

European Commission
Directorate General for Health and Consumer Protection

**Feasibility study on animal welfare labelling and
establishing a Community Reference Centre for
Animal Protection and Welfare**
Part 1: Animal Welfare Labelling

Framework Contract for evaluation
and evaluation related services - Lot 3: Food Chain
(awarded through tender n° 2004/S 243-208899)

Final Report

Submitted by:

Food Chain Evaluation Consortium (FCEC)

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26.01.2009

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Acronyms

BMELV: German Federal Ministry of Food, Agriculture and Consumer Protection

CRL: Community Reference Laboratory

DG: Directorate-General

EESC: European Economic and Social Committee

FCEC: Food Chain Evaluation Consortium

GMO: Genetically modified organism

IFOAM: International Federation of Organic Agriculture Movements

JRC: Joint Research Centre

MS: Member State/s

NGO: Non-governmental organisation

PDO: Protected Designation of Origin

PGI: Protected Geographical Indication

TOR: Terms of Reference

TSG: Traditional Speciality Guaranteed

Key conclusions

The Directorate-General for Health and Consumers of the European Commission has commissioned a study to assess the feasibility of different options for indicating animal welfare related information on products of animal origin and for establishing a Community Reference Centre for Animal Protection and Welfare, which was conducted by Civic Consulting (lead), with a limited contribution of Agra CEAS Consulting, of the Food Chain Evaluation Consortium (FCEC). Key conclusions of Part 1, concerning the feasibility of different options for indicating animal welfare related information on products of animal origin, are:

- ⇒ *There is a broad consensus among stakeholders that there are a multitude of current problems regarding animal welfare related information on products of animal origin.* Two areas are frequently indicated by relevant stakeholder organisations: Problems with animal welfare standards/claims, and a lack of consumer awareness and understanding of logos/labels. Hardly any of the respondents to an EU-wide survey of stakeholder organisations perceived that there are no relevant problems.
- ⇒ *There are mainly three drivers of animal welfare relevant labelling schemes.* First, as a reaction to the BSE crisis and several other food incidents, food law has been undergoing major changes in the EU in recent years. Second, certification has become a widely accepted instrument for regulating food markets. Third, consumer demands support animal welfare labelling.
- ⇒ *Organic labelling can be considered a good example of how a harmonised scheme contributed to develop a former niche market into a mass market.* Regulation (EC) 2092/91 helped to overcome the former fragmentation of the market and made organic products much more interesting for professional retail chains for which efficient logistics and constant and large-scale supply are crucial. The introduction of a logo improved the recognisability of organic products.
- ⇒ *A major problem for any animal welfare labelling initiative is that there is currently no harmonised, recognised and reliable measuring instrument for comprehensively assessing animal welfare across species, farming systems and supply chain stages available.* However, relevant initiatives are under way, such as the Community funded Welfare Quality Project. The current lack of such an instrument affects the feasibility of all options, but to a different degree. Until a harmonised and reliable instrument exists, it appears to be especially a challenge to implement mandatory labelling in a way that would be widely recognised by stakeholders as being based on a valid measurement of animal welfare. Voluntary options appear more feasible, because they could be based on current scientific knowledge, with (remaining) gaps being less relevant. In a voluntary context, producers and processors who question the standards implemented would simply not opt-in and would consequently not face mandatory assessments.
- ⇒ *Certification needs operational standards against which farmers, animal transport companies and slaughterhouses can be audited.* This makes mandatory certification of animal welfare the least feasible option in absence of a harmonised, recognised and reliable measuring instrument for comprehensively assessing animal welfare, that can be applied with reasonable costs in an audit process.
- ⇒ *Coverage of a broad range of farm animal species is difficult regardless of which policy option is implemented.* The consequences are most severe in the case of mandatory labelling based on animal welfare standards. Mandatory labelling of farming systems appears to be somewhat easier and will allow to more quickly expand the range of farm animal species

covered. Voluntary approaches are more tolerant against knowledge gaps and do also allow to more quickly include new species.

- ⇒ *The results of the analysis of the impacts of options allow excluding a number of options for animal welfare labelling as being of less relevance. There is hardly any rationale for considering the mandatory labelling of compliance with EU minimum standards. Harmonised requirements for the voluntary use of claims and guidelines for the establishment of animal welfare labelling and quality schemes also do not appear to be proportionate solutions providing significant added value, especially as impacts on the animal welfare conditions on farms are indirect and difficult to predict.*
- ⇒ *The most feasible option for EU action empowering consumers to make informed purchasing decisions appears to be a Community Animal Welfare Label modelled after the EU organic label. This option is to a large extent in line with the guiding principles and also more compatible with limitations concerning the currently available scientific knowledge on animal welfare and related indicators. On the other hand, mandatory labelling of welfare standards is the option that provides most information to consumers, and leads to the highest pressure on producers to improve animal welfare. However, there are limited additional costs for processors and farmers possible under this option, as well as negative impacts on existing schemes. It is also possible to combine different options, e.g. to foresee mandatory labelling of welfare standards for animal species where a harmonised, recognised and reliable measuring instrument for animal welfare is available, and to have a Community Animal Welfare Label for other areas. This approach would allow the broadest possible information for consumers and would combine the advantages of both options. On the other hand, possible negative impacts of a mandatory option, such as limited additional costs for processors and farmers, would also remain, and a combination of options even risks confusing consumers, if the labels are not integrated into one coherent labelling system.*
- ⇒ *A Community Animal Welfare Label can be expected to have more direct effects on animal welfare than other voluntary options, depending on the market share of the label. Negative impacts on existing schemes are possible, but may be (over)compensated by increase of the overall market size for products produced at higher animal welfare standard. As any improvements of the animal welfare conditions on farms that a label could bring ultimately depend on consumer demand, it is advisable to first introduce the label for fresh meat and milk/dairy products, and to assess the market success before considering further steps.*

Executive Summary

In recent years, certification schemes have been widely introduced into the European agrifood sector. The reasons for this were the growing quality demands of customers, particularly large retailers, and several food crises. Furthermore, systematic quality assurance and improved traceability are considered cornerstones for improving the competitiveness of European agribusiness. The Community Action Plan on the Protection and Welfare of Animals 2006 – 2010 highlights the importance of consumer information as part of a comprehensive communication strategy on animal welfare. Enabling consumers to make informed purchasing decisions has the potential to give an economic incentive to industry to improve the welfare of animals. The Directorate-General for Health and Consumers of the European Commission has therefore commissioned a study to assess the feasibility of different options for indicating animal welfare related information on products of animal origin and for establishing a Community Reference Centre for Animal Protection and Welfare, which was conducted by Civic Consulting (lead), with a limited contribution of Agra CEAS Consulting, of the Food Chain Evaluation Consortium (FCEC). Part 1 of this study explores options for indicating animal welfare related information on products of animal origin.

The current use of existing animal welfare labelling schemes

An animal welfare labelling scheme is a certification system that certifies an animal welfare standard above existing legal standards. Therefore, what an animal welfare standard is, very much depends on the reference point “existing legal standard”. Animal welfare labelling schemes exist in different forms, namely:

- Schemes that focus only on animal welfare (e.g. *Freedom Foods; Neuland; Tierschutz geprüft (animal welfare approved), Travelife Animal Attractions Guidelines*);
- Schemes that focus on various aspects including animal welfare (e.g. *organic labelling; Label Rouge, Shechita*)
- Schemes that focus on aspects other than animal welfare but have positive side-effects on animal welfare (e.g. certain *PDO/ PGI schemes*)

Market shares for animal welfare related certification systems tend to be low in most EU Member States. Remarkable exceptions of product segments with higher market shares are, at least in some countries, eggs and milk. Also in the organic sector, considerable market shares can be reached. Low market shares of existing animal welfare labelling schemes in many EU countries indicate that these schemes either do not fully meet the criteria for success of labelling schemes or that consumers currently do not care about animal welfare.

⇒ There is a broad consensus among stakeholders that there are a multitude of current problems regarding animal welfare related information on products of animal origin. Two areas are frequently indicated by relevant stakeholder organisations: problems with animal welfare standards/claims, and a lack of consumer awareness and understanding of logos/labels. Hardly any of the respondents perceived that there are no relevant problems.

Policy options and their conformity with guiding principles

On the basis of the Terms of Reference (TOR), interviews and analysis of the contractor a list of possible policy options for indicating animal welfare related information on products of animal origin was compiled, which is presented in the table below:

Table 1: Summary of policy options for indicating animal welfare related information on products of animal origin

Baseline option
0. No change
Mandatory labelling
1. Mandatory labelling of the welfare standards under which products of animal origin are produced
2. Mandatory labelling of the farming system under which products of animal origin are produced
3. Mandatory labelling of compliance with EU minimum standards or equivalence with those
Requirements for the voluntary use of claims
4. Harmonised requirements for the voluntary use of claims in relation to animal welfare
5. Harmonised requirements for the voluntary use of claims in relation to farming systems
Other options
6. A Community Animal Welfare Label open for voluntary participation
7. Guidelines for the establishment of animal welfare labelling and quality schemes

The following preconditions for a possible implementation of these policy options can be identified:

- ⇒ Policy options depend on the valid measurement of animal welfare. The indicators available so far vary widely with regard to their reliability and validity.
- ⇒ Policy options must be applicable to a wide spectrum of farm animal species to avoid distortions of competition. Again, the policy options discussed vary with regard to their ability to cover a broad spectrum of species. Besides avoidance of distortions of competition in the EU, policy options must also be in line with international obligations such as WTO law and OIE guidelines.
- ⇒ Transparency and user-friendliness as well as the feasibility of auditing and certification have to be guaranteed.

The preconditions described above lead to a set of guiding principles, which are used in this study to assess the feasibility of the policy options:

Degree to which options can be based on a sound scientific basis and benchmarks to assess the level of animal welfare: There is currently no harmonised, recognised and reliable measuring instrument for comprehensively assessing animal welfare across species, farming systems and supply chain stages available. However, relevant initiatives are under way, such as the Community funded Welfare Quality Project. The current lack of such an instrument affects the feasibility of all options, but to a different degree. Until a harmonised and reliable instrument exists, it appears to be especially a challenge to implement mandatory labelling (Options 1 and 2) in a way that would be widely recognised by stakeholders as being based on a valid measurement of animal welfare. Option 3 is not relevant in this context as it would not have positive effects on animal welfare in the EU (if at all, only in third countries), and is in this respect similar to “no change”. Options 4 to 7 appear more feasible, because they could be based on current scientific knowledge, with (remaining) gaps being less relevant. In a voluntary context, producers and processors who question the standards implemented would simply not opt-in and would consequently not face mandatory assessments.

Degree to which options allow for inspection/audit and certification by independent certification bodies: Certification needs operational standards against which farmers, animal transport

companies and slaughterhouses can be audited. This makes mandatory certification of animal welfare (Option 1) the least feasible option in absence of a harmonised, recognised and reliable measuring instrument for comprehensively assessing animal welfare, that can be applied with reasonable costs in an audit process. Options 2 to 7 seem more feasible in this regard. It is needed to carefully evaluate the results of the Welfare Quality Project with respect to the practicability of welfare indicators in the certification process.

Degree to which options can cover a broad range of farm animal species in order to avoid distortions of competition: Coverage of a broad range of farm animal species is difficult regardless of which policy option is implemented. The consequences are most severe in the case of mandatory labelling based on welfare standards (Option 1). Mandatory labelling of farming systems (Option 2) appears to be somewhat easier and will allow to more quickly expand the range of farm animal species covered. Voluntary approaches (Options 4 to 7) are more tolerant against knowledge gaps and do also allow to more quickly include new species. Whether or not market distortions will occur or not very much depends on consumers' reactions that cannot be predicted at this stage.

Degree to which options can constitute a reliable, user friendly and transparent tool to communicate the quality of welfare and enable consumers to make informed choices: Purchasing decisions are complex decisions influenced by a wide spectrum of interpersonal and intrapersonal factors, and in some cases more information may not have positive effects on consumers' choices due to information overload. Nevertheless, the success of some recently implemented labelling schemes indicates that labels can make a difference and have the potential to empower consumers to make more informed choices. Mandatory labelling (Options 1 and 2) provides more information to consumers than voluntary labelling (Options 4, 5 and 6). Option 3 (labelling compliance with EU minimum standards) has a very limited effect on the ability of consumers to make informed choices.

Compatibility of the options with international obligations towards third country trading partners: Voluntary labelling of production and processing methods is permitted under the WTO case law. The WTO has not explicitly recognised animal welfare as a legitimate concern. Because of the absence of relevant previous cases, it is not possible to predict whether a possible mandatory animal welfare labelling scheme could successfully be challenged and, thus, become incompatible with WTO law.

Assessment of impacts of options

Impact of options on the animal welfare conditions on farms

The success of labelling systems can be measured through the severity of the standards developed and implemented and their market penetration. The higher the market penetration and the higher the severity of the standard, the bigger is the impact on animal welfare.

Options at best can only have potentially a positive impact on animal welfare, the extent to which depends on future market penetration, severity of measures and validity and reliability to which the measures affect animal welfare. Obviously, these are factors that cannot be predicted at this stage, as they depend on implementation details, and the assessment of specific animal welfare measures that could be required by a labelling system was out of the scope of this study.

Nevertheless, it is likely that market reactions are different depending on the option implemented. There is some reason to believe that mandatory labelling of all products of animal origin (Options 1 and 2) may raise consumer awareness and accelerate market penetration of more animal welfare-friendly products. Voluntary labelling of a Community Animal Welfare Label (Option 6) may also increase consciousness of consumers but the extent of this effect depends very much on the market share and, therefore, the visibility of certified products for

consumers. The main question here is whether the success of the Regulation on organic farming (and the EU organic label) could be replicated, as it is widely thought to have contributed to the rapid growth of the market for organic products in many European countries. The formulation of harmonised requirements of claims or guidelines (options 4, 5 and 7) has even more indirect (and, therefore, even more insecure and difficult to predict) effects on animal welfare conditions than a mandatory or a voluntary labelling scheme. Option 3 does not improve animal welfare conditions on EU farms.

Impact of the options to empower consumers to make informed purchasing decisions

Consumers' purchasing decisions are influenced by a large number of interpersonal (culture, societal norms, social status, group and family influences) and intrapersonal (involvement, emotions, motives, attitudes, norms, personality and so on) determinants. Information is only one and often, for instance in case of habitualised buying decisions, not the most important determinant of consumer behaviour. In principle, more information provided by labels should allow consumers to make more informed choices. However, it is also argued that information overflow may challenge consumers' information processing ability.

Mandatory labelling (Options 1 and 2) provides most information to consumers, whereas the effects of voluntary labelling depend on the market shares of labelled products (Options 4, 5 and 6). Option 3 (labelling compliance with EU minimum standards) has a very limited effect on the ability of consumers to make informed choices. Labelling is only likely to have desired effects if consumers are a) adequately informed on the meaning of the label; b) the information provided is readily understandable; and c) consumers (or relevant sub-groups) are in principle interested to have this information available for their purchasing decisions, as is, according to Eurobarometer data, the case for products sourced from animal welfare friendly production systems.

Impact of the options on production costs of livestock producers and other food business operations participating in the labelling scheme

Every certification scheme comes along with two different types of costs: certification costs and production costs. Both categories can be subdivided into investment (or fixed) costs and operating (or variable) costs. Certification costs have to be borne by farms and firms in order to get a certificate. This may require some initial investments, for instance in documentation technologies, time spent to implement the standard, external advisory service or up-front staff training. Certification also comes along with operating costs such as time spent on documentation of day-to-day farm or firm activities (for instance, hygiene management), office material, recurring auditing costs or membership fees. Prior research shows that these costs tend to be quite limited although no systematic research on certification costs exists. Production costs involve those costs that are necessary to meet the requirements of a specific certification standard. Investment costs include, for instance, investments in improved housing conditions (space, lighting, water supply, etc.), new cleaning equipment for improved hygiene management or more advanced slaughter technologies. Operating costs may stem from additional tests and sampling, more intensive veterinary supervision, additional labour costs, reduced biological performance and so on. In some cases, cost reductions are also possible, for instance, with regard to fertilizer and pesticide costs in organic arable farming.

From a farmer's perspective, voluntary animal welfare labelling is cost neutral as long as the minimum requirements according to EU legislation do not change (options 4 to 7). Mandatory labelling will cause some additional certification costs if the EU or Member States rely on private certification (options 1 to 3). Costs of voluntarily participating in a higher standard animal welfare scheme will not change compared to the current situation. If farmers decide to

participate in such a scheme, additional operating and investment costs will depend on the scheme's requirements and the status quo ante of the farm.

From a processor's perspective, mandatory animal welfare labelling will create (moderate) additional labelling costs; their production costs will not change as long as minimum animal welfare requirements are not changed and minimum requirement products are not labelled differently. Additional production costs are likely if mandatory labelling requires improved tracking and tracing as well as separation of batches during production, storage and transport. Costs of voluntarily participating in a higher standard animal welfare scheme will not change compared to the current situation. If processors decide to participate in such a scheme, additional operating and investment costs will depend on the scheme's requirements and the status quo ante of the processor.

Impact of options on the net income of livestock producers and other food business operations participating in the labelling schemes

The impact of animal welfare labelling on net income of livestock producers and processors mainly depends on demand side effects. These effects are essential for the impact on net income of livestock producers and processors, regardless whether they adhere to higher animal welfare standards or not. Mandatory labelling (Options 1 and 2) possibly have a somewhat bigger impact on net income and farm structure than other options due to a possibly stronger influence on consumer awareness and buying decisions.

Impact of options on consumer prices

Food product prices are determined by various factors; costs are only one of them. As long as EU minimum animal welfare requirements are not raised and consumers do not sharply change their buying behaviour, higher consumer prices are not to be expected. This is regardless of which policy option is implemented. Only mandatory labelling (Options 1 to 3) may have a (very small) impact on prices due to some additional costs for labelling of products. But even in this case, it is very difficult to tell whether these costs will be passed to consumers or not. If consumers decide to buy animal products produced under higher animal welfare standards, they will very likely have to pay higher prices for the higher (process) quality. Whether (and how many) consumers are willing to pay for more animal welfare-friendly products is an open question. Experiences with existing labelling schemes are very diverse, depending on the characteristics of the scheme and the Member State.

Impact of options on existing private marketing schemes referring to animal welfare

Labelling schemes compete against each other; this has been observed quite early with regard to eco-labelling, but holds also for the food sector. Especially those schemes that aim at differentiating products to get higher prices are threatened by copycatting and imitation. Since several existing schemes focus exclusively or at least casually on animal welfare, any change of regulation in the field of animal welfare labelling will affect these schemes.

Mandatory labelling (Options 1 and 2) or the introduction of a Community Animal Welfare Label (Option 6) would likely weaken the unique selling proposition of existing schemes and, thus, may have negative effects (although these effects are insecure in the case of mandatory labelling). On the other side, a new and widely accepted animal welfare scheme may also contribute to growing consumer awareness and a growing market share of animal welfare-friendly products in general. This can lead to a market situation in which all schemes are better off than before. This has – at least to a certain degree – happened in the organic food market where the EU label has opened the door to new consumer segments. Traditional labels and retail

channels have lost market shares but, at the same time, most of them have gained in absolute numbers with regard to sales volume and value.

Impact of options on the enforcement costs of public authorities

With regard to existing certification schemes, public as well as private certification and inspection bodies can be observed. Organic labelling in Denmark is an often quoted public inspection system, but there are also other countries where organic labelling nearly completely relies on private certification bodies. In most certification schemes the certification bodies are paid by the firms certified. Therefore, neither voluntary nor mandatory labelling nor the introduction of a Community Animal Welfare Label (Options 1 to 3 and 6) necessarily mean that public authorities have to bear additional certification costs. Harmonized requirements for the use of claims (Options 4 and 5) may indeed need public enforcement or an approval system similar to the one set up for PDOs, PGIs and TSGs. In this case, standard setters would submit a proposal to a competent authority that checks compliance with requirements. Nevertheless, since there will only be a limited number of animal welfare labelling schemes, additional costs of public authorities are likely to be quite limited.

Impact of options on imports from third countries (extra EU-trade)

A clear distinction has to be made between labelling of products and changing legal minimum requirements for production processes. These aspects are often not clearly differentiated in public discussions about animal welfare. Whereas higher legal minimum standards concerning the production process (such as animal welfare standards) will presumably favour imports from non-EU countries as long as WTO rules do not clearly allow to discriminate imports based on (process) quality standards, labelling will not *per se* favour third country producers. Labelling compliance with EU minimum standards (Option 3), for instance, can even create a competitive advantage for EU producers over third country producers that have problems to meet these standards. Insofar as non-EU producers do not have problems to meet EU standards, distortive effects on markets should be very low, regardless of whether labelling is mandatory (Options 1 and 2) or voluntary (under Options 4, 5 and 7) or based on a Community Animal Welfare Label (Option 6) open to third country producers. If non-EU countries have higher standards than the EU – for instance, natural grassing systems prevalent in South American beef production compared to barn systems in Europe – third country producers may even have an advantage from labelling products of animal origin.

