribution of value added among the actors in the chain in such a way that a higher price paid for animal welfare at retail level really trickles down to the farm level in terms of higher farm gate and industry prices.

Consumers should be educated more, but this not necessarily will translate into a higher willingness to pay for higher animal welfare. Also too much information on

labels may create confusion. In general, a better understanding among consumers and citizens has to be created about current farm practices



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**