Conclusions

Not all policy options for indicating animal welfare related information on products of animal origin considered in this study are to the same degree conform with the guiding principles. Also, expected impacts of options vary, although not in all aspects. The results of the analysis allow excluding a number of options as being of less relevance, for different reasons:

- ⇒ Mandatory labelling of compliance with EU minimum standards or equivalence with those (Option 3) does not contribute to higher animal welfare standards in the EU, but still may cause (albeit very limited) costs for processors. In addition, this option could be challenged under WTO law as a non-tariff trade barrier that tries to foreclose the EU market for those non-EU producers that are producing at lower animal welfare standards. In balance, there is hardly any rationale for considering this option in depth.
- ⇒ Harmonised requirements for the voluntary use of claims (Options 4 and 5) are typically used where the validity of claims made by producers or processors is questionable so that consumers may misinterpret the claims. This was the case in the field of health claims where, according to the view of the legislator, a large number of vague or in many cases

questionable claims used in the marketing of food products made action necessary, to prevent the abuse of health claims. With regard to animal welfare, a similar problem, however, does not appear to exist. In most EU countries hardly any animal welfare claims are made and products produced under higher animal welfare standards have only very small market shares. This indicates a kind of market failure that presumably cannot be cured by Options 4 and 5 but would rather require a policy approach that helps to overcome the existing fragmentation of the market, contributes to overcoming retailers' reluctance to list animal welfare-friendly products and makes it easier for consumers to make informed choices and to find such products. There are therefore few arguments to make that this option is a proportionate solution providing added value, especially as impacts on the animal welfare conditions on farms are indirect and difficult to predict.

⇒ Similar arguments can be put forward concerning Guidelines for the establishment of animal welfare labelling and quality schemes (Option 7). This option seems most preferable where consumers might be misled by claims of very diverse schemes or where it seems questionable whether a quality scheme really represents a higher animal welfare standard or not. Although developing harmonised, recognised and reliable animal welfare indicators is an important issue, this rather needs to be addressed through scientific work and harmonisation efforts (see Part 2 of this study), than through producing guidelines for the establishment of schemes. In addition, impacts on the animal welfare conditions on farms are even more indirect and difficult to predict than under the previous option.

Relevant aspects for the consideration of the remaining policy options are the conformity of these options with the guiding principles, and their impacts. The results of the assessment of conformity of the remaining options with the guiding principles are as follows:

- Mandatory labelling of welfare standards (Option 1) is the option least feasible, as long as a no harmonised, recognised and reliable measuring instrument for AW is available;
- Mandatory labelling of farming system (Option 2) is a more feasible option, but still only partly in line with guiding principles;
- A Community Animal Welfare Label (Option 6) is to a large extent in line with the guiding principles and also more compatible with limitations concerning the available scientific knowledge on animal welfare and related indicators, as producers and processors who do not agree with the standards implemented do not face mandatory assessments of, for instance, their farming systems. This is the option most in line with the guiding principles of the options considered here.

If also the impacts of the different options are taken into account, the following main conclusions can be drawn:

⇒ *The most feasible option for EU action empowering consumers to make informed purchasing decisions appears to be a Community Animal Welfare Label modelled after the EU organic label.* Option 6 is to a large extent in line with the guiding principles and also more compatible with limitations concerning the currently available scientific knowledge on animal welfare and related indicators. On the other hand, mandatory labelling of welfare standards (Option 1) is the option that provides most information to consumers, and leads to the highest pressure on producers to improve animal welfare. However, there are limited additional costs for processors and farmers possible under this option, as well as negative impacts on existing schemes. It is also possible to combine different options, e.g. to foresee mandatory labelling of welfare standards for animal species where a harmonised, recognised and reliable measuring instrument for animal welfare is available, and to have a Community Animal Welfare Label for other areas. This approach would allow the broadest possible information for consumers and would combine the advantages of both options. On

the other hand, possible negative impacts of a mandatory option, such as limited additional costs for processors and farmers, would also remain, and a combination of options even risks confusing consumers, if the labels are not integrated into one coherent labelling system.

- ⇒ *A Community Animal Welfare Label can be expected to have more direct effects on animal welfare than other voluntary options*, depending on the market share of the label. Negative impacts on existing schemes are possible, but may be (over)compensated by increase of the overall market size for products produced at higher animal welfare standard. As any improvements of the animal welfare conditions on farms that a Community Animal Welfare Label could bring ultimately depend on consumer demand, it is advisable to first introduce the label for fresh meat and milk/dairy products, and to assess the market success before considering further steps.

1. Introduction

The Community Action Plan on the Protection and Welfare of Animals 2006 – 2010 highlights the importance of consumer information as part of a comprehensive communication strategy on animal welfare. Enabling consumers to make informed purchasing decisions has the potential to give an economic incentive to industry to improve the welfare of animals.

The Directorate-General for Health and Consumers of the European Commission has therefore commissioned a study to assess the feasibility of different options for indicating animal welfare related information on products of animal origin and for establishing a Community Reference Centre for Animal Protection and Welfare,¹ which was conducted by Civic Consulting (lead), with a limited contribution of Agra CEAS Consulting, of the Food Chain Evaluation Consortium (FCEC).

For Part 1 of this study – indicating animal welfare related information on products of animal origin – the Terms of Reference (TOR) of the study include the following objectives:

- Deliver data, analytical and descriptive input for the preparation of a Commission report on animal welfare labelling to the Council and EP;
- Assess the feasibility of the different policy options and the advantages and disadvantages of each option. For those options that are deemed feasible an analysis of social, economic and environmental impacts should be provided so that an understanding of the basic elements necessary to draft a potential impact assessment in conformity with the Commission's Guidelines on Impact Assessment, if a legislative initiative would be taken as a follow-up to the report.

Part 1 of the study therefore presents the background of the study (section 3), describes the current use of existing animal welfare labelling schemes (section 4), describes the policy options available (section 5), examines the conformity of options with guiding principles (section 6), and finally assesses in detail the impacts of the policy options (section 7), before drawing conclusions (section 8).

¹ See Part 2 of this study.

2. Methodology

Methodological tools employed for this study include:

- Review of relevant studies, publications and stakeholder position papers;
- Participation in a working group meeting on animal welfare related labelling, organised by the Commission, hold in Brussels on 21 April 2008;
- A total of three surveys (survey of general stakeholders, survey of institutions, survey of stakeholders involved in existing animal welfare labelling schemes);
- Four case studies of existing schemes.

The methodological tools are described in more detail below:

Literature research

Literature was evaluated and data collected concerning the research issues.

Interviews with stakeholders

A total of 12 in-depth interviews were conducted with representatives of existing bodies, either within the Commission or in the Member States, public or private, dealing with animal welfare related issues and of similar structures in other policy areas to complement the data collected through the other methodological tools. A total of 14 additional exploratory interviews were conducted with various stakeholders. The number of interviews conducted by type of interview is provided in the table below. A more detailed list of interviewees is included in Annex 6.

Table 2: Number of stakeholders interviewed

Type of interview	Number of interviews
Bodies dealing with animal welfare related issues and of similar structures in other policy areas	12
Exploratory interviews	14
Working group meeting	Group meeting
TOTAL	27

Surveys

The survey of general stakeholders was especially relevant for Part 1. The table below presents the number of respondents per country:

Table 3: Respondents to the general stakeholder survey

Respondents to general stakeholder survey	Questionnaires received
Austria	3
Belgium	7
Czech Republic	1
Denmark	3
Estonia	1
Spain	29
EU	8
Finland	3
France	3
Germany	20
Ireland	1
Italy	1
Malta	1
The Netherlands	10
Poland	1
Romania	1
Sweden	2
Slovenia	1
United Kingdom	12
<i>Non-EU (Australia, Canada)</i>	2
<i>Total</i>	<i>110</i>

Case studies

The four case studies of existing schemes cover one scheme devoted exclusively to animal welfare (Freedom foods - UK), a second scheme that focuses on a variety of issues including animal welfare (Bioland - Germany), a third scheme concentrating on quality assurance scheme for food products (Label Rouge - France), and a fourth scheme related to a European legislation designed, *inter alia*, to inform consumers of the production system used to produce eggs (Egg marketing legislation). Selected relevant stakeholders within the countries operating these schemes were contacted for in-depth interviews (e.g. food industry associations, farmer organisations, meat producers, wholesalers/retailers, auditors, animal welfare organisations, consumer organisation).

3. Background

In recent years, certification schemes have been widely introduced into the European agrifood sector.² The reasons for this were the growing quality demands of customers, particularly large retailers, and several food crises, which undermined consumers' trust in food safety and revealed a lack of transparency in food supply chains. Furthermore, systematic quality assurance and improved traceability are considered cornerstones for improving the competitiveness of European agribusiness.

Agriculture and the food industry have implemented a large number of certification standards. According to a recent JRC study, more than 380 certification schemes exist in the EU.³

Certification systems developed so far can be categorised along different lines.⁴ These include:

- **Addressees** of the certificates can be either other businesses or consumers or – in some cases – both. Business-to-business standards are not communicated to the final consumers;
- The **objectives** of certification schemes can be roughly divided into the improvement of food safety by guaranteeing compliance with minimum standards and differentiating food products. Differentiating schemes typically rely on labelling to inform consumers willing to pay for special process or product characteristics;
- The **focus** of certification schemes can be quality management systems, processes or products;
- **Supply chain coverage**, that is, the number of stages of the food supply chain involved;
- Public or private **standard owner**; private standard owners include retailers, producer associations, international standard setting bodies, inspection bodies and nongovernmental organisations;
- The **geographic focus** can be regional, national or international;
- The **number of participating farms or firms** varies between a few hundred and several ten thousands.

From the consumers' perspective, animal welfare is a typical credence attribute. This means that consumers are not able to verify the actual animal welfare level a product of animal origin was produced under. Information asymmetries are typical of credence goods, that is, the producer knows much better than the customer, be it a processor, a wholesaler, a retailer or a consumer, which animal welfare level the product complies with. If there are no reliable and trustworthy quality signals available, information asymmetries can lead to market failure and worse qualities, that is, products produced at lower animal welfare levels, will squeeze better qualities out of the market.⁵ Certification is a possibility to address this market failure, and is consequently used by a number of existing animal welfare labelling schemes.

By applying the above categories for certification in general to the area of animal welfare, a typical animal welfare labelling scheme as it is currently existing in the EU can be characterised as follows:

² See Hatanaka, Bain and Busch, 2005; Theuvsen, Plumeyer and Gawron, 2007.

³ Source: <http://foodqualityschemes.jrc.es>.

⁴ Theuvsen, Plumeyer and Gawron, 2007.

⁵ Akerlof, 1970.

- It addresses the final **consumer**;
- The objective is **product differentiation** by guaranteeing compliance with animal welfare standards above the EU minimum requirements level;
- They focus on **processes**, especially on how products of animal origin are produced;
- They strongly focus on the **farm level**;
- The systems are **privately** run, often with animal welfare organisations involved in some way;
- They have a **national** focus.
- The number of participating organisations is **small**.⁶

⁶ There are some remarkable exceptions such as Label Rouge.

4. Description of the current use of existing animal welfare labelling schemes

4.1. Existing animal welfare labelling schemes in the EU

4.1.1. Overview

An animal welfare labelling scheme is a certification system that certifies an animal welfare standard above existing legal standards. Therefore, what an animal welfare standard is, very much depends on the reference point “existing legal standard”. From an EU perspective, labelling compliance with EU minimum requirements would not be animal welfare labelling. Nevertheless, taking also into account countries with animal welfare standards well below EU standards, labelling compliance with EU minimum requirements can be considered an, at least basic, form of animal welfare labelling. The definition provided above also implies that increasing legal animal welfare standards can bring about that an existing certification system is no longer called an animal welfare labelling scheme, because the level of animal welfare required by law is no longer lower than the standards required by the scheme.

Animal welfare labelling schemes exist in different forms, namely:

1. Schemes that focus only on animal welfare;
2. Schemes that focus on various aspects including animal welfare;
3. Schemes that focus on aspects other than animal welfare but have positive side-effects on animal welfare.

For each form examples exist in the EU. These include:

1. Schemes that focus only on animal welfare:

- *Freedom Food*, a British farm assurance and food labelling scheme set up by the Royal Society for the Prevention of Cruelty to Animals (RSPCA) in 1994. The Freedom Food standards are based on the “five freedoms”, as defined by the UK Farm Animal Welfare Council (FAWC). For more details on this scheme, see section 4.1.2 below;
- *Travelife Animal Attractions Guidelines*, developed by a UK-based organisation ensuring that animal attractions worldwide, used as part of the tourism experience in resorts, meet minimum requirements in animal welfare and protection;
- *Neuland*, a German animal welfare labelling scheme founded in 1988 by a farmer union and two animal welfare organisations;
- *Animal Index System* in Austria;
- *Tierschutzgeprüft (animal welfare approved)*: The label was founded by *Vier Pfoten (four paws)*, an Austrian animal welfare organisation that is also active in Bulgaria, Germany, Hungary, The Netherlands, Romania, Switzerland and the UK; the label currently only covers free-range eggs.
- A specific case is the EU *egg marketing legislation* based on Regulations (EC) 1234/2007 and 589/2008. Although focussing only on farming systems (organic, free-range, etc.), the egg classification system is often perceived by stakeholders (including consumers) as an animal welfare labelling scheme. For more details, see section 4.1.2 below.

2. *Schemes that focus on various aspects including animal welfare.*

- *Organic farming* animal welfare standards include the creation of an environment that is appropriate to the species (including, for instance, permanent access to open air, appropriate pasture and forage to meet nutritional and behavioural needs, prohibition of permanent tethering or isolating of animals, appropriate bedding and litter, low stocking rates, efforts to limit transportation times, no slatted floors in resting areas), restricted mutilation (that is, restricted the removal or reduction of tails, beaks or horns), and adoption of management practices adapted to each individual species (for instance, long idle periods between egg laying periods and keeping in small groups to establish social hierarchies that would occur in nature in poultry production). There are a variety of organic labelling schemes across the EU (see the example of *Bioland* in section 4.1.2 below);
- *Label Rouge* is a French national quality assurance scheme for food products managed by the Ministry of Agriculture and covers a variety of meat products. The reference standard are the *Notices Techniques Label Rouge Françaises* that, amongst others, includes free-range poultry production and reduced stocking densities during night. For more details on this scheme, see section 4.1.2 below.
- *Shechita UK* is a cross-communal body established in the UK to promote awareness of and education about Shechita.⁷ According to the National Council of Shechita Boards, Shechita is the Jewish religious humane method of animal slaughter for food. In the UK, the animal welfare standard of Shechita is under discussion.

3. *Schemes that focus on aspects other than animal welfare but have positive side-effects on animal welfare:*

- *PDO/PGI schemes*⁸ often emphasise more traditional and less intensive production methods. *Dehesa de Extremadura* from Spain is typical of this type of scheme since it is based on a traditional oak-feeding systems that allows pig to roam in a natural landscape.⁹

Consumer demand and corresponding market supply for animal welfare-friendly products is considered to be very diverse throughout the EU. Table 4 indicates the percentage of livestock producers participating in animal welfare related labelling schemes and the market shares of products labelled for animal welfare in selected Member States as reported by stakeholder organisations. From the survey results it is obvious that there is still much uncertainty about the market share of animal welfare friendly products. All in all, market shares for animal welfare related certification systems tend to be low. Remarkable exceptions of product segments with higher market shares are, at least in some countries, eggs and milk.

The example of the organic sector illustrates that considerable market shares can be reached. Already in 2003, total organic livestock accounted for 3 million livestock units, equivalent to 2.3% of the total livestock in the EU-25.¹⁰

⁷ www.shechitauk.org

⁸ PDO = Protected Designation of Origin, PGI = Protected Geographical Indication.

⁹ See www.dehesa-extremadura.com.

¹⁰ Data from 2003 in: EC (2005): Organic Farming in the European Union - Fact and Figures

Table 4: Market data on animal welfare related labelling schemes in EU countries (2007)

MS	Source/ Notes	Livestock producers participating in AW relat. labelling schemes (%)					Market shares of products labelled for AW (in % in terms of volume)				
		Cattle	Pigs	Sheep, goats	Poultry	Other	Beef and milk products	Pork products	Sheep/goat meat products	Poultry meat, egg products	Other
AT	1)	18	4				8.9 (beef); 12.9 (milk)	1.4		2.1 (broiler); 8 (eggs)	
BE	2)	5	10	15	5	--	--	--	--	--	--
DE	3)	3	3	1	5	--	3	2	1 (meat); 5 (milk)	2	
DK	4)	3.5	0.1	--	10	--	30	7	--	12	--
EE	5)	--	--	--	--	--	--	--	--	100	--
ES	6)	0	0	0	0	0	0	0	0	0	--
FIN	7)	8	1	6	2	0.4 (horses)	10	0.6	0.1	8 (eggs)	
FR	Only Label Rouge									33 (household purchase of poultry)	
IT	8)	--	--	--	--	--	3.5 (organic)	0.34 (organic)	9.2 (organic)	Organic: 0.14 meat; 1.7 eggs	--
NL	9)	1.8	0.66	< 1 / 0 (sheep, 15 milking goats)	0.1 (broilers / 50 laying hens)	--	2 (beef); 4 (dairy); 1.5 (cheese, butter)	2	0	0.05 meat; 95 table eggs; 5 pro- cessed eggs	--
SE	10)	90 (dairy cattle); 5 (other cattle)	< 5	0	80 to 90	--	80 (milk), 5 (beef)	1 (organic and Swedish certified)	--	90 (meat)	--
UK	Only Freedom Food						0.7 (beef), 0.9 (dairy cattle)	28.2	0.5 (sheep)	5.2 (chicken), 21.5 (ducks), 49.0 (laying hens), 1.7 (Turkey)	

Note: Based on survey conducted by Civic Consulting. Data for total of all animal welfare relevant labelling schemes (e.g. organic labelling schemes, quality schemes, animal welfare schemes). As far as incoherent data was provided by different stakeholder organisations, the data considered to be most reliable is presented, however, data is not comparable between countries and has to be interpreted with care. Sources: 1) Federal Ministry of Health, Family and Youth, Federal Ministry of Agriculture, Forestry, Environment and Water management, 2) Laboratory for Quality Care in Animal Production, K.U.Leuven 3) PROVIEH - Verein gegen tierquälische Massentierhaltung e.V. 4) Friland A/S, Brårupgade 3, 7800 Skive, Denmark, 5) Estonian Society for the Protection of Animals (ESPA) 6) Anprogor 7) Research Centre for Animal Welfare, University of Helsinki 8) Dipartimento di Scienze Animali, Università degli Studi di Milano 9) Dutch Soc. for the Prot. of Anim. 10) Federation of Swedish Farmers

4.1.2. Exemplary cases of relevant labelling schemes in the EU

The following sub-sections present exemplary cases of animal-welfare relevant labelling schemes in EU Member States that are relevant for the purpose of this study. These are:

- Freedom Food (UK);
- Label Rouge (France);
- Bioland (Germany).

In addition, an overview of EU egg marketing legislation is provided, that is considered by some stakeholders as a relevant example for a mandatory labelling scheme.

Freedom Food (UK)

Freedom Food is a farm assurance and food labelling scheme set up by the Royal Society for the Prevention of Cruelty to Animals (RSPCA) in 1994 to improve farm animal welfare and to address growing consumer demand for food produced to higher animal welfare standards. The Freedom Food label, operated by Freedom Food Ltd, a wholly-owned subsidiary of the RSPCA, identifies products derived from animals reared to Freedom Food standards and offers assured traceability from farm to fork. Freedom Food is the only farm assurance scheme in the UK with improved animal welfare as its primary goal. The scheme is available to farmers, hauliers, abattoirs, processors and packers who can meet the standards.

The Freedom Food standards are based on the “five freedoms”, as defined by the Farm Animal Welfare Council (FAWC). Species-specific production guides are available which set out the precise management prescriptions for production to Freedom Food standards. These standards include sections on food and water, the environment in which production must take place (covering housing, handling, etc.), management, health, transport and slaughter.¹¹

Total annual operating costs are currently in excess of 1.95 million Euros. This includes a budget for marketing which amounts to around 0.7 million Euros and which is donated by the RSPCA.

Responsibility for auditing lies initially with Freedom Food Ltd, with additional checks carried out independently by CMi Certification. Most certification bodies can offer Freedom Food certification using inspectors trained by Freedom Food Ltd, but Freedom Food Ltd must approve these organisations. Participants are charged a membership fee (minimum 158 Euro per year), which covers the cost of their annual inspection.

Freedom Food products are currently only sold in the UK, although some Freedom Food products are produced in other Member States, for example, eggs in the Netherlands. The market situation for products in the last five years has increased significantly in terms of both value and market share and there has also been a significant increase in the number of outlets participating in the scheme. Freedom Food has high market shares in chicken, egg, duck and pork production. Market shares in beef, milk, sheep and turkey production are low. This is depicted in Table 5 below.

¹¹ All production guides are available from <http://www.rspca.org.uk/servlet/Satellite?pagename=RSPCA/RSPCARedirect&pg=Producerresources&marker=1&articleId=1125906255996>.

Table 5: Freedom Food production ('000 head) and market penetration

	2004	2005	2006	2007	2007 market penetration
Beef	10	9	12	12	0.7%
Chickens	10,068	14,622	27,641	40,508	5.2%
Dairy Cattle	34	26	27	18	0.9%
Ducks	0	1,505	2,070	3,983	21.5%
Laying Hens	16,438	17,946	18,418	19,372	49.0%
Pigs	1,526	1,548	1,389	1,373	28.2%
Sheep	92	82	76	78	0.5%
Turkey	146	232	247	332	1.7%
Salmon	1,163	6,604	11,922	91,000	n/a

Source: Freedom Food Ltd.

The decreasing number of pigs produced under the Freedom Food standard is in line with the sharp decline of pig production in the United Kingdom. The RSPCA expects market penetration for Freedom Food chicken to have increased from 5% in 2007 to 18% to 20% by the end of 2008.

The price premium that can be obtained for Freedom Food production depends to a large extent on the product, but is typically around 10%. Compliance with Freedom Food standards can also open new markets and it is reported that there is increased interest from other producers who wish to join their operation in order to use the Freedom Food label.

Label Rouge (France)

Label Rouge is a French national quality assurance scheme for food products managed by the Ministry of Agriculture. Participation is open to groups of producers and processors of food products after demonstration of their ability to comply with the *notices techniques*, the minimum technical requirements of the label. Animal welfare specifications relate to the type of rearing, the genetics, maximum stock densities, the origin and type of feed, the slaughter age and the transport.

In 1965 the logo 'Label Rouge' was created. Precondition for the creation was according to a scheme representative consumer demand for quality-meat associated with non-industrial agricultural production. French law governs the use of the label. Regulation (*ordonnance*) n° 2006/1547 defines the characteristics of the label and the conditions allowing it to be applied for agricultural food and non-food products.¹² Producer groups applying for the label have to establish a collective organisation (*organisme de défense et de gestion*) that has to submit the historic, technical and economic background of the member companies and propose a list of specifications (*cahier des charges*) with details on the production, processing and monitoring process, which are in line with the requirements outlined in the *notices techniques*. A committee at the National Institute for Origin and Control (INAO) examines the *cahier des charges* and if necessary amends it. The revised draft is handed to the Ministry of Agriculture for accreditation.

¹² Ministère des l'Agriculture et de la Pêche: Ordonnance n° 2006-1547 du 7 décembre 2006 relative à la valorisation des produits agricoles, forestiers ou alimentaires et des produits de la mer; in: Journal Officiel de la République Française, Texte 48 sur 173 (2006)

This application process can take more than a year. Private certification companies that are conform to EN 45011 norm and accredited by the French committee of accreditation provide the ongoing inspections at least once a year. The process is supervised by INAO.

The final product is not only marked with a logo, but also provides more detailed information on the production, the so-called *caractéristiques certifiées*. The most important product segment of Label Rouge is poultry. Despite a recent decline in total sales resulting from changes in consumer habits and food safety crises in the poultry sector, Label Rouge products still dominate important segments of the market.¹³ In 2007, Label Rouge had a 33% market share in the chicken market (in terms of household purchase of poultry), and a 6.8 % market share in the egg market in medium-size large-scale retail stores. Its market share is considerably higher – about 62 % – in the market for undissected chickens.¹⁴

The success of Label Rouge requires that consumers accept a price premium for the added value of the product and have confidence in the certification system. According to a scheme representative, the basis for this is the trust of French consumers in the scheme and the high level of recognition it has in the public. In this regard the governmental engagement in the scheme via the National Institute for Origin and Control plays an important role. Furthermore, detailed information on the production that is provided to consumers on the product contributes to the profile and trust in the scheme. In poultry, the indication of the farming system (free range or total free range/ *fermier-plein air / liberté*) combined with the regional indication (PGI) and the quality of the meat are important elements for success of the label.¹⁵

Bioland (Germany)

Organic food has seen considerable market growth in many European countries. But market shares are very diverse in different product categories; they tend to be below average in the meat and above average in the milk and egg sectors. The European market leader is Denmark with an estimated market share of organic food products of 6.5 % in 2008.¹⁶ In Germany organic food has a market share of about 3 %. Nevertheless, nearly 30 percent of the total turnover for organic products in Europe is gained in Germany.¹⁷ Bioland is one of the major organic labels in Germany.

Bioland is a private food quality scheme open for participation of agricultural and livestock producers and processors of food products. Organic producer groups developed the guidelines on production. The ‘Bioland’ label is an officially registered European trademark. As an organic label the requirements for Bioland labelling have to comply with Council Regulation (EEC) 2092/91 of 24 June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs (recently replaced by Regulation (EC) 834/2007). The Bioland guidelines for production exceed the EU organic minimum requirements. For instance, the maximum number of pigs and laying hens per hectare farmland is lower compared to what is required for organic labelling.

The owner of the Bioland label is Bioland e.V., a registered non-profit association, whose objectives are to promote and further develop organic farming and to represent the interests of its members. A Bioland steering committee is developing and updating of specifications of its

¹³ Roseboom, J., and P. Magdelaine, 2008.

¹⁴ TNS database, communicated by SYNALAF 2008.

¹⁵ SYNALAF 2008.

¹⁶ <http://www.organicdenmark.com>.

¹⁷ Bioland 2008.

standards in collaboration with scientists and producers. Third party certification bodies provide one announced inspection per year and one unannounced. The certification can be provided in combination with another label, often the EU organic label. This decreases costs and time per individual certificate.

In 2007, the area cultivated under the Bioland scheme rose by 8% or 17,500 hectares to a level of 221,750 hectares. According to Bioland's scheme manager, this expansion of organic production in Germany was not sufficient to meet the increase in domestic demand. Higher production costs in organic agriculture are compensated through premium prices and support in the framework of the Common Agricultural Policy of the EU. The difference in prices to standard products depends on different variables, the most important being the type of product, the region, and the quality of products. Meat products tend to receive the highest premiums. Higher commodity prices are passed down the supply chain to the consumers. On average, the price difference between organic and non-labelled products ranges between 30% and 100%.

The success of Bioland indicates according to the manager, that Bioland was able to communicate its characteristics to consumers. The operations of the scheme including marketing and information campaigns are self-financing. But the scheme also benefited from the harmonisation provided at the European level through Council Regulation (EEC) 2092/91 of 24 June 1991.

Egg marketing legislation (EU)

The egg marketing legislation is designed, *inter alia*, to inform consumers of the production system used to produce eggs. It provides minimum standards and Member States are free to go beyond this should they wish to. One example is the UK's Lion code. The common market organisation of the market in eggs (from the species *Gallus gallus*, i.e. chickens) is set out in Council Regulation (EEC) No. 2771/75 and legislation on the general labelling of eggs was first established in 1990 under Council Regulation (EEC) No. 1907/90.

Although the labelling scheme is derived from EU legislation, the views of stakeholders including producer organisations and animal welfare organisations were considered in the drafting of the legislation. Egg labelling is not designed to be an animal welfare label, although consumers are able to purchase eggs from the system which they feel offers the best animal welfare, if this is an important factor in their purchase decision.

There are four permitted production system labels:¹⁸ eggs from caged hens, barn eggs, free-range eggs and organic eggs. The mandatory labelling scheme for eggs was introduced in 2004 following the optional ability to label eggs produced from caged hens as "eggs from caged hens" which had been in operation since 1995. This voluntary arrangement followed successful lobbying at the EU level from animal welfare organisations. A necessary precondition of the optional labelling was that this was meaningful to consumers and that they were prepared to pay a price premium for eggs produced in systems which they associated with higher animal welfare criteria. However, the label was not directly driven by consumer demand.

Article 24 of Commission Regulation (EC) No 589/2008 sets out provisions for the checking of egg producers within Member States. It notes that Member States will appoint inspection services to check compliance with the Regulation and that these inspection services will check products covered by the Regulation at all stages of marketing. These checks include random, unannounced sampling, as well as checks carried out on the basis of a risk analysis that takes account of the type and throughput of the establishment as well as the operator's past record in terms of compliance.

¹⁸ These are set out in Council Directive 1999/74 laying down minimum standards for the protection of laying hens.

Since the implementation of the legislation, the percentage of non-caged egg production has increased significantly in nearly all Member States.¹⁹ The egg marketing legislation is likely to have played a role in shifting consumer demand for shell eggs from caged hens to eggs produced in alternative systems under the assumption that non-caged egg production systems confer higher animal welfare. However, in the UK, some industry representatives think this shift would have occurred anyway.

4.2. Existing animal welfare labelling schemes in third countries

This section provides an overview of relevant animal welfare schemes in selected countries. Data was mainly available concerning Switzerland and Australia, New Zealand, Canada and the United States:

In Switzerland the government has established two animal welfare programs: RAUS (*Regelmässiger Auslauf ins Freie*) and BTS (*Besonders tierfreundliche Stallhaltung*). Nearly all other Swiss animal welfare programs include the RAUS and/or BTS criteria but often add additional aspects due to some shortcomings of RAUS and BTS. Other labels are: Kagfreiland, organic labels (Bio-Suisse, M-Bio, Demeter, fidelio), AgriNatura and Natura-Beef.²⁰

The Royal New Zealand SPCA (Society for the Prevention of Cruelty to Animals) has launched the RNZSPCA Approved Barn & Free-Range Eggs program.²¹

The RSCPA Australia has developed the National Food Accreditation program. It started in the 1990s with a set of standards for egg producers. Important principles are that hens are not kept in battery cages, have litter in which to dust bathe, space to flap their wings, stretch and socialise, nests in which to lay eggs and adequate perch space. The maximum stocking density is 7 birds/m². The retail share of free-range eggs is 23.4 % (plus 5.3 % barn-laid eggs) in Australia.²² More recently the RSPCA has developed standards for animal welfare friendly pork production. Under this standard a farm will be considered for accreditation if all pigs are kept either in a well managed extensive outdoor system or within indoor environments that cater for the behavioural and physical needs of sows, boars and piglets reared for slaughter, and where considerate handling, transportation and humane slaughter are observed. Practices such as sow stalls and nose ringing are not permitted.

In Canada the British Columbia SPCA has launched the SPCA Certified. It is a very small program that includes 9 egg, 3 broiler, 6 beef/cattle, 2 pig and 2 dairy producers.²³

In the United States, Humane Farm Animal Care has launched the Certified Humane Raised & Handled Label that very much parallels the British Freedom Food scheme.²⁴ Other animal welfare labels in the United States are Animal Welfare Approved and the national organic program. Animal Welfare Approved is a program of the Animal Welfare Institute (AWI), a non-profit charitable organisation founded in 1951 to reduce the sum total of pain and fear inflicted on animals by people.²⁵ The American Humane Association, a US animal welfare organisation,

¹⁹ Research conducted by Agra CEAS Consulting.

²⁰ See www.greenpeace.ch.

²¹ See <http://rnzspca.org.nz>.

²² Stakeholder survey, response RSPCA Australia.

²³ Questionnaire SPCA.

²⁴ See <http://www.certifiedhumane.com>.

²⁵ See <http://www.animalwelfareapproved.org>.

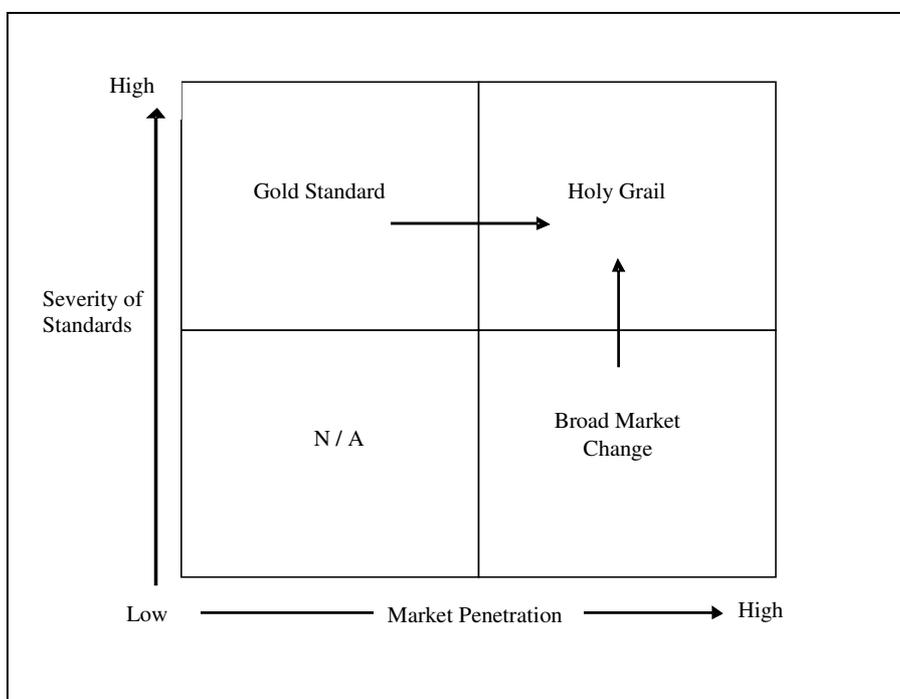
has launched the Free Farmed (AHA) program.²⁶ Furthermore, there are several private animal welfare labels such as Whole Food Market’s Farm Animal and Meat Quality Standards.²⁷

4.3. Conclusions

4.3.1. Main current problems regarding animal welfare related information on products of animal origin

Certification can be defined as “the (voluntary) assessment and approval by an (accredited) party on an (accredited) standard”.²⁸ The Conservation and Community Investment Forum (2002) has defined two criteria for measuring the success of certification schemes: severity of standards (low / high) and market penetration (low / high).²⁹ This is depicted in Figure 1 below:

Figure 1: The success of certification schemes



Source: Conservation and Community Investment Forum 2002

CCIF argues that the “holy grail” of mass-market penetration of severe standards is difficult to achieve. It typically requires massive regulatory support or extremely compelling economics. In some cases, “gold standard” strategies can be a valid platform for achieving market penetration, but, in many cases, the evolution is more likely to start from a position of deep market penetration that is followed by a step-by-step upgrading of standards. The fourth quadrant (low market share, low standard) represents an undesirable position.

²⁶ See <http://www.americanhumane.org>.

²⁷ See <http://www.wholefoodsmarket.com>.

²⁸ Meuwissen *et al*, 2003, 172.

²⁹ See Conservation and Community Investment Forum (CCIF), 2002.

Future support and sustainability of a certification standard depend in principle on whether the following criteria are met:³⁰

1. **Value generation:** The certification scheme must create real value for consumers and/or important players in the value chain. Without this value, the essential “demand pull” will not occur. (Voluntary) labels that do not meet supply chain actors’ demands will have problems to make their way into retail shops. Labels that do not meet consumer demands will not gain high market shares;
2. **Economic viability:** The certification scheme must not threaten the economic viability of any major player in the value chain or ask too much of consumers’ willingness (or ability) to pay;
3. **Acceptance:** Relevant stakeholders (including supply chain actors and consumers) have to support the certification scheme. Supply chain actors’ acceptance very much depends on additional costs (including bureaucratic burdens such as additional paperwork) and benefits (such as higher prices) generated by the scheme and the sharing of costs and benefits throughout the value chain. Consumers’ acceptance strongly depends on the perceived reliability of the certification process and perceived consumer effectiveness. Consumer effectiveness indicates whether consumers have the perception that choosing the “right” products really makes a difference. A multitude of – often contradictory or unclear – claims tend to reduce perceived effectiveness and may prevent consumers from buying the “right” products;
4. **Competent system design:** The standard setter and other organisations involved (such as inspection bodies) must be professionally managed to allow neutral, competent and consistent third-party audits;
5. **Rapid supply development:** Producers and processors must be able to meet market demands in an acceptable time span in case of rapid market share growth of certified products;
6. **Competent communication:** The label must be easily understandable for consumers and avoid confusion with other standards or about what it wants to communicate.

Low market shares of existing animal welfare labelling schemes in many EU countries (see above, Table 4) indicate that these schemes do not fully meet the above-mentioned criteria or that consumers currently do not care about animal welfare. In a large-scale questionnaire-based survey, stakeholder organisations (representing producers, processors and their industry associations, animal welfare organisations, competent authorities and research institutions) were asked to specify the main current problems regarding animal welfare related information on products of animal origin. All in all 330 answers (3 per respondent) indicate that the respondents perceive animal welfare-related information on products of animal origin as a relevant and multi-faceted problem. This is also underlined by the fact that only three respondents – a food business operator, an organic farmer association and a national farmers’ union – do not see any problems at all.

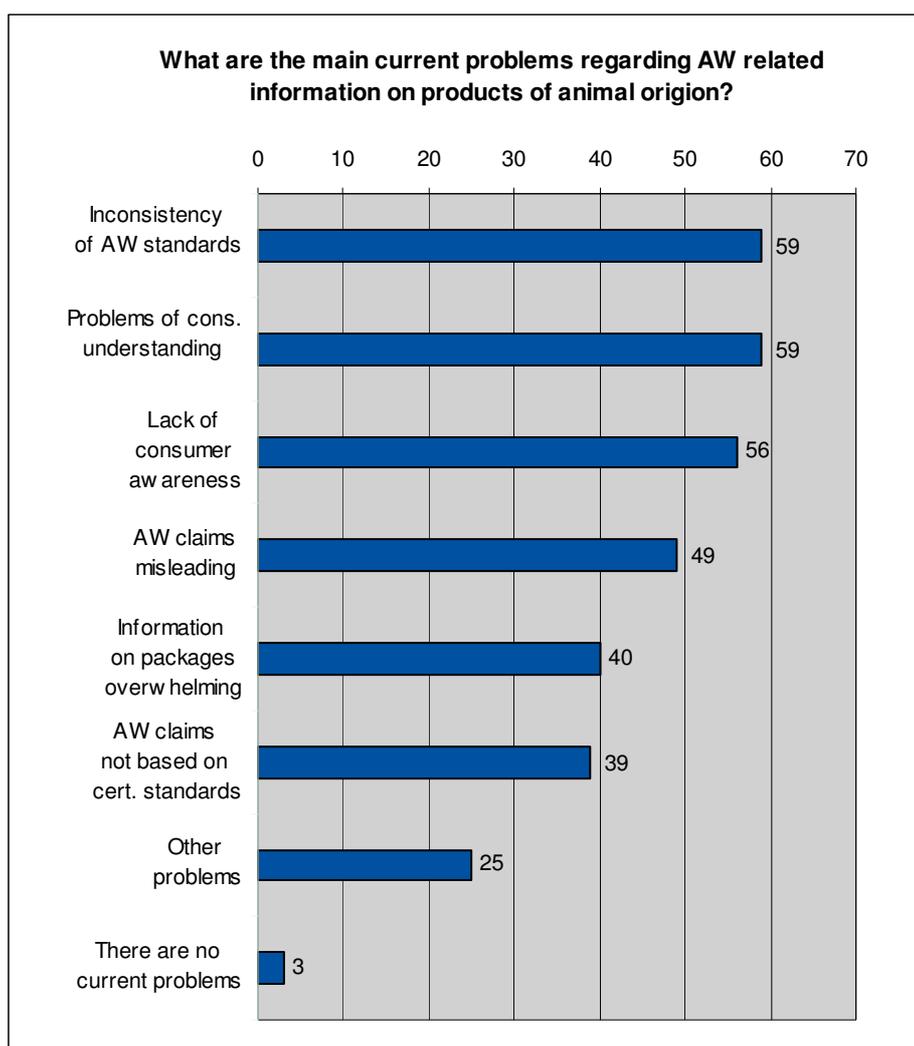
Inconsistency of animal welfare standards (59 respondents), problems of consumer understandings of labels and logos (59), lack of consumer awareness of labels and logos (56) and misleading animal welfare claims (49) are most frequently mentioned. The respondents also mention two other problems: the amount of information on products is already overwhelming to consumers (40) and animal welfare claims are not based on certified standards (39). Overall there are mainly two problem areas perceived by relevant stakeholders: animal welfare standards/claims and consumer awareness/understanding. This is also confirmed by the written

³⁰ CCIF, 2002; Jahn, Schramm and Spiller, 2005; Jahn and Spiller, 2007; Poncibò, 2007.

comments given by the respondents. These comments include references to the inadequate research basis for animal welfare standards, a lack of harmonisation, validation and enforcement and, as a consequence, trustworthiness of standards, vague claims and the focus on only selected aspects of animal welfare. Further comments refer to the bounded interest of consumers in information on animal welfare and their limited ability to process (and correctly understand) the huge amount of (in many cases compulsory) information that, often in different languages, is already displayed on products. It is reported that consumers often misinterpret logos and other pictographic information.

The comments also indicate additional aspects. First, several respondents note that different stakeholders have different understandings of animal welfare and that this makes it very difficult to come up with a solution that satisfies all stakeholders. Second, it is mentioned that conflicts between goals are likely to arise. On the one hand, more information about animal welfare standards, for instance, allows consumers to make more informed choices. But, on the other hand, more information also contributes to the growing confusion of consumers not being able or willing to process large amounts of information at the point of sale. Last but not least, some stakeholders deplore a lack of animal welfare standards in general but also with regard to specific products, for instance dairy products.

Figure 2: Main problems regarding animal welfare information on products



Source: Survey conducted by Civic Consulting. Multiple answers are possible.

This leads to the following conclusion:

1. **There is a broad consensus among stakeholders that there are a multitude of current problems regarding animal welfare related information on products of animal origin.** Two areas are frequently indicated by relevant stakeholder organisations: problems with animal welfare standards/claims, and a lack of consumer awareness and understanding of logos/labels. Hardly any of the respondents perceived that there are no relevant problems.

4.3.2. Main drivers and current trends of existing animal welfare relevant labelling schemes

There are mainly three drivers of animal welfare relevant labelling schemes. First, as a reaction to the BSE crisis and several other food incidents, food law has been undergoing major changes in the EU in recent years. The general trend of the growing body of food-related EU legislation is very much driven by the EU's objective to see a quality-driven single market in foodstuffs. This has very much (and, for the most part, positively) changed the framework under which animal welfare labelling takes place.

Second, public as well as private certification has become a widely accepted instrument for regulating food markets.³¹ Although legislation has been very much intensified over the years, food laws have been more and more complemented by private regulation. As a consequence, regulation of food production has evolved into a complex multi-level network of public and private interventions during the 1980s and 1990s.³² This development has accelerated in the late 1990s when retailers tried to intensify their control over food supply chains as a risk management strategy in the face of severe food crises such as BSE.³³ Today certification schemes are major elements of the private regulation of food production. Several of these schemes increased their market shares in recent years to a considerable extent. An example is the German food quality label Qualität und Sicherheit (QS). In 2007, six years after the standard has been established, QS labelled meat products were sold in over 22,000 retail shops.³⁴ The number of European food quality assurance schemes by country is presented in the graph below.

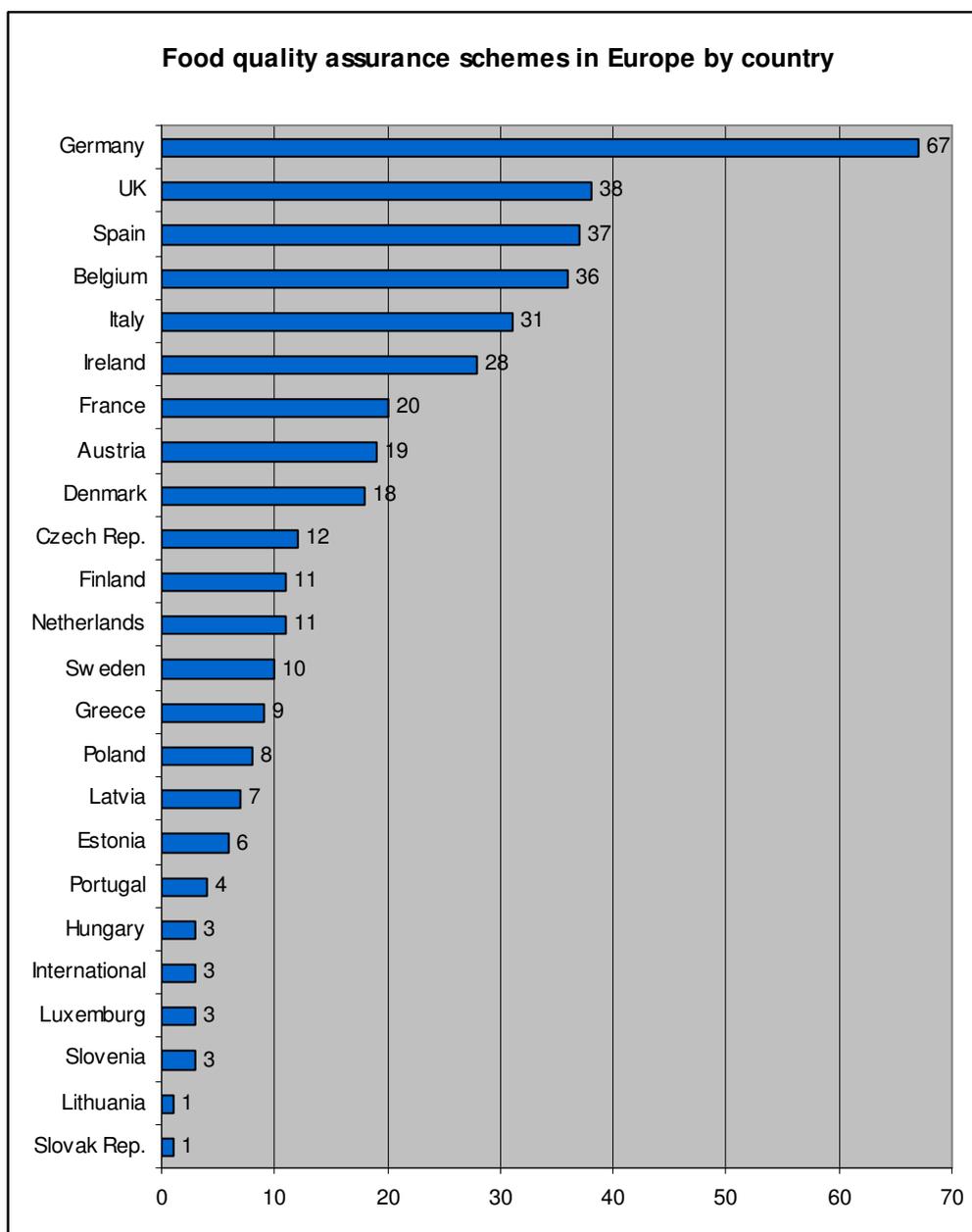
³¹ See Poncibò, 2007.

³² See Harrison, Flynn and Marsden, 1997.

³³ See Hornibrook and Fearn, 2002.

³⁴ See Q&S annual report 2007/2008.

Table 6: Quality assurance schemes in the EU



Source: Civic Consulting based on the JRC inventory on food quality schemes in Europe 2006;
 Note: not included are public European labels (PDO, PGI, TSG, etc.).

Last but not least, consumer demands support animal welfare labelling. Although consumer demands are still extremely diverse, especially with regard to products of animal origin, and major consumer segments have become increasingly price sensitive, empirical studies (mainly cluster analyses) have revealed the existence of a group of consumers who are interested in high-quality products. For these consumers, high quality often includes higher animal welfare standards. This consumer segment seems to be much larger than the growing, but still

comparatively small group of intensive-buyers of organic products.³⁵ In many countries this quality-affine consumer segment is not adequately served in the meat market so that there are market opportunities for products that combine higher animal welfare standards with above-average organoleptic qualities. In a survey conducted by Eurobarometer, consumers were asked about their willingness to change shopping patterns due to welfare considerations.³⁶ The results indicated that a majority of more than 60% would be prepared to do this. Around a quarter indicated considerable enthusiasm for the prospect and only 9% stated that animal welfare considerations would not change their consumption patterns. In the same survey, almost three-quarters of respondents believed that buying animal friendly products could have a positive impact on the protection of farmed animals.

In the stakeholder survey, 51 respondents consider legislation an important driver of animal welfare relevant labelling schemes. Other important drivers are growing consumer demands for higher animal welfare standards, the chance to get a price premium and growing retail/wholesale demand for higher animal welfare standards. All in all, primarily market forces (although respondents not always agree whether consumers or retailers are really in the driver's seat) as well as legislation are perceived as the most important drivers of recent developments in the field of animal welfare-related labelling.

This leads to the following conclusion:

2. **There are mainly three drivers of animal welfare relevant labelling schemes.** First, as a reaction to the BSE crisis and several other food incidents, food law has been undergoing major changes in the EU in recent years. Second, certification has become a widely accepted instrument for regulating food markets. Third, consumer demands support animal welfare labelling. Although major consumer segments have become increasingly price sensitive, empirical studies have revealed the existence of a group of consumers who are interested in high-quality products. For these consumers, high quality often includes higher animal welfare standards. This consumer segment seems to be much larger than the growing, but still comparatively small group of intensive-buyers of organic products.

4.3.3. Current needs/loopholes of existing animal welfare relevant labelling schemes

Needs and loopholes can be identified by referring to the criteria for successful labelling schemes outlined above (see section 4.3.1). This means that needs and loopholes can exist with regard to standard design, value generation, economic viability, acceptance, system design, supply development, communication and, as a consequence, market penetration. It has already been suggested that low market shares of animal welfare-friendly products may indicate that existing certification schemes do not fully meet these criteria.

Due to the very diverse animal welfare related labelling schemes that currently exist, generalisations are difficult. The stakeholder survey invited respondents to report on the needs and loopholes they perceive. Typical of an open question, this resulted in a large number of comments and remarks. Despite the large variety of answers, some main issues can be observed:

³⁵ See Lueth, 2005.

³⁶ Special Eurobarometer 270 - Wave 66 (2007).

- ❑ A frequently mentioned point is a lack of harmonisation, including related aspects such as a lack of transparency, international acceptance and univocal definitions. About a dozen respondents refer to this aspect.
- ❑ Also complaints about a lack of scientific knowledge and a lack of independent audits and certification procedures that protect consumers against false claims are often mentioned. The argument that there is a lack of scientific knowledge is used in different ways. Some respondents seem to use it in the sense of “we need more research on animal welfare”, whereas others seemingly want to indicate that “more research is not necessary since animal welfare is not a scientific category”.
- ❑ The argument that there is a lack of clear and valid standards is also used quite often and relates to the lack of knowledge deployed by others.

Several respondents also refer to a lack of consumer interest and awareness and a lack of comprehensive schemes that cover all animal welfare aspects and all stages of food supply chains (including logistics, slaughter, etc.). Only a small number of respondents mention a lack of mandatory standards and government supervision, the need for cooperation with retailers, inadequate penalties, application to food imported from non-EU countries, and the need for simple logos with a clear message.

A closer look at the answers reveals significant differences between stakeholder groups. On the one side, producers, processors and their associations tend to deny a need for government intervention. Instead, they refer to already higher EU standards that give non-EU producers an unfair competitive advantage or emphasise the problem of finding objective and scientifically sound animal welfare measures. On the other side, animal welfare organisations, standard setters and researchers are often unsatisfied with the animal welfare labelling systems currently in place and are sometimes sceptical concerning private initiatives and certification schemes. Therefore, they see a lack of comprehensiveness and neutrality of existing schemes and advocate more research and more government action with regard to the definition and enforcement of animal welfare standards.

The Freedom Food and the egg labelling case studies both reveal only minor but interesting problems. An issue with the Freedom Food labelling scheme is the lack of comparability of different products and farming systems. Does, for instance, a Freedom Food broiler raised indoors offer higher or lower animal welfare than a chicken produced to a non-Freedom Food free range standard? This problem was also mentioned by respondents in the survey. They consider it very difficult to come up with scientifically sound and comprehensive measurement scales for animal welfare that allow to compare standards across different animal species and farming systems.

4.3.4. Good practices of existing labelling schemes

Analogous to needs and loopholes, good practices can also be identified with regard to the criteria introduced above: standard design, value generation, economic viability, acceptance, system design, supply development, communication and, as a consequence, market penetration.

With regard to severity of standards and market penetration, Freedom Food (UK) and Label Rouge (France) can be considered the most successful European animal welfare standards whereas several other schemes, for instance Neuland (Germany), seem to follow a “gold standard” strategy and lack the necessary market penetration to herald a considerable change in the meat industry.

The development of the market for organic products teaches several interesting lessons. First, Regulation (EC) 2092/91 helped to overcome the former fragmentation of the market resulting from the existence of several much smaller, in many cases national private standards and made

organic products much more interesting for professional retail chains for which efficient logistics and constant and large-scale supply are crucial. Second, the introduction of an EU logo improved the recognisability of organic products for low involvement consumers who were not willing to understand the (often complex) world of private organic standards. Third, public subsidies allowed to overcome knowledge deficits through research on organic products and to finance image campaigns. These campaigns enabled organic products to leave the (sociologically and ideologically narrowly defined) niche market of frequent users they were formerly trapped in and to enter new mass-market segments. Fragmentation of the market, difficult-to-recognize products and a lack of public support were often considered important reasons for the difficulties of organic products to enter the mass market.³⁷ All in all, the somewhat lower but more harmonised EU standard for organic products marked a change from the “gold standard” strategies formerly followed by private standards to a “broad market change” strategy that addresses modern retail and low involvement occasional buyers. Interestingly, this strategy did not damage private standards but allowed the internal segmentation of the market for organic products into a “(somewhat) lower standard, mass market” segment addressing occasional buyers with a limited willingness to pay and “higher standard, niche market” segments addressing the traditional intensive buyers of organic products. The experiences made in the market for organic products provide insights into how animal welfare friendly products might be brought forward.

In the survey, the request to name best practices with regard to animal welfare labelling has resulted in three different kinds of answers:

1. Enumeration of best practice certification standards;
2. Enumeration of general best practice principles for designing certification standards; and
3. Generalised observations with regard to, for instance, the science basis of animal welfare labelling.

Freedom Food was mentioned most often as a best practice certification standard. As far as reasons for this assessment were given, respondents mentioned high animal welfare standards, neutral audits and independence of any profit interests. Other schemes mentioned include Milieukeur (NL), Label Rouge (France), Freiland (Austria), Infinity Foods (UK), Scharrel (NL), the EU egg labelling system, TravelifeAnimal Attractions Guidelines (UK), EKO (NL). Several respondents referred to organic farming standards in general or specific standards such as Demeter or Bioland. They emphasise the strong and clear signal of organic farming standards to consumers and the reliable auditing procedures.

With regard to the design of animal welfare certification standards, independent audits are often perceived as the single most important element of a certification standard. Some respondents also refer to EN 45011 accreditation, harmonisation, comprehensiveness (all animal welfare aspects; whole supply chain), clearly defined standards that avoid vague terms such as sufficient space, a sound science basis, clear entry specifications, penalties for non-compliance, transparency, and understandable labelling.

Mainly respondents from the industry emphasise that the scientific basis for animal welfare regulation is still weak. Furthermore, such organisations tend to prefer private, voluntary certification standards due to their higher flexibility. They also emphasise the need to avoid over-bureaucratisation, keep costs low, focus on those animal welfare aspects that are most

³⁷ Dabbert and Haering, 2003.

relevant to consumers, and avoid too complicated systems that puzzle consumers. Nevertheless, these organisations also highlight the importance of harmonised schemes.

This leads to the following conclusion:

3. **Organic labelling can be considered a good example of how a harmonised scheme contributed to develop a former niche market into a mass market.** Regulation (EC) 2092/91 helped to overcome the former fragmentation of the market and made organic products much more interesting for professional retail chains for which efficient logistics and constant and large-scale supply are crucial. The introduction of an EU logo improved the recognisability of organic products. Finally, public subsidies allowed to overcome knowledge deficits through research on organic products and to finance image campaigns. Successful animal welfare labels such as Freedom Food and Label Rouge reveal parallels with labelling schemes for organic products in the sense that they imply value generation for supply chain partners and consumers, reliable audits and clear communication.

4.3.5. Relevance of other labelling systems and consistency between animal welfare related labelling and organic labelling

As already mentioned above, only a few labelling schemes focus exclusively on animal welfare. These standards typically have a broad understanding of animal welfare; a noticeable example is the Freedom Food standard that is based on the “five freedoms”: freedom from hunger and thirst, freedom from discomfort, freedom from pain, injury or disease, freedom to express normal behavior, and freedom from fear and distress.

Other certification standards address diverse aspects of food quality including animal welfare (such as Label Rouge or organic labels) or focus on aspects of food quality other than animal welfare but have, in many cases, positive side-effects on animal welfare because they rely on, for instance, more traditional, less intensive farming systems (such as some PDOs and PGIs). In these cases, a less comprehensive understanding of and more casual consideration of animal welfare is typical. Organic farming, for instance, stresses the creation of an appropriate environment, restricts mutilation and asks for species-adapted management practices. Other welfare-relevant aspects such as animal health appear to receive less attention. This indicates that animal welfare labelling has relevance for other labelling systems but that consistency may turn out to become an issue.

In the survey, several respondents stress that consumers are interested in diverse quality aspects including animal welfare, environmental aspects, food safety, etc. At the same time, consumers are said to be neither able nor willing to process huge amounts of information at the point of sale. Therefore, especially processors and retailers doubt whether it is useful to create a single label for every aspect. Instead of creating a new animal welfare label, these respondents prefer a logo that informs consumers about whether products were produced according to EU standards or not.

Similarly, a second group of respondents prefer to integrate animal welfare into existing standards. As far as different quality aspects including animal welfare are integrated into one standard, the need for transparency and honesty is emphasised.

A third group of respondents point at existing standards and claims such as organic, PDO/PGI, free-range or “farm-made” that already include, to a certain degree, animal welfare aspects without always being very explicit about them. Therefore, their significance for animal welfare is often deemed unclear. In this context, it is demanded that labelling standards should be clear

enough about their contributions to animal welfare and that a sound scientific basis is paramount. Both aspects are considered important for avoiding misinterpretations by and confusion of consumers.

A few respondents stress that reliance on existing certification bodies and coordination with the labelling system foreseen for cattle meat production (Regulation (EC) 1760/2000) would be useful. One respondent makes the observation that different animal welfare levels can be useful for serving different niche markets.

This leads to the following conclusion:

4. **An animal welfare labelling scheme should account for the need of other schemes to likewise include all or at least some animal welfare aspects.** Therefore, the possibility to integrate an animal welfare label into existing standards or harmonise existing standards with a newly created animal welfare label appears to be important. In addition, transparency that allows interested consumers to find out differences between competing standards is also important.

5. Description of policy options available

5.1. Policy options for indicating animal welfare

On the basis of the Terms of Reference, exploratory interviews and further analysis a list of possible policy options for indicating animal welfare related information on products of animal origin was compiled. In total eight possible options were identified, that can be grouped into three main approaches:

- Mandatory labelling;
- Requirements for the voluntary use of claims;
- Other options, including a “no change” option.

The policy options are depicted in the table below.

Table 7: Policy options for indicating animal welfare related information on products of animal origin

Option	Description
Baseline option	
0. No change	Continuation of the current situation (status quo option)
Mandatory labelling	
1. Mandatory labelling of the welfare standards under which products of animal origin are produced	Entailing a requirement for all relevant products of animal origin to include a label of the standard/measure of animal welfare achieved for farm animals
2. Mandatory labelling of the farming system under which products of animal origin are produced	Entailing a requirement for all relevant products of animal origin to include a label of declaration of the system of production of farm animals
3. Mandatory labelling of compliance with EU minimum standards or equivalence with those	Entailing a requirement for all relevant products of animal origin to include a label indicating compliance with EU minimum regulated standards (or equivalent)
Requirements for the voluntary use of claims	
4. Harmonised requirements for the voluntary use of claims in relation to animal welfare	EU law will regulate mandatory standards that must be achieved when suppliers voluntarily label products indicating a certain standard/measure of animal welfare achieved for farm animals
5. Harmonised requirements for the voluntary use of claims in relation to farming systems	EU law will regulate standards that must be achieved when suppliers voluntarily label products declaring the system of production of farm animals
Other options	
6. A Community Animal Welfare Label open for voluntary participation	A harmonised EU-wide label would be established, organised, and/or managed in a harmonised way, providing for voluntary participation
7. Guidelines for the establishment of animal welfare labelling and quality schemes	Guidelines could be established at an EU level to harmonise the establishment of animal welfare labelling and quality schemes

5.2. Preconditions and necessary arrangements for implementation of options

The implementation of the policy options described in section 5.1 depends on certain preconditions that have to be met and necessary arrangements that have to be made. They can be divided into three groups: preconditions that the policy options have to meet, preconditions on the EU level and preconditions in Member States.

With regard to policy options, the following preconditions can be identified:

- Policy options depend on the valid measurement of animal welfare. The indicators available so far vary widely with regard to their reliability and validity. Generally speaking, this precondition is more relevant for mandatory than for voluntary labels (see section 6.1).
- Policy options must be applicable to a wide spectrum of farm animal species to avoid distortions of competition. Again, the policy options discussed vary with regard to their ability to cover a broad spectrum of species (see section 6.2). Besides avoidance of distortions of competition in the EU, policy options must also be in line with international obligations such as WTO law and OIE guidelines (see section 6.5).
- Transparency and user friendliness as well as the feasibility of auditing and certification are additional preconditions that have to be guaranteed. With regard to market transparency, mandatory labelling tends to have advantages over voluntary solutions (see section 6.3). With regard to auditing and certification, option 1 (mandatory labelling of welfare standards) is more difficult than alternative approaches (see section 6.4), although a basic infrastructure can be found in all Member States due to the quick dissemination of certification schemes throughout the EU, for instance, Central and Eastern European Countries.³⁸

The preconditions described above lead to a set of guiding principles, which are used in the following section to assess the feasibility of the policy options.

³⁸ See Gawron and Theuvsen, 2009:

6. Conformity of options with guiding principles

For the assessment of options the following guiding principles are provided by the TOR:

- ❑ The need for animal welfare labelling and possible certification systems to be based on a sound scientific basis and benchmarks to assess the level of animal welfare provided by a given production system;
- ❑ The possibility for labelling to be audited and, preferably, certified by independent certification bodies;
- ❑ The need for scope of the scheme to cover a broad range of farm animal species in order to avoid distortions of competition;
- ❑ The need for labelling to constitute a reliable, user friendly and transparent tool to:
 - Communicate the quality of welfare provided by different production systems and processes;
 - Enable consumers to make choices which favour production systems providing good welfare conditions for the animals.
- ❑ The need for a possible Community labelling scheme to be compatible with the international obligations (OIE guidelines, WTO law) towards third country trading partners and to avoid discrimination of imported products.

6.1. Degree to which options can be based on a sound scientific basis and benchmarks to assess the level of animal welfare

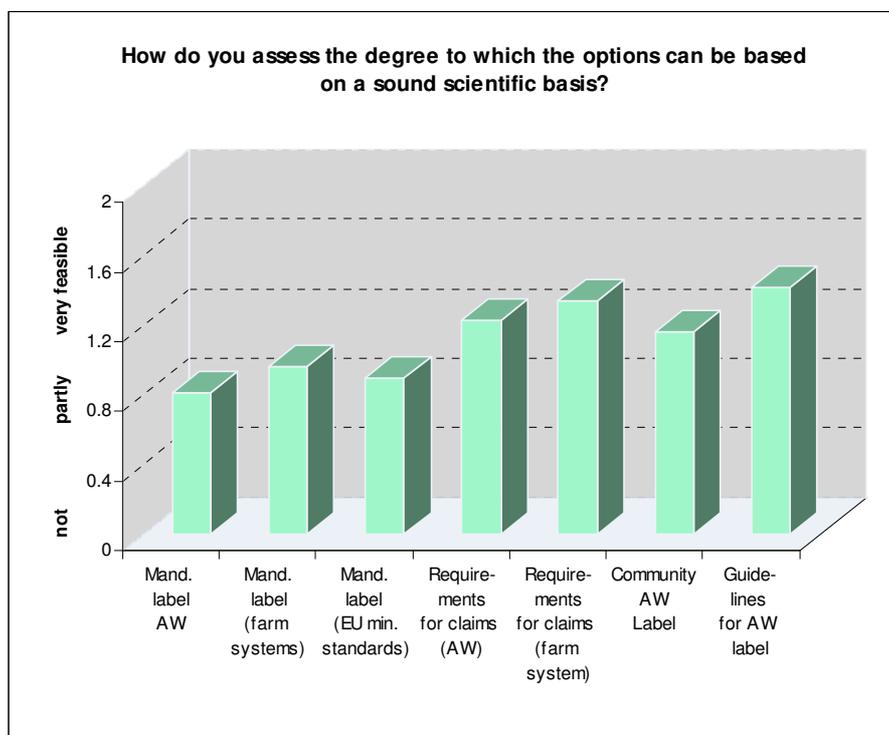
Stakeholder opinions

Assessments of stakeholders are quite mixed concerning the degree to which the options can be based on a sound scientific basis. Most options get some support but, at the same time, also have strong opponents. Mandatory labelling (EU minimum standards), for instance, is often strongly preferred by producers, processors and their industry associations, but is strongly disliked by most animal welfare organisations because they cannot see any contributions to improved animal welfare. Retailers also oppose the mandatory labelling with EU minimum requirements because they doubt that compliance with EU legislation should be labelled in the case of animal welfare. All in all, on average mandatory labelling (Options 1 to 3) are considered less feasible than Options 4 to 7 (see Figure 3 below).

As far as respondents express their doubts about the feasibility of mandatory labelling (welfare standards), they are sceptical about the possibility to consistently monitor animal welfare. Furthermore, without reliable animal welfare indicators, they find it very difficult to assess animal welfare. Even some respondents who, in principle, prefer this alternative, stress that mandatory labelling (farming system) is easier to manage. Nevertheless, others doubt that the farming system says much about the actual animal welfare level. Therefore, these respondents do not consider the egg classification system a blueprint or benchmark for animal welfare standards in other product categories.

All in all, the answers reflect the controversial standpoints of different stakeholder groups with a strong focus on economic interests in some cases and a strong focus on animal welfare concerns in other cases.

Figure 3: Stakeholder assessment concerning the degree to which options can be based on sound scientific basis and benchmarks to assess the level of animal welfare



Source: Survey conducted by Civic Consulting; Average rating, where values represent the assessment of options on a scale from 'not feasible' (0) to 'very feasible' (+2); N= 63.

Assessment

The valid measurement of animal welfare on all relevant stages of the value chain (mainly farming, transport and slaughter) is at the heart of each animal welfare labelling system. Since welfare is a complex, not directly observable construct, research has developed models of animal welfare similar to the stimulus-organism-response (SOR) model that include determinants of animal welfare (such as inbred predispositions, an animal's prior experiences and current environmental factors, e.g. housing system, management, natural environment) as well as the consequences of an animal's welfare (behaviour, physiology, pathology, productive performance). Based on such models, research has developed behavioural, physiological, pathological, performance and environmental indicators for measuring animal welfare.³⁹ Development of animal welfare indicators is also a main focus of a large scale, EU funded project, the Welfare Quality project (see box below).

³⁹ See Koehler, 2005.

The Welfare Quality Project

Welfare Quality is an EU funded project aimed at making animal welfare measurable on-farm and trying to communicate the outcome of this work to the public. More specifically the project develops practical strategies to improve animal welfare, it develops a common method for on-farm animal welfare assessment, and a common method to translate this into information for consumers. It also enhances collaboration and information exchange under scientific experts in Europe and beyond. The project collaborates with roughly 250 scientists in 44 research institutes representing 13 countries in Europe and 4 in Latin America. Under the project, assessment protocols for cattle (dairy, beef and veal), poultry (laying hens and broilers) and pigs (fattening pigs and sows) are being developed. These are integrated in a categorisation of farms: not classified, acceptable, enhanced and excellent. According to the project-coordinator it is the objective of the Welfare Quality project to apply, if possible, animal based parameters instead of measuring resources or material requirements that determine the standards of most current animal husbandry schemes. Animal based parameters aim at taking into account the effects of the farmer in terms of management. For example, good management practices could compensate for fair material standards. Next to the research on animal welfare indicators, a substantial body of work focussed on consumer concerns and attitudes, barriers for farmers to engage in animal friendly production and the evaluation of potential animal welfare markets and possible inclusion of welfare indicators in inspection schemes. The project started in May 2004 and will after an extension be finalised by the end of December 2009.

Animal welfare indicators so far vary widely with regard to the validity and reliability with which they measure animal welfare, the amount of additional information gained when an indicator is used in combination with other indicators, time and effort (that is, costs) incurred with data collection and scaling of data.⁴⁰ With regard to the scientific basis on which options can be based, validity and reliability of indicators are pivotal. Currently, the validity and reliability of most indicators is often disputed and there is not one single, reliably measurable indicator of animal welfare. Comprehensive indicators suggested so far, for instance “biological response to stress”,⁴¹ have been criticised as being difficult to measure. Therefore, combinations of indicators are necessary to reliably measure animal welfare, an approach also taken by the Welfare Quality Project. As a consequence, in recent years integrative concepts have more and more replaced the formerly characteristic focus on housing or farming systems.

This creates currently problems for mandatory labelling of the welfare standards (Option 1), at least until indicators suggested by e.g. the Welfare Quality Project have found broad recognition. Due to a lack of a single valid, reliable and comprehensive indicator of animal welfare, the construction of a measuring instrument or scale that allows to measure and compare animal welfare across species, farming systems and supply chain stages appears to be a significant challenge. For current schemes, often only rough distinctions have been possible, for instance, in the sense that cage systems are considered (at least by consumers) to be less animal welfare-friendly than barn systems in the case of egg production (Option 2). But even in this case it is difficult to decide how to deal with conflicts of goals and contradictory outcomes.⁴² Labelling of farming systems as a general principle does not appear to reflect the state-of-the-art. Option 3 does require less scientific input but is questionable regarding the degree to which improved animal welfare is reliably indicated.

⁴⁰ See Koehler, 2005:

⁴¹ See Moberg, 1985.

⁴² See Koehler, 2005.

Current shortcomings appear to be less problematic in case of voluntary claims (Options 4 and 5), set-up of a Community Animal Welfare Label (Option 6) or adopting guidelines for animal welfare labelling and quality schemes (Option 7). Of course, these policy options also would have to be based on the best available scientific knowledge on animal welfare and would very much benefit from a reliable set of animal welfare indicators. Nevertheless, knowledge gaps are less relevant since producers and processors who do not agree with the standards implemented do not face mandatory assessments of, for instance, their farming systems. Furthermore, Options 4 to 7 allow to start with those species or production systems where most knowledge is available and then to expand step by step as soon as more scientific knowledge becomes available.

This leads to the following conclusion:

5. **There is currently no harmonised, recognised and reliable measuring instrument for comprehensively assessing animal welfare across species, farming systems and supply chain stages available.** However, relevant initiatives are under way, such as the Welfare Quality Project. The current lack of such an instrument affects the feasibility of all options, but to a different degree. Until a harmonised and reliable instrument exists, it appears to be especially a challenge to implement mandatory labelling (Options 1 and 2) in a way that would be widely recognised by stakeholders as being based on a valid measurement of animal welfare. Option 3 is not relevant in this context as it would not have positive effects on animal welfare in the EU (if at all, only in third countries), and is in this respect similar to “no change”. Options 4 to 7 appear more feasible, because they could be based on current scientific knowledge, with (remaining) gaps being less relevant. In a voluntary context, producers and processors who question the standards implemented would simply not opt-in and would consequently not face mandatory assessments.

6.2. Degree to which options can cover a broad range of farm animal species in order to avoid distortions of competition

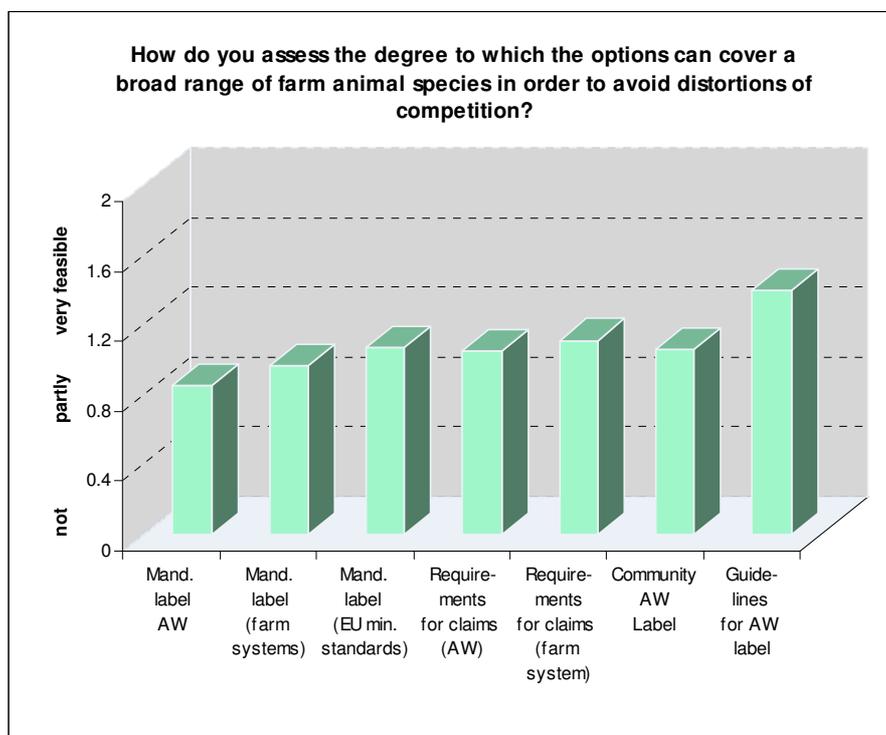
Stakeholder opinions

Concerning the degree to which options can cover a broad range of farm animal species, answers of stakeholders vary a lot and include also some extreme opinions saying that all options are very feasible or not at all feasible. Mandatory labelling (Options 1 and 2), requirements for the use of claims (Options 4 and 5) and a Community Animal Welfare Label (Option 6) are only rarely considered “very feasible”. Guidelines for animal welfare labelling/quality schemes (Option 7) is seen on average as the most feasible option in this respect (see Figure 4 below).

A general warning often articulated by industry and industry associations is that mandatory as well as voluntary standards create market distortions if they are not based on sound scientific evidence. It also argued that every labelling system will be easily misinterpreted by consumers because it will bring them to think that products without labels are not safe since consumers tend to confuse animal welfare with (intrinsic) product quality attributes such as safety.

The British Poultry Council doubts whether it is possible to measure the relative welfare between different species under various farming systems. In their opinion, even within a single species only crude rankings are possible. Unless there are similar labelling systems for all other (often more important) quality attributes, the Council considers a welfare labelling system highly distortive.

Figure 4: Stakeholder assessment concerning the degree to which options can cover a broad range of farm animal species in order to avoid distortions of competition



Source: Survey conducted by Civic Consulting; Average rating, where values represent the assessment of options on a scale from ‘not feasible’ (0) to ‘very feasible’ (+2); N= 56.

Assessment

Coverage of a broad spectrum of farm animal species is difficult due to the considerable variety of species (including populations of minor relevance such as ducks, geese, mules, guinea fowls, fallow deers etc.) and farming systems and the lack of scientific research this implies in many cases. Regardless of which policy option is implemented, this situation always requires a step-by-step approach that does not try to cover all farming systems and farm animal species right from the start but starts with those species where a sound scientific basis exists. The situation is most difficult in case of mandatory labelling welfare standards (Option 1). It is somewhat easier in case of mandatory labelling of farming systems (Option 2) especially in those cases in which only a limited number of farming systems exists (for instance, egg production). It is more difficult where the variety of farming systems is large (for instance, beef production). As already stated above, voluntary approaches are more tolerant against knowledge gaps since they allow farmers to refrain from participation in a system if they do not agree with the implemented rules. This argument is also valid in this context.

In the absence of relevant research, it is not clear whether a step-by-step approach would result in market distortions or not. This would very much depend on consumers’ reactions. Nevertheless, it can be argued that distortions are most likely in a situation when a step-by step approach would start with only a very small market segment and major market segments/species would not be included.

This leads to the following conclusion:

6. Coverage of a broad range of farm animal species is difficult regardless of which policy option is implemented. The consequences are most severe in the case of mandatory labelling based on welfare standards (Option 1). Mandatory labelling of farming systems (Option 2) appears to be somewhat easier and will allow to more quickly expand the range of farm animal species covered. Voluntary approaches (Options 4 to 7) are more tolerant against knowledge gaps and do also allow to more quickly include new species. Whether or not market distortions will occur or not very much depends on consumers' reactions that cannot be predicted at this stage.

6.3. Degree to which options can constitute a reliable, user friendly and transparent tool to communicate the quality of welfare and enable consumers to make informed choices

Stakeholder opinions

Stakeholders do not fully agree on whether animal welfare labelling will provide a reliable, user friendly and transparent tool that will allow consumers to make more informed choices. Nevertheless, a majority of respondents are at least to some extent optimistic that animal welfare labelling has the potential to empower consumers. For more details on stakeholders' perceptions on the effects of animal welfare labelling on consumer information see section 7.2.

Assessment

Purchasing decisions are complex decisions influenced by a wide spectrum of interpersonal and intrapersonal factors. Nevertheless, the success of some recently implemented labelling schemes indicates that labels can make a difference and have the potential to empower consumers to make more informed choices. Generally speaking, mandatory labelling (options 1 and 2) provides more information to consumers than voluntary labelling (options 4, 5 and 6). Option 7 has only very indirect effects on the information of consumers. Option 3 only provides information with regard to imported products that were produced at lower than EU standards. The "no change" option continues a situation where a majority of EU consumers think that current labels of food products allow them certainly or probably not to identify products sourced from animal welfare friendly production systems.⁴³ For a more detailed discussion see section 7.2.

6.4. Degree to which options allow for inspection/audit and certification by independent certification bodies

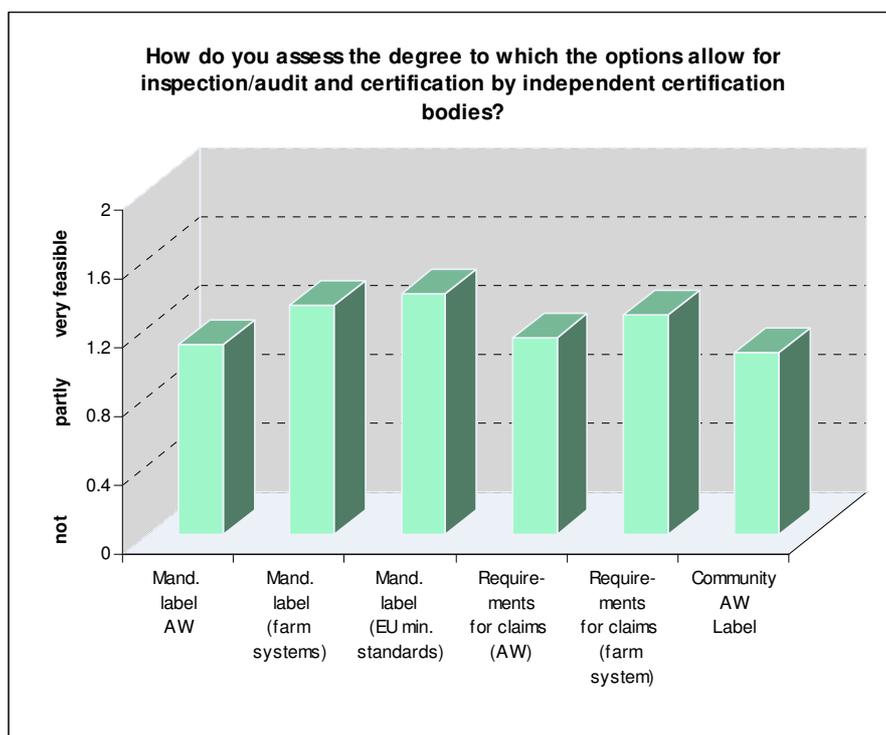
Stakeholder opinions

Stakeholders see on average only small differences between policy options with regard to inspection/audit opportunities. Labelling of compliance with EU minimum standards (option 3) has a slight lead over other policy options. Labelling farming systems (option 2) is, all in all,

⁴³ Special Eurobarometer 270 - Wave 66

considered easier than labelling welfare standards (option 1). Comments often refer to the lack of scientifically sound parameters that make audits and certification difficult. Furthermore, the large spectrum of different farming systems is considered an obstacle to auditing and certification.

Figure 5: Stakeholder assessment concerning the degree to which options allow for inspection/audit and certification by independent certification bodies



Source: Survey conducted by Civic Consulting; Average rating, where values represent the assessment of options on a scale from 'not feasible' (0) to 'very feasible' (+2); N= 63.

Assessment

Certification always needs a clear, that is, operational standard against which farms and firms can be checked. This underlines the earlier drawn conclusion that such a complex construct as animal welfare cannot be easily labelled. Instead, certification has to focus on determinants of welfare (such as farming system) or outcomes (such as welfare indicators).

Against this background, Option 1 (mandatory labelling of welfare standards) appears to be least feasible whereas Options 2, 3 and 4 are more feasible as long as only rough distinctions are introduced. With regard to certification, Options 4, 5 and 6 have successful predecessors, for instance EU legislation on organic farming (Regulation (EEC) 2092/91, replaced by Regulation (EC) 834/2007). Voluntary approaches have the advantage that they can refrain from auditing all production systems. Instead, auditing and certification is restricted to those production systems that voluntarily apply to the standard defined. Option 7 does not require auditing and certification.

This leads to the following conclusion:

7. Certification needs operational standards against which farmers, animal transport companies and slaughterhouses can be audited. This makes mandatory certification of animal welfare (Option 1) the least feasible option in absence of a harmonised, recognised and reliable measuring instrument for comprehensively assessing animal welfare, that can be applied with reasonable costs in an audit process. Options 2 to 7 seem more feasible in this regard. It is needed to carefully evaluate the results of the Welfare Quality Project with respect to the practicability of welfare indicators in the certification process.

6.5. Compatibility of the options with international obligations (OIE guidelines, WTO law) towards third country trading partners

Stakeholder opinions

Stakeholders only rarely refer to possible WTO/OIE problems, mainly in case of mandatory labelling. The openness of standards for third country producers is stressed in order to avoid WTO (World Trade Organisation) problems. Stakeholders also refer to the EU egg marketing legislation that has been notified to the WTO and has not been challenged by other WTO members.

Assessment

Article III of the General Agreement on Tariffs and Trade (GATT) states that a Member must treat products from other countries no less favourable than those of national origin. Public measures relating to production methods or processing that provide differential treatment for trading partners can be challenged under WTO law.

With regard to the labelling of products, the relevant agreement is the Agreement on Technical Barriers to Trade (TBT).⁴⁴ Its objectives are to ensure that technical regulations and standards, including packaging, marking and labelling requirements, and procedures for assessment of conformity with technical regulations and standards do not create unnecessary obstacles to international trade.⁴⁵ In the agreement, a technical regulation is defined as ‘document, which lays down product characteristics or their related processes and production methods’ (PPMs).⁴⁶ The TBT agreement allows the discrimination of imports between imported products when product-related PPM requirements fulfil environmental or health and safety objectives. The agreement distinguishes between voluntary standards and mandatory technical regulations. Voluntarily labelled standards do not conflict with non-labelled standards since producers have the choice to decide for the compliance with standards. Therefore, voluntary standards do generally not pose discrimination towards trading partners as long as they do not become ‘quasi mandatory’ (as it is discussed in the case of GlobalGAP (Global Partnership for Good Agricultural Practice, formerly known as EurepGAP) under the Agreement on Sanitary and

⁴⁴ See Eaton et al. (2005): Product differentiation under the WTO: An analysis of labelling and tariff or tax measures concerning farm animal welfare.

⁴⁵ Agreement on Technical Barriers to Trade; In: http://www.wto.org/english/docs_e/legal_e/17-tbt.pdf.

⁴⁶ Agreement on Technical Barriers to Trade, Annex 1, p. 137.

Phytosanitary Measures, SPS).⁴⁷ However, to date WTO case law under the TBT agreement allows the use of voluntary standards.⁴⁸

The case for mandatory rules on product and process specifications, such as animal welfare, is more difficult. To date, the WTO has not explicitly recognised animal welfare as a legitimate concern, i.e. a cause for impeding trade. Therefore, it is not possible to predict whether a mandatory animal welfare standard could be successfully challenged and, thus, become incompatible with WTO law.

WTO cases may indicate a direction for possible interpretations regarding the compatibility of mandatory animal welfare labelling. During the EC-Asbestos case⁴⁹, the Appellate body stated that consumer tastes and preferences was a criterion for determining the likeness of a product. Countries were assured the right of prohibiting the import of substances based on consumer tastes. More recently, for the first time, a trade dispute between the US and Antigua on gambling and betting included the issue of public morals. It revealed that a measure to protect morals was relevant within trade discussions. This can be of importance regarding animal welfare issues because welfare would most likely fall under morals or animal health.⁵⁰ The fact that trading partners have not challenged the EU egg marketing legislation could be regarded as an indication on the risks to lose such a case. However, it should be considered that trade with eggs to the EC is less significant in terms of volume and value compared to the total array of products of animal origin.

The OIE (the World Organisation for Animal Health) is the intergovernmental organisation responsible for improving animal health worldwide. It is recognised as a reference organisation by the WTO and as of January 2008, had a total of 172 Member Countries and Territories.⁵¹ OIE standards provide baseline standards for national regulation and do not prevent governments or private entities to exceed these standards, e.g. by applying voluntary or mandatory labelling schemes.

This leads to the following conclusion:

8. Voluntary labelling of production and processing methods is permitted under the WTO case law. The WTO has not explicitly recognised animal welfare as a legitimate concern. Because of the absence of relevant previous cases, it is not possible to predict whether a possible mandatory animal welfare labelling scheme could successfully be challenged and, thus, become incompatible with WTO law. OIE provides baseline standards for national regulation and do not prevent governments or private entities to exceed these standards, e.g. by applying voluntary or mandatory labelling schemes.

⁴⁷ See Gascoine, D., O'Connor *et al.* (2006): Private voluntary standards within the WTO multilateral framework.

⁴⁸ See the WTO panel: 1991 United States - Restrictions on Imports of Tuna (DS21/R).

⁴⁹ WT/DS135/AB/R EC- asbestos. 2001.

⁵⁰ Stakeholder interview.

⁵¹ www.oie.int

6.6. Conclusions regarding guiding principles

The conclusions of this section are summarised in the table below:

Table 8: Assessment of compatibility of the options with guiding principles

Option	Based on sound scientific basis and benchmarks	Coverage of broad range of farm animal species	Possibility of third party inspection/audit and certification	Compatibility with international obligations (WTO)
Baseline option				
0. No change	Not applicable	Not applicable	Not applicable	Not applicable
Mandatory labelling				
1. Mandatory labelling of the welfare standards under which products of animal origin are produced	Current lack of harmonised and reliable measuring instrument for AW	Difficult, currently significant knowledge gaps	Currently least feasible option in absence of a harmonised, recognised and reliable measuring instrument for AW	Not possible to predict whether mandatory labelling could be successfully challenged
2. Mandatory labelling of the farming system under which products of animal origin are produced	Current lack of harmonised, reliable measuring instrument, but more feasible than option 1	Labelling of farming systems easier than labelling of welfare standards	Partly feasible if only a limited number of alternatives is taken into account	Not possible to predict whether mandatory labelling could be successfully challenged
3. Mandatory labelling of compliance with EU minimum standards or equivalence with those	No welfare-related scientific input required, however, does not contribute to higher AW standards in the EU	Possible on the basis of existing knowledge, however, does not contribute to higher AW standards in the EU	Partly feasible, however, does not contribute to higher AW standards in the EU	Not possible to predict whether mandatory labelling could be successfully challenged
Requirements for the voluntary use of claims				
4. Harmonised requirements for the voluntary use of claims in relation to animal welfare	Voluntary claims based on current scientific knowledge, gaps less relevant. Start with selected species possible	More compatible with knowledge gaps; allows step-by-step approach for inclusion of species	At least partly feasible since only auditing of those production systems that voluntarily apply for certification required	Compliance of voluntary labelling with WTO rules
5. Harmonised requirements for the voluntary use of claims in relation to farming systems	Voluntary claims based on current scientific knowledge, gaps less relevant. Start with selected species possible	More compatible with knowledge gaps; allows step-by-step approach for inclusion of species	At least partly feasible since only auditing of those production systems that voluntarily apply for certification required	Compliance of voluntary labelling with WTO rules
Other options				
6. A Community Animal Welfare Label open for voluntary participation	Voluntary claims based on current scientific knowledge, gaps less relevant. Start with selected species possible	More compatible with knowledge gaps; allows step-by-step approach for inclusion of species	At least partly feasible since only auditing of those production systems that voluntarily apply for certification required	Compliance of voluntary labelling with WTO rules
7. Guidelines for the establishment of animal welfare labelling and quality schemes	Voluntary claims based on current scientific knowledge, gaps less relevant. Start with selected species possible	More compatible with knowledge gaps; allows step-by-step approach for inclusion of species	No certification required	Compliance of voluntary labelling with WTO rules

++ = very feasible, + = partly feasible, 0 = not feasible.

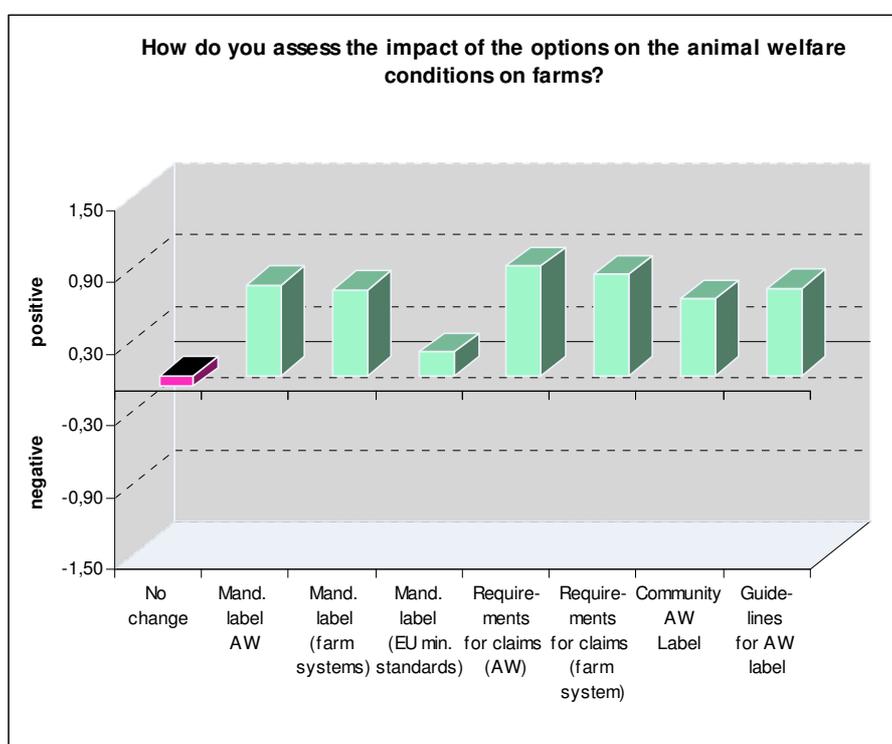
7. Assessment of impacts of options

7.1. Impact of options on the animal welfare conditions on farms

Stakeholder opinions

Any action is better than inaction – this is the overall view of respondents to the stakeholder survey (see figure below). On average respondents expect in tendency positive results of animal welfare labelling. Furthermore, respondents do not perceive big differences between the options suggested with regard to impact on animal welfare on farms – with one exception: Labelling of compliance with EU minimum standards is perceived least useful for improving animal welfare, and comparable to the “no change” option.

Figure 6: Stakeholder assessment of the impact of options on animal welfare conditions on farms



Source: Survey conducted by Civic Consulting; Average rating, where values represent the assessment of options on a scale from ‘negative (-) to ‘positive’ (2); N= 59

A closer look at the data reveals, however, remarkable differences between stakeholder groups. Animal welfare organisations tend to argue that any form of labelling is better for animal welfare standards than no labelling at all. In this sense, the EU egg marketing legislation is considered a blueprint and successful example. Only labelling of compliance with EU minimum standards is rejected by these organisations. Industry and industry associations argue differently and, at least in some cases, cannot imagine adherence to standards higher than EU minimum requirements. But they expect that labelling of compliance with EU minimum standards may contribute to higher animal welfare standards in non-EU countries. Furthermore, they consider it likely that mandatory animal welfare labelling will shift production to non-EU countries with lower animal welfare standards. Therefore, they think that animal welfare might be worse off with labelling as long as WTO rules do not allow the EU to discriminate products produced at lower standards. Therefore, an EU-only approach is strongly rejected.

Animal welfare organisations tend to emphasize the high relevance of consumer behaviour for improved animal welfare. Industry associations also argue that in the past improvements of animal welfare standards have often been initiated by private firms or initiatives. If these improvements turned out to be successful, they have been introduced into EU or national legislation. In this sense and in line with animal welfare organisations, the marketing success of welfare schemes and a change of consumer behaviour are considered very important for more animal welfare.

Assessment

There are two determinants of the impact of the options under discussion on farm animal welfare: (a) the success and (b) the validity and reliability of animal welfare labelling systems.

The success of labelling systems can be measured through the severity of the standards developed and implemented and their market penetration (having in mind that severity and market penetration might be conflicting criteria). The higher the market penetration and the higher the severity of the standard, the bigger is the impact on animal welfare.

Positive examples in this respect are Freedom Food and Label Rouge, which have a considerable market penetration, at least for some products (see section 4.1.2 above). On the contrary, if there is no market demand, even the most demanding animal welfare labelling system will not have any impact on animal welfare. For example in 2002, Germany's leading poultry processor Wiesenhof introduced organic broilers and free-range broilers into the market. In 2004, organic broilers contributed 0.01 % and free-range broilers less than 1 % to its sales. Another example from the same country concerns Heidemark, one of Germany's biggest turkey producers. Also in 2002 the company introduced the "extensive turkey fattening" program in collaboration with Greenpeace. The program had to be stopped after less than one year due to a lack of market success.⁵² Although both examples do date some time back, they vividly make clear the fundamental importance of a sufficient demand pull.

Even if a labelling scheme is successful with regard to severity of measures and market penetration, impact on animal welfare conditions still depends on how validly and reliably the measures introduced affect animal welfare. If, for instance, a labelling scheme focuses very much on spacious housing conditions it influences only one determinant of animal welfare that might be overcompensated by, for instance, bad farm management or low animal health status.

To conclude we can say that options at best can only have potentially a positive impact on animal welfare, the extent to which depends on future market penetration, severity of measures and validity and reliability to which the measures affect animal welfare. Obviously, these are factors that cannot be predicted at this stage, as they depend on implementation details, and the assessment of specific animal welfare measures that could be required by a labelling system was out of the scope of this study.

Nevertheless, it is likely that market reactions are different depending on the option implemented. There is some reason to believe that mandatory labelling of all products of animal origin (Options 1 and 2) may raise consumer awareness and accelerate market penetration of more animal welfare-friendly products. Empirical evidence on the effects of mandatory labelling on consumer behaviour is mixed. With regard to nutrition labelling, empirical results show that consumers, in principle, look at these labels, especially when buying a product the first time. Nevertheless, nutritional attributes are only a subset of consumers' objectives and other criteria such as brand, taste or price also determine buying decisions. The studies show that the relative importance of different criteria varies not only over people (age, sex, education

⁵² Theuvsen, Brand-Sassen and Essmann, 2005.

etc.), but also across product categories and purchase occasions.⁵³ On the other hand, the egg marketing legislation is likely to have played a role in shifting consumer demand for shell eggs from caged hens to eggs produced in alternative systems under the assumption that non-caged egg production systems confer higher animal welfare (see section 4.1.2). Therefore, the effect of every kind of labelling on buying behaviour is very difficult to predict; effects are possible but cannot be taken for granted, may vary over time and depend on occasion.

Voluntary labelling of a Community Animal Welfare Label (Option 6) may also increase consciousness of consumers but the extent of this effect very much on the market share and, therefore, the visibility of certified products for consumers. The main question here is whether the success of the Regulation on organic farming (and the EU organic label) could be replicated, as it is widely thought to have contributed to the rapid growth of the market for organic products in many European countries.

The formulation of harmonised requirements of claims or guidelines (options 4, 5 and 7) has even more indirect (and, therefore, even more insecure and difficult to predict) effects on animal welfare conditions than a mandatory or a voluntary labelling scheme. Option 3 does not improve animal welfare conditions on EU farms.

This leads to the following conclusion:

9. The impact of labelling systems on animal welfare conditions on farms is ultimately determined by consumers' buying behaviour. This distinguishes labelling schemes from higher minimum standards introduced by new legislation. Mandatory labelling (Options 1 and 2) can be expected to have stronger effects on consumer awareness than a voluntary label (Option 6). Guidelines and harmonized requirements (Options 4, 5 and 7) have more indirect effects on animal welfare conditions than labelling systems so that their effects are even more difficult to predict. Labelling compliance with EU standards does not change animal welfare conditions on EU farms and is therefore similar to the “no change” option.

7.2. Impact of the options to empower consumers to make informed purchasing decisions

Stakeholder opinions

Stakeholders do not agree whether animal welfare labelling will allow consumers to make informed choices or not. Nevertheless, a majority of respondents are at least to some extent optimistic about the potential of animal welfare labelling schemes to empower consumers: These stakeholders expect “somewhat positive” (and sometimes even “very positive”) impacts. Mandatory labelling (welfare standards) and mandatory labelling (farming systems) are on average seen as having most impact in this respect.

Producers, processors and their industry associations tend to question the potential of labels to empower consumers. Mainly two arguments are put forward. First, it is claimed that consumers can already make informed choices so that there is no need for a new label. Second, it is stated that consumers are hardly able to understand and distinguish between existing labels so that a new label conjures up the risk of confusing consumers even more. In this context, producer and

⁵³ Baltas, 2001.

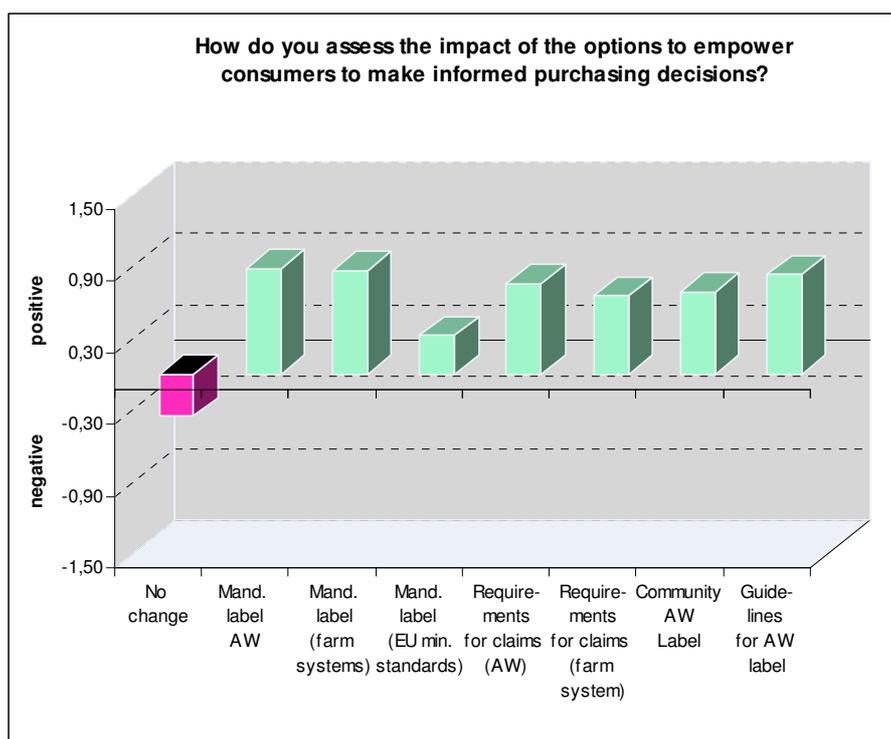
retailer associations also refer to the sometimes adverse effects of too much information on human decision making.

All in all, retailers tend to be most sceptical about additional labelling as, in their view, mandatory labelling has the potential to mislead consumers. They suggest to communicate “nice to know” information in ways other than labelling. Furthermore, they raise the question how the consumer should be informed in case of processed food with multiple ingredients of animal origin.

Producer organisations also complain about misleading information on animal welfare standards on products that demonise certain farming systems. They demand that all information given to consumers must be accurate, truthful and must describe the specific welfare effects.

Animal welfare organisations tend to prefer mandatory labelling of welfare standards or farming systems. In their view, consumers still have to assume or guess the welfare standard of a product as long as labelling is not mandatory. They think that the EU egg marketing legislation has largely contributed to the reduction of shell eggs coming from battery cages.

Figure 7: Stakeholder assessment of the impact of options to empower consumers to make informed purchasing decisions



Source: Survey conducted by Civic Consulting; Average rating, where values represent the assessment of options on a scale from ‘negative (-) to ‘positive’ (+); N= 61

Assessment

Consumers’ purchasing decisions are influenced by a large number of interpersonal (culture, societal norms, social status, group and family influences) and intrapersonal (involvement, emotions, motives, attitudes, norms, personality and so on) determinants. Information is only one and often, for instance in case of habitualised buying decisions, not the most important

determinant of consumer behaviour.⁵⁴ In principle, more information provided by labels should allow consumers to make more informed choices. Nevertheless, an analysis of consumer behaviour already some time ago showed that many consumers do not pay particular attention to labelling information.⁵⁵ It is also argued that information overflow may challenge consumers' information processing ability, thus increasing their overall mental costs.⁵⁶ Research indicates that consumers even reject products labelled with positive characteristics (such as "naturally rich in selenium") if they are unfamiliar with this information and it "sounds bad" for them.⁵⁷ Such results indicate that more information may in some cases can have no or even detrimental effects. Also of relevance, is whether a positive or a negative labelling approach is taken.⁵⁸ Obviously, the way information is labelled on a product and the degree to which this information makes a difference to consumers (and affects purchasing decisions) depends very much on the particular type of information in question.

The success of some current labelling schemes indicates that a label can make a difference and empower consumers to make informed choices. Another example for information that makes a difference is the notable impact on sales that positive results of independent comparative product tests made by consumer organisations can have in some countries when indicated on the label. This indicates that labelling is only likely to have desired effects if consumers are:

- Adequately informed on the meaning of the label;
- The information provided is readily understandable; and
- Consumers (or relevant sub-groups) are in principle interested to have this information available for their purchasing decisions, as appears to be the situation in the case of animal welfare.⁵⁹

With this background, the options can be assessed as follows: Mandatory labelling (options 1 and 2) provides most information to consumers although it is still unclear what use consumers will make of this information. Voluntary labelling (options 4, 5 and 6) also provides the information to consumers that is required to make informed choices. Nevertheless, in this case consumers are more dependent on what market shares voluntary labels have. Option 7 has very indirect effects on the information of consumers. Option 3 only provides information with regard to imported products that were produced at lower than EU standards. The "no change" option continues a situation where a majority of EU consumers think that current labels of food

⁵⁴ Meffert, Burmann and Kirchgeorg, 2008.

⁵⁵ Davies and Wright, 1994.

⁵⁶ Hu, Chen and Yoshida, 2006.

⁵⁷ Hovde *et al*, 2007.

⁵⁸ An example for a possible negative approach for labelling in the animal welfare context is the discussion concerning religious slaughter and the possibility to label stunning practices in this context, see Annex 5 of this report.

⁵⁹ This is evidenced by e.g. Special Eurobarometer 270-Wave 66: Attitudes of EU citizens towards Animal Welfare (published in March 2007). According to this representative survey, a majority of just under six out of every ten (58%) EU (25) citizens say they would like to receive more information about farming conditions in their country, with 39% saying they would 'probably' and 19% saying they would 'definitely' like this. The need for greater information on food sourcing is further evidenced by views on the specific matter of food labelling. Overall results are almost exactly identical to these seen for the results on information while shopping, with 33% agreeing that (current) labelling enables them to identify welfare-friendly products and 55% disagreeing. Consumers' preferred means of identifying welfare protection systems is through labelling. Around four in ten (39%) say they would like to receive information via text on product wrapping, with a similar proportion (35%) saying logos here would be a good method of identification.

products allow them certainly or probably not to identify products sourced from animal welfare friendly production systems.⁶⁰

This leads to the following conclusion:

10. More information provided by labels allows consumers to make more informed choices, however, in some cases more information may also have detrimental effects on consumers' choices due to information overflow. Mandatory labelling (Options 1 and 2) provides most information to consumers, whereas the effects of voluntary labelling depend on the market shares of labelled products (Options 4, 5 and 6). Option 3 (labelling compliance with EU minimum standards) has a very limited effect on the ability of consumers to make informed choices. Labelling is only likely to have desired effects if consumers are a) adequately informed on the meaning of the label; b) the information provided is readily understandable; and c) consumers (or relevant sub-groups) are in principle interested to have this information available for their purchasing decisions, as is, according to Eurobarometer data, the case for products sourced from animal welfare friendly production systems.

7.3. Impact of the options on production costs of livestock producers and other food business operations participating in the labelling scheme

Stakeholder opinions

In the survey, stakeholders were asked to estimate expected percentage changes in average production costs of participating livestock producers/food business operations under the different options. However, most stakeholders did not provide an estimate, and the little data received was inconsistent. In general, industry stakeholders expected in their written comments costs increases and emphasised that estimates were not possible as the required standards were not known yet. Typical statements included:

- ❑ *As long as it is not known what is required or set as target, extra costs can not be estimated and can vary considerably, depending on requirements.* (European association for the meat processing industry, CLITRAVI);
- ❑ *Producing food is a highly competitive, low profit margin activity. As such, every additional cost whether for environmental reasons, administrative or welfare reason[s] will be negatively received as it can lead to an unwanted increase of the production costs. Furthermore, changing from one husbandry system to another can lead to a high investment cost. Financial stimuli should be provided as much as possible to produce welfare friendly products leading to a high value product.* (Federation of Veterinarians of Europe, FVE);
- ❑ *It is not [possible] to seriously estimate the cost, unless you are not running your own business. From the point of view of an umbrella organisation I would assume that any increase of AW standards will entail higher production costs. The amount is depending on the specific changes, which are imposed (what is required? more space, investments in buildings, other feed etc.). In addition there will be costs for auditing and for running the label.* (Arbeitsgemeinschaft Deutscher Tierzüchter e. V.);

⁶⁰ Special Eurobarometer 270- Wave 66

- *Mandatory requirement will prove more costly because of the bureaucracy involved; private systems have to recover costs from the market, so auditors are probably cheaper. Besides, in private schemes, producers have more 'ownership' and they are probably able to plan investments as they implement measures on farm. (LTO Nederland).*

Assessment

Every certification scheme comes along with two different types of costs: certification costs and production costs. Both categories can be subdivided into investment (or fixed) costs and operating (or variable) costs.⁶¹

- Certification costs have to be borne by farms and firms in order to get a certificate. This may require some initial investments, for instance in documentation technologies, time spent to implement the standard, external advisory service or up-front staff training. Certification also comes along with operating costs such as time spent on documentation of day-to-day farm or firm activities (for instance, hygiene management), office material, recurring auditing costs or membership fees. Prior research shows that these costs tend to be quite limited although no systematic research on certification costs exists. However, case study research provides selective insights into the costs of various certification schemes.

Several authors have estimated the costs of GlobalGAP (formerly known as EurepGAP) and BRC certification.⁶² They estimate time spent by producers to implement the GlobalGAP standard at approximately 40 hours, one-time external advisory costs at 800 Euro and annual certification costs at 500 Euro. The BRC standard addressing food processors is more costly. Introduction time is estimated at 150 to 200 hours, one-time external advisory costs at 6,000 to 8,000 Euro and annual certification costs at 850 to 1,200 Euro. In Italy, costs of inspections of organic farms vary between 0.05 % and 1 % of turnover.⁶³ Another example are PGI certification costs, which in the case of the Chianina PGI beef, for instance, are 1.30 Euro per head and about 20 Euro per carcass.⁶⁴ In some cases certification costs are borne by processors as it is sometimes the case in the German Qualitaet & Sicherheit (QS) certification system.⁶⁵

A closer look at auditors' price lists shows that certification costs that have to be borne by farmers are not size neutral. Table 9 shows certification costs for organic farms as charged by ABCERT, one of Germany's leading auditing firms in the field of organic production. This price list can be considered representative for the price schemes offered by many auditors. Obviously, large farms have cost advantages over smaller farms with regard to costs per hectare. Nevertheless, the differences are quite small, at least if very small farms are not taken into account.

⁶¹ See Willems, Roth and van Roekel, 2005; Mora and Menozzi, 2007; Peris Moll and Igual, 2007.h

⁶² See Willems, Roth and van Roekel (2005)

⁶³ See Mora and Menozzi, 2007.

⁶⁴ See Belletti *et al*, 2007.

⁶⁵ See Spiller *et al*, 2005.

Table 9: Certification costs depending on size of the organic farms

	up to 5 ha	5 – 10 ha	10 – 20 ha	20 – 30 ha	30 – 65 ha	> 65 ha
Cost per year	235.00 €	265.00 €	320.00 €	355.00	400.00 €	440.00 €
Minimum costs per hectare (ha)	47.00 €	26.50 €	16.00 €	11.83 €	6.15 €	n.a.

Source: ABCERT 2009

- Some certification schemes are organized as clubs and charge membership fees to farms participating in the scheme. This is, for instance, typical of private organic farming schemes such as Bioland. Bioland membership fees depend on farm size (in hectares) and farming intensity. Intensity factors, are for instance, 1.0 for grassland, 2.03 for forage production, 2.19 for dairy farming, 3.09 for cash crop farming, 14.96 for vegetables, and 93.61 for greenhouse production. The intensity category is calculated as a weighted average of the intensity factors relevant for a farm certified. Organic livestock production often falls in intensity category II. In this category, membership fees vary between 275 Euro p.a. (< 14 ha) and 5.525 Euro (> 1,200 ha). Similar to audit costs, larger farms have lower membership fees per hectare (farm size 14 ha: 19.64 Euro/ha; farm size 1,200 ha: 4.60 Euro/ha).
- Production costs involve those costs that are necessary to meet the requirements of a specific certification standard. Investments costs include, for instance, investments in improved housing conditions (space, lighting, water supply, etc.), new cleaning equipment for improved hygiene management or more advanced slaughter technologies. Operating costs may stem from additional tests and sampling, more intensive veterinary supervision, additional labour costs, reduced biological performance and so on. In some cases, cost reductions are also possible, for instance, with regard to fertilizer and pesticide costs in organic arable farming.

Impact on livestock producers: Livestock producers do not have to bear any certification costs as long as they decide to produce livestock at the EU minimum requirements level and labelling is voluntary (options 4 to 7). Mandatory labelling of welfare standards, farming systems or compliance with EU minimum standards (options 1 to 3) will create certification costs at the farm level if the EU or Member States decide to rely on private certification (instead of public enforcement; see section 7.7).

If farmers (voluntarily) decide to produce at animal welfare levels above EU minimum standards, certification costs will be incurred regardless whether labelling is mandatory or voluntary (Options 1 to 7). Prior experiences, for instance with GlobalGAP, the German *QS* and organic farming standards, indicate that additional certification costs will be quite low. Since farmers have limited management capacities, integration of an animal welfare labelling scheme with other standards (minimum requirement standards such as IKB or differentiation standards such as organic farming) in order to allow integrated audits is important.

Production costs at the farm level will not be influenced by animal welfare labelling as long as farmers decide to produce at the EU minimum requirements level. This clearly distinguishes animal welfare labelling from legislation that raises the minimum requirements. If farmers decide to participate in higher standard animal welfare scheme, additional operating and investment costs will depend on the scheme's requirements and the *status quo ante* of the farm. So far no systematic studies are available that assess additional production costs at the farm level for existing schemes.

This leads to the following conclusion:

11. From a farmer's perspective, voluntary animal welfare labelling is cost neutral as long as the minimum requirements according to EU legislation do not change (options 4 to 7). Mandatory labelling will cause some additional certification costs if the EU or Member States rely on private certification (options 1 to 3). Costs of voluntarily participating in a higher standard animal welfare scheme will not change compared to the current situation. If farmers decide to participate in such a scheme, additional operating and investment costs will depend on the scheme's requirements and the status quo ante of the farm.

Impact on other food business operations: The situation for food processors is slightly different from the situation of farmers. If labelling becomes mandatory (Options 1, 2 and 3), processors will have to label all their products. This may cause (moderate) investment costs (for instance, redesign of food packaging or, in some cases, investments in labelling equipment) and operating costs (for instance, for labelling material). Furthermore, additional certification costs will result if the EU or Member States rely on private certification (see section 7.7).

Effects on production costs are unlikely as long as slaughterhouses refrain from meeting standards other than EU minimum requirements and minimum requirements products are not labelled differently, for instance with regard to the farming system they come from. Additional costs are likely if mandatory labelling creates different classes of products that have to be separated from each other, even if they only fulfil minimum requirements. This results in market segmentation, which requires improved tracking and tracing and separation of batches during production, storage and transport. This will create additional investments costs (for instance, for additional warehouse space) and operating costs (for instance, for improved traceability). Furthermore, market segmentation increases the risk of out-of-stocks and problems with shelf-life of food products. Out of stocks result in sales losses, whereas problems with shelf-life result in additional costs for spoiled products that have to be removed from supermarkets shelves or warehouses. Professionally managed big slaughterhouses are already used to distinguishing between different product categories (in Germany, for instance, QS certified and non-QS certified products) and selecting between different product qualities that will be delivered to different regional markets. These processors should be able to make additional distinctions at reasonable additional costs. The situation can be different in small and medium-sized slaughterhouses where sorting, labelling and tracking and tracing technologies are less advanced.

If processors voluntarily decide to meet higher standards, effects on certification and production costs will be similar to the effects that can already be expected before any changes in EU policies on animal welfare labelling. This holds independently of whether the Option 4, 5, 6 or 7 are implemented.

There exists at least some evidence on additional production costs. Hollmann-Hespos (2008) surveyed the implementation of traceability systems in the German food industry. According to his empirical study, costs for implementing tracking and tracing systems varied between less than 10,000 Euro and more than 500,000 Euro. This wide spectrum reflects the strong influence of contingency factors such as firm size and product spectrum, *status quo ante* and the traceability level aimed for. He also found that the majority of small companies (turnover: less than 10 million Euro) had to invest less than 30,000 Euro after commencement of Regulation (EC) 178/2002. The majority of medium-sized food manufacturers (turnover: 10 to 75 million

Euro) invested less than 300,000 Euro, whereas most large processors (turnover: > 100 million Euro) spent more than 100,000 Euro and in several cases even more than 500,000 Euro.⁶⁶

This leads to the following conclusion:

12. From a processor's perspective, mandatory animal welfare labelling will create (moderate) additional labelling costs; their production costs will not change as long as minimum animal welfare requirements are not changed and minimum requirement products are not labelled differently. Additional production costs are likely if mandatory labelling requires improved tracking and tracing and separation of batches during production, storage and transport. Costs of voluntarily participating in a higher standard animal welfare scheme will not change compared to the current situation. If processors decide to participate in such a scheme, additional operating and investment costs will depend on the scheme's requirements and the status quo ante of the processor.

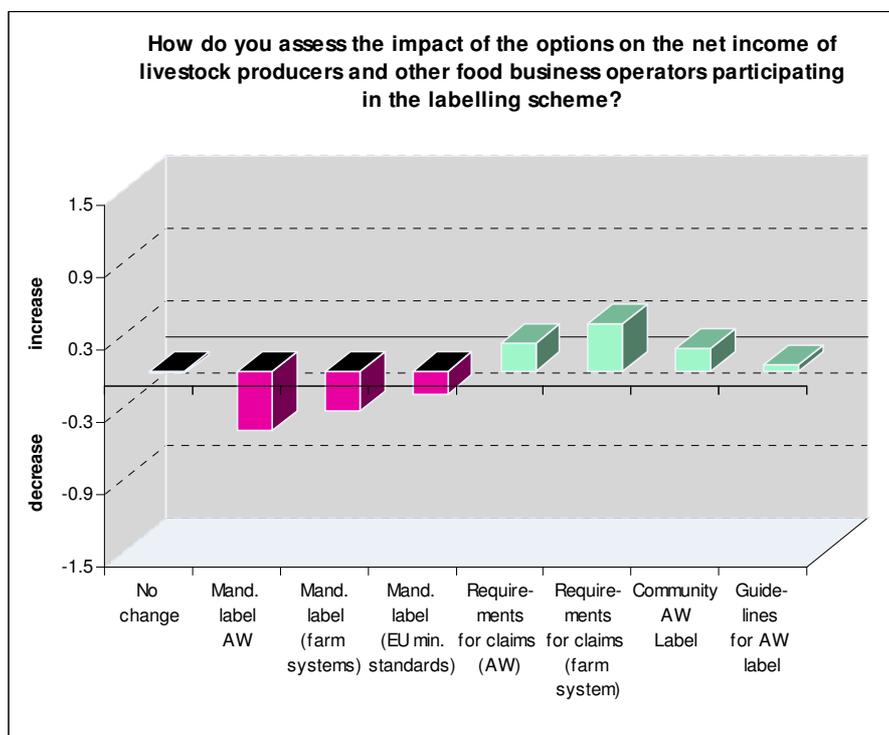
7.4. Impact of options on the net income of livestock producers and other food business operations participating in the labelling scheme

Stakeholder opinions

Stakeholders are quite sceptical about the income effects of mandatory labelling and, on average, expect negative effects. The expectations are more positive with regard to voluntary labelling. With more or less only two exceptions (mandatory labelling of welfare standards (option 1) and harmonised requirements for the voluntary use of claims (option 5), expectations are close to the zero level indicating that stakeholders, at least on average, do not expect significant impacts.

⁶⁶ See Hollmann-Hespos, 2008, p. 154.

Figure 8: Stakeholder assessment of the impact of options on the net income of livestock producers and other food business operations participating in the labelling scheme



Source: Survey conducted by Civic Consulting; Average rating, where values represent the assessment of options on a scale from 'decrease' (-) to 'increase' (+); N= 39.

Assessment

Impact on livestock producers: Impact of options on the net income of farmers is more difficult to estimate than costs. In any case, it is useful to distinguish between farmers still in the minimum requirements business and those participating in higher standard animal welfare schemes. As has been outlined before, farmers who produce at EU minimum welfare standards do not have to bear additional costs. Therefore, the effects on their net income depend on the demand side. If consumers increasingly buy products adhering to higher animal welfare standards, this may reduce these farmers' net income and force them to invest to change their farming system. This may trigger unintended structural side effects. From egg production in Germany we know that the sharply decreasing market share of shell eggs from battery cages and the national ban of battery cages resulted in a drop out of small family farms from egg production. Small farmers decided not to invest in egg production system with higher animal welfare standards; therefore, large and extra-large producers now have higher market shares in German egg production than before. This may also happen in livestock production if changing consumer behaviour threatens traditional low animal welfare farming systems still more prevalent, for instance, on small farms in Southern Germany. Similarly, GlobalGAP tends to attract larger farms for which it is easier to adapt to the requirements of the standard.⁶⁷

For participants in higher animal welfare programs it is decisive whether additional revenues outweigh higher certification and production costs. This depends on consumers' willingness to pay for more animal welfare and the sharing of additional costs and benefits throughout the

⁶⁷ See Lazo, Jahn and Spiller, 2007.

supply chain. Earlier research of the JRC shows that some certification schemes meet this criterion whereas others do not.⁶⁸ Conversion rates to organic farming are currently low due to a lack of profitability in many areas, especially if risk costs are also taken into account. Therefore, the decision to participate in a certification scheme that aims at differentiating products from competing products produced at minimum requirement levels is a typical investment decision.⁶⁹ Nevertheless, if labelling, may it be mandatory or not, raises consumers' awareness and willingness to pay, strong demand may contribute to adequate prices and growing market shares. This will positively influence the net income of livestock producers who adhere to higher animal welfare standards.

For Options 1 to 7 it is therefore not possible at this stage to assess the effects on the net income of livestock producers. The effects strongly depend on consumer reactions after the introduction of a specific option. In most scenarios, average income effects can be expected to be quite neutral. Of course, at the individual farm level there might be winners and losers, depending on, for instance, whether a farm is in a growing or a shrinking market segment.

Impact on other food business operations: The impact on other food business operators will be similar to the impact on farmers except that processors have to bear some minimum costs in the case of mandatory labelling (Options 1 to 3). Again, the net income of processors not active in higher animal welfare programs will not be affected unless demand conditions change considerably. Changing demand conditions and the subsequent need to invest to adapt to changing consumer preferences may trigger structural changes similar to the ones expected for farmers. Or, put differently, a demand-pull for more animal welfare friendly products may drive out small processors unable to do the necessary investments. For processors participating in higher animal welfare programs it is again decisive whether additional revenues outweigh higher certification and production costs. Consumers' willingness to pay and the sharing of costs and benefits, especially with farmers on the one side and retailers on the other, are of fundamental importance. A strong demand-pull will make it easier to get adequate prices; higher prices will positively influence the net income of processors.

This leads to the following conclusion:

13. The impact of animal welfare labelling on net income of livestock producers and processors mainly depends on demand side effects. These effects are essential for the impact on net income of livestock producers and processors, regardless whether they adhere to higher animal welfare standards or not. Mandatory labelling (Options 1 and 2) possibly have a somewhat bigger impact on net income and farm structure than other options due to a possibly stronger influence on consumer awareness and buying decisions.

7.5. Impact of options on consumer prices

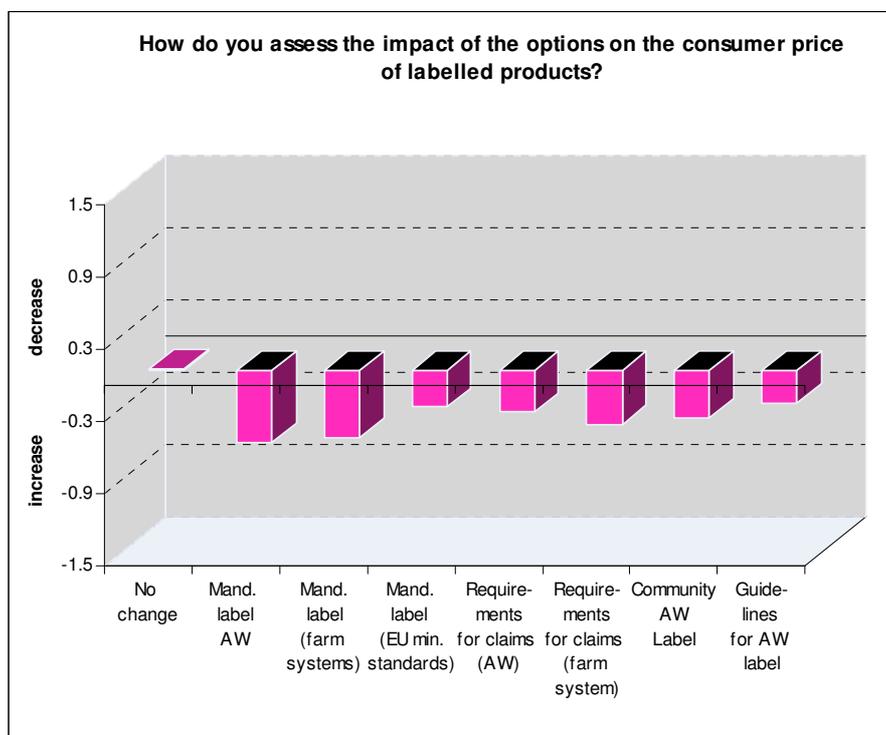
Stakeholder opinions

On average, stakeholders expect a negative although not big impact on consumer prices (see figure below).

⁶⁸ See <http://foodqualityschemes.jrc.es>.

⁶⁹ See Musshoff and Hirschauer, 2008.

Figure 9: Stakeholder assessment of the impact of options on the consumer price of labelled products



Source: Survey conducted by Civic Consulting; Average rating, where values represent the assessment of options on a scale from 'decrease' (-) to 'increase' (+); N= 49.

However, the average expectation reflects a huge standard deviation and strongly opposing opinions. Some producer associations argue that average prices will not change at all due to strong market competition. Animal welfare organisations argue that there is no impact of animal welfare standards on prices because every producer chooses what standard he or she wants to comply with. Therefore, no price changes but a shift in buying patterns is expected.

Several producer, processor and retailer organisations argue contrarily. They stress that every labelling system demands investments and creates costs that have to be borne not only by those who wish the labelling but by everyone. In their opinion, the increases in production costs along the meat supply chain will be reflected in consumer prices. Some producer associations also argue that it is very much in the hands of the retailers whether prices will rise or not. The possibility to pass extra costs to consumers (as it was done in the egg sector) is questioned.

There are very diverse assessments of consumers willingness to pay for more animal welfare. Some respondents refer to Eurobarometer or Welfare Quality surveys that indicate a considerable willingness to pay of a remarkable number of consumers.⁷⁰ Other, less optimistic respondents – often animal welfare organisations or research institutes – see some willingness to pay under certain circumstances (good standard, highly trusted by consumers, good communication concept etc.). Good communication and a convincing standard assumed, price premiums between 5 and 20 % are deemed realistic. These organisations also see a positive trend in that sense that consumers' willingness to pay is better than before, although it might be

⁷⁰ See special Eurobarometer 229(2)/Wave 64.4: Attitudes of consumers towards the welfare of farmed animals Wave 2 (March 2007).

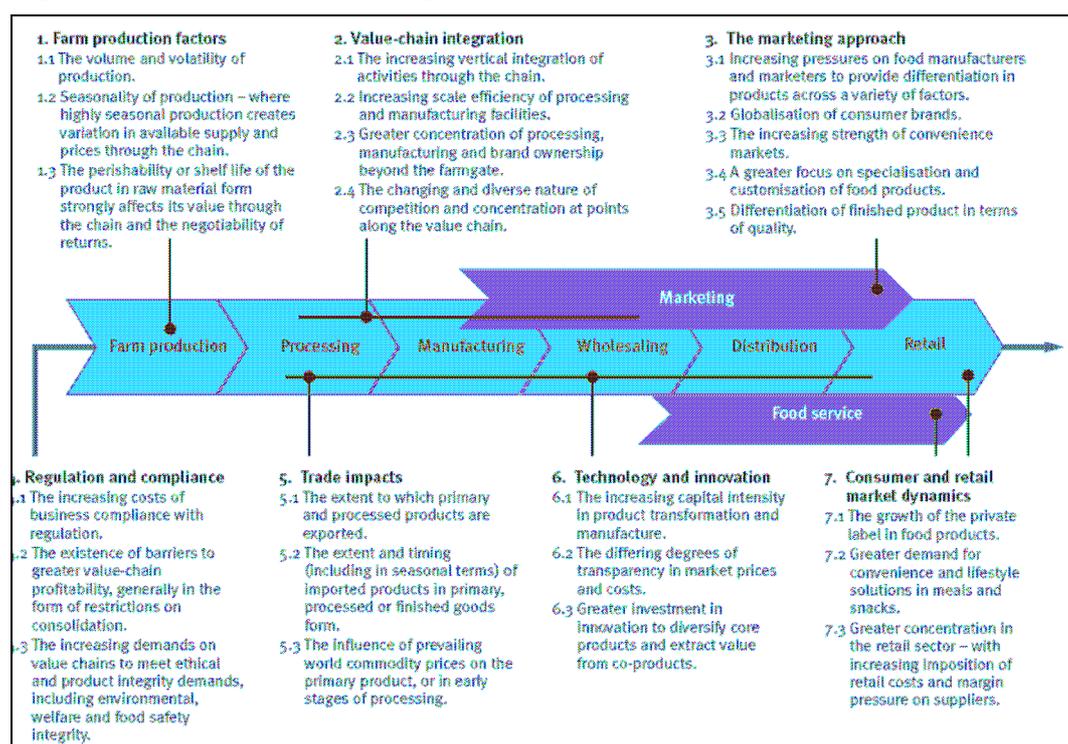
threatened by generally rising food prices. These organisations can also imagine that a label will contribute to more consumer awareness and a growing willingness to pay for more animal welfare although it is still admitted that there is a wide variety of consumer demands and willingness to pay very much depends on purchasing power and consumer awareness. Therefore, huge differences with regard to consumers' willingness to pay within countries but also throughout the EU are expected.

Livestock producers, processors, retailers and their associations are, in general, rather pessimistic concerning consumers' willingness to pay. They doubt that many consumers are concerned about animal welfare and argue that price is still the single most important criterion for the vast majority of consumers when buying food products. This is evidenced by the growing market shares of low-price discount stores. In this context it is argued that strong social desirability effects distort many surveys and that marketing experience suggests that only a few consumers are willing to pay more, depending on their income situation and meal occasion.

Assessment

Food product prices are determined by various factors (see Figure 10 below); costs are only one of them.

Figure 10: Determinants of food prices



Source: Spencer (2004).

As long as EU minimum animal welfare requirements are not raised and consumers do not sharply change their buying behaviour, neither additional costs nor higher consumer prices are expected, regardless of which policy option is implemented. Only mandatory labelling (Options 1 to 3) may have a (very small) impact on prices due to some additional costs for labelling of products. But even in this case it is very difficult to tell whether these costs will be passed to consumers or not.

If consumers decide to buy animal products produced under higher animal welfare standards, they will very likely have to pay higher prices. Nevertheless, they also get a higher (process)

quality. In this case, higher consumer prices are not due to additional costs for the same products but reflect changes in the preferred “basket” of goods. But, as we know from prices of organic products, pricing strategies especially of retailers play also a role.⁷¹ So, if labelling changes consumers’ preferences, retailers may want to take advantage of this and adjust their price strategies to skim consumers’ willingness to pay. These effects are independent of which policy option is implemented. From a research perspective, consumers’ willingness to pay is still widely unknown despite a large number of empirical studies and considerable efforts to improve the methodology of such studies.⁷² Survey-based methods still strongly suffer from a hypothetical market bias reducing the external validity of such studies. Therefore, it is sometimes argued that willingness to pay is systematically overestimated in empirical studies.⁷³ The hypothetical bias is largest in survey settings in which respondents are aware of socially desirable behaviour. In the literature, several reasons for the over-estimation of consumers’ willingness to pay in hypothetical markets are specified.⁷⁴ In settings characterised by social desirability such as improved animal welfare, asserting a positive willingness to pay may in itself provide moral satisfaction and intrinsic rewards to respondents. This contributes to untrustworthy survey results. More systematic experiments at the point of sale could contribute to a clarification of consumers’ preferences.⁷⁵ Experiences with existing animal welfare labelling schemes concerning consumers’ willingness to pay are very diverse, depending on the characteristics of the scheme and the Member State (see section 4.1).

This leads to the following conclusion:

14. As long as EU minimum animal welfare requirements are not raised and consumers do not sharply change their buying behaviour, higher consumer prices are not to be expected. This is regardless of which policy option is implemented. Only mandatory labelling (Options 1 to 3) may have a (very small) impact on prices due to some additional costs for labelling of products. But even in this case, it is very difficult to tell whether these costs will be passed to consumers or not. If consumers decide to buy animal products produced under higher animal welfare standards, they will very likely have to pay higher prices for the higher (process) quality. Whether (and how many) consumers are willing to pay for more animal welfare-friendly products is an open question. Experiences with existing labelling schemes are very diverse, depending on the characteristics of the scheme and the Member State.

⁷¹ See Spiller, 2001.

⁷² See Marggraf *et al*, 2005, Lusk and Hudson, 2004.

⁷³ See Sattler and Nitschke, 2001.

⁷⁴ See Braeuer and Suhr, 2005.

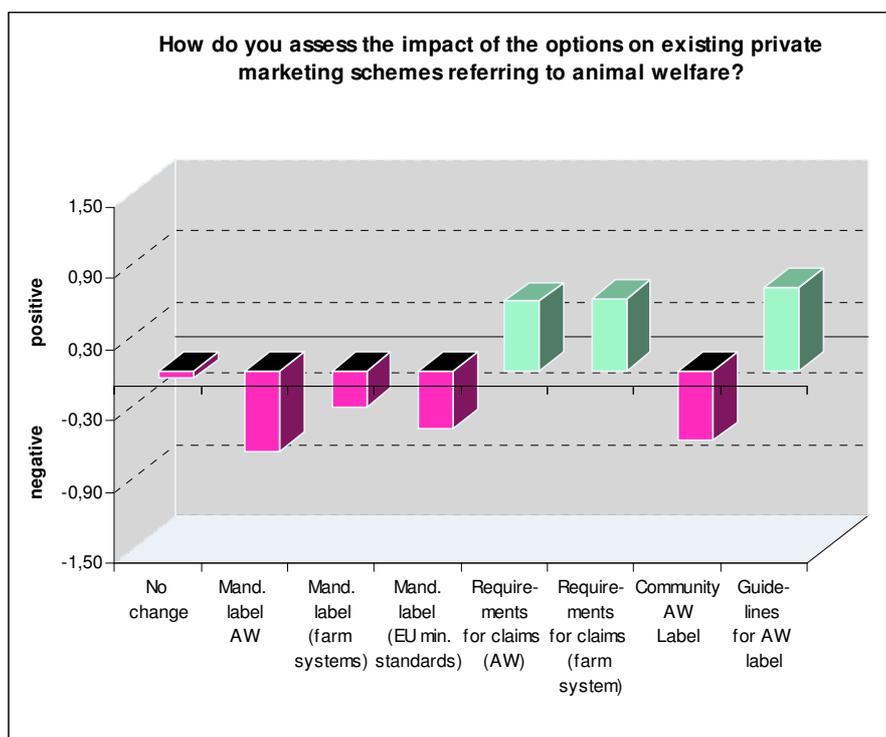
⁷⁵ See Theuvsen, Brand-Sassen and Essmann, 2005.

7.6. Impact of options on existing private marketing schemes referring to animal welfare

Stakeholder opinions

Stakeholders agree that effects on existing private marketing schemes very much depend on which option is chosen. Options 4, 5 (requirements for the use of claims) and 7 (guidelines for animal welfare labelling) are assessed most positively; in these cases the majority of respondents expects somewhat positive or neutral impacts on existing schemes, some even predict very positive impacts. The other policy options are assessed quite sceptically; most respondents expect somewhat negative or very negative effects on existing labelling schemes. Mandatory labelling splits stakeholder opinions and gets a considerable number of both very positive and very negative answers.

Figure 11: Stakeholder assessment of the impact of options on existing private marketing schemes



Source: Survey conducted by Civic Consulting; Average rating, where values represent the assessment of options on a scale from 'negative' (-) to 'positive' (+); N= 52.

Negative effects are foreseen by some industry and retail associations that expect that existing schemes will be eliminated by mandatory labelling. Others are more optimistic in their assessments. They expect that existing schemes will have to adapt to a new standard and, therefore, it is proposed that integration of standards should be possible. This may include significant changes that have to be accompanied by intensive communication with consumers who are familiar with the existing schemes. Respondents also indicate that existing private schemes have to defend their unique selling propositions and will, therefore, likely exceed standards required under an EU animal welfare labelling scheme.

Animal welfare organisations tend to have mixed opinions. Whereas one view is to expect a general improvement of existing labels as soon as EU legislation is in place, another view is to even expect less animal welfare if a lower standard EU scheme pushes existing private schemes with higher animal welfare standards out of the market.

Assessment

Labelling schemes compete against each other; this has been observed quite early with regard to eco-labelling,⁷⁶ but holds also for the food sector. Especially those schemes that aim at differentiating products to get higher prices are threatened by copycatting and imitation. In a SWOT analysis of the animal welfare scheme Neuland, for instance, some authors consider “uptake of animal welfare standard products by retailer or other scheme” a considerable threat.⁷⁷ Since several existing schemes focus exclusively or at least casually on animal welfare, any change of regulation in the field of animal welfare labelling will affect these schemes.

Mandatory labelling (Options 1 and 2) or the introduction of a Community Animal Welfare Label (Option 6) would likely weaken the unique selling proposition of existing schemes and, thus, may have negative effects (although these effects are insecure in the case of mandatory labelling). On the other side, a new and widely accepted animal welfare scheme may also contribute to growing consumer awareness and a growing market share of animal welfare-friendly products in general. This can lead to a market situation in which all schemes are better off than before. This has – at least to a certain degree – happened in the organic food market where the EU label has opened the door to new consumer segments. Traditional labels and retail channels have lost market shares but, at the same time, most of them have gained in absolute numbers with regard to sales volume and value.⁷⁸

Options 4, 5 and 7 do not change the market position of existing schemes as long as no new schemes come up and as long as it is easy for existing schemes to meet the new legal requirements. So far it is difficult to predict whether a change in the regulatory framework for using animal welfare-related claims or establishing animal welfare labels will provoke the emergence of new competing labels.

Mandatory labelling of compliance with EU minimum standards (option 3) will not affect existing marketing schemes.

This leads to the following conclusion:

15. Impacts on existing private marketing schemes are more likely under mandatory labelling (Options 1 and 2) or the introduction of a Community Animal Welfare Label (Option 6). On the one hand, negative impacts are possible as these options could weaken the unique selling proposition of existing schemes. On the other hand, a new and widely accepted animal welfare scheme may also contribute to growing consumer awareness and a growing market share of animal welfare-friendly products in general. The case of the EU organic label indicates that existing schemes may be better off in the end despite the loss of their unique selling proposition.

⁷⁶ See Earley and Anderson, 2003.

⁷⁷ Gay and Schneider, 2008.

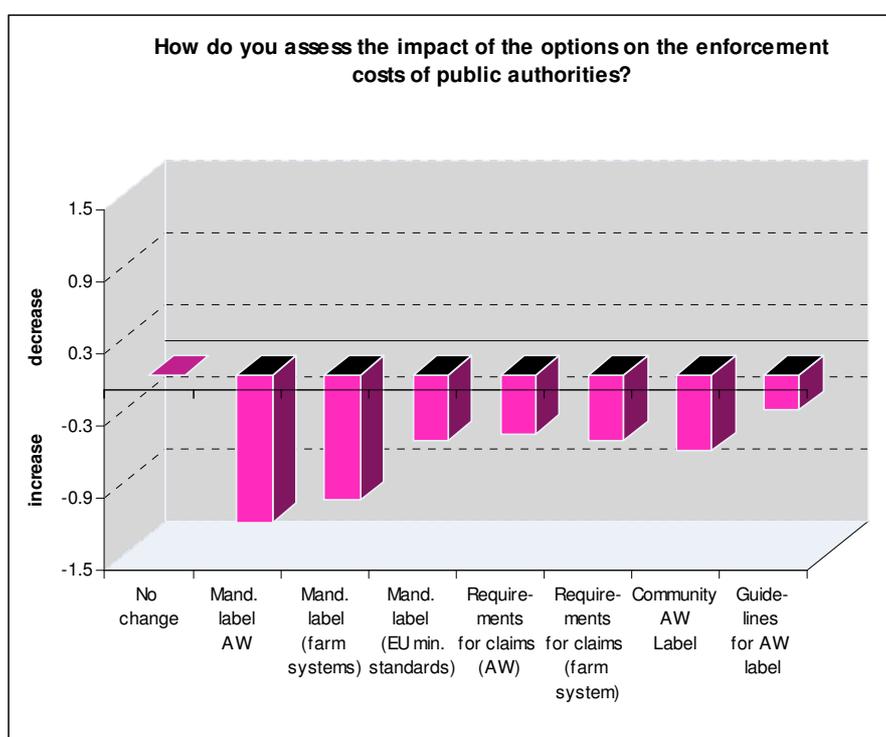
⁷⁸ Von Berlichingen, 2006.

7.7. Impact of options on the enforcement costs of public authorities

Stakeholder opinions

Most stakeholders agree that labelling needs enforcement and that this does not come for free. They also agree widely that the impact on the enforcement costs of public authorities depends very much on the policy option implemented. The vast majority of respondents expects that mandatory labelling of welfare standards and farming systems will result in very significant or at least significant increases of enforcement costs (see Figure 12 below).

Figure 12: Stakeholder assessment of the impact of options on the enforcement costs of public authorities



Source: Survey conducted by Civic Consulting; Average rating, where values represent the assessment of options on a scale from 'decrease' (-) to 'increase' (+); N= 50

Producers, processors and their associations stress that mandatory labelling will create the highest need for governmental enforcement. At the same time, these private actors attribute not the highest efficiency to government services. Some also fear that government will try to pass on parts of the additional costs to industry. All in all, private actors tend to show objections against – what they consider – too much government intervention.

The other options are perceived as less cost intensive for public authorities. Nevertheless, parts of the respondents still expect increases (but only rarely significant increases) whereas a considerable number expect no cost effects at all.

Assessment

With regard to existing certification schemes, public as well as private certification and inspection bodies can be observed. Organic labelling in Denmark is an often quoted public inspection system, but there are also other countries where organic labelling nearly completely

relies on private certification bodies.⁷⁹ In most certification schemes (for instance, ISO standards, International Food Standard), the certification bodies are paid by the firms certified. Therefore, neither voluntary nor mandatory labelling nor the introduction of a Community Animal Welfare Label (Options 1 to 3 and 6) necessarily mean that public authorities have to bear additional certification costs. Harmonized requirements for the use of claims (Options 4 and 5) may indeed need public enforcement or an approval system similar to the one set up for PDOs, PGIs and TSGs. In this case, standard setters would submit a proposal to a competent authority that checks compliance with requirements. Nevertheless, since there will only be a limited number of animal welfare labelling schemes, additional costs of public authorities are likely to be quite limited.

This leads to the following conclusion:

16. The impact of voluntary or mandatory labelling or the introduction of a Community Animal Welfare Label (Options 1 to 3 and 6) on enforcement costs of public authorities are negligible, if the system relies on private certification. Enforcement costs could result, however, if public inspection systems would be used. Harmonised requirements for the use of claims (Options 4 and 5) may need public enforcement or an approval system that could bring some (but not high) costs for authorities.

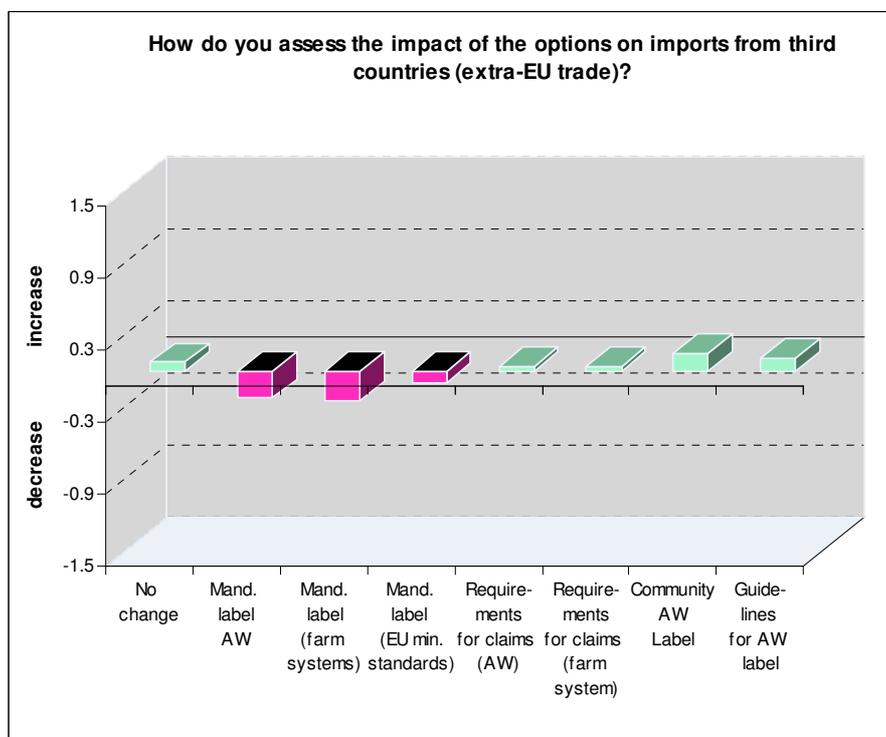
7.8. Impact of options on imports from third countries (extra EU-trade)

Stakeholder opinions

Stakeholders neither expect a significant positive nor a negative impact on imports from non-EU countries (see Figure 13 below). Respondents – in many cases from industry and industry associations – expecting very limited effects often argue that price is the most important criterion for the vast majority of consumers. Therefore, it is argued that labelling is not very important for buying decisions and will not influence imports from third countries a lot. It is also argued that efficient meat producers such as Brazil and New Zealand can easily adapt to current (or even higher) EU animal welfare standards. Those respondents that expect decreasing imports argue that consumers may prefer labelled EU products over non-labelled imported products. These stakeholders have a strong preference for labelling compliance with EU minimum standards since they think that this will drive out low-cost imports produced at lower animal welfare standards. A small number of respondents expect increasing imports due to growing cost advantages of non-EU producers and that, due to WTO problems, standards will only be enforced within but not outside the EU so that third country producer will have (unfair) competitive advantages.

⁷⁹ See Jahn, 2005.

Figure 13: Stakeholder assessment of the impact of options on imports from third countries (extra EU-trade)



Source: Survey conducted by Civic Consulting; Average rating, where values represent the assessment of options on a scale from 'decrease' (-) to 'increase' (+); N= 48.

Assessment

Various general and partial equilibrium models exist to simulate outcomes of policy measures⁸⁰ on trade. These models are most reliable with regard to the assessment of effects of quite general policy measures such as cutting subsidies or lowering tariff barriers. They are less reliable with regard to very specific policy measures, such as fine-grained changes of quota systems or issues such as animal welfare labelling.⁸¹ Therefore, a qualitative assessment is more appropriate in this context.

A clear distinction has to be made between labelling of products and changing legal minimum requirements for production processes. These aspects are often not clearly differentiated in public discussions about animal welfare. Whereas higher legal minimum standards concerning the production process (such as animal welfare standards) will presumably favour imports from non-EU countries as long as WTO rules do not clearly allow to discriminate imports based on (process) quality standards, labelling will not *per se* favour third country producers. Labelling compliance with EU minimum standards (Option 3), for instance, can even create a competitive advantage for EU producers over third country producers that have problems to meet these standards. Insofar as non-EU producers do not have problems to meet EU standards, distortive effects on markets should be very low, regardless of whether labelling is mandatory (Options 1 and 2) or voluntary (under Options 4, 5 and 7) or based on a Community Animal Welfare Label

⁸⁰ See Hess and von Cramon-Taubadel, 2007.

⁸¹ See Lips and Rieder, 2006.

(Option 6) open to third country producers. If non-EU countries have higher standards than the EU – for instance, natural grassing systems prevalent in South American beef production compared to barn systems in Europe – third country producers may even have an advantage from labelling products of animal origin.

This leads to the following conclusion:

17. **It is unlikely that the options will have a significant impact on imports from third countries, depending also on the degree to which third countries produce to higher or lower animal welfare standards.** Labelling compliance with EU minimum standards (Option 3) can create a competitive advantage for EU producers over those third country producers that have problems to meet these standards. Insofar as non-EU producers do not have problems to meet EU standards, distortive effects on markets should be very low, regardless of whether labelling is mandatory (Options 1 and 2) or voluntary (under Options 4, 5 and 7) or based on a Community Animal Welfare Label (Option 6) open to third country producers. If non-EU countries have higher standards than the EU, third country producers may even have an advantage from labelling products of animal origin.

7.9. Summary of impacts of options

The conclusions of this section are summarised in the table below:

Table 10: Assessment of impacts of the options

Option	Impacts							
	AW conditions on farm	Informed purchasing decisions	Production costs	Producer income	Consumer price	Existing private schemes	Enforcement costs authorities	Imports from 3rd countries
Baseline option								
0. No change	No impact	No impact	No impact	No impact	No impact	No impact	No impact	No impact
Mandatory labelling								
1. Mandatory labelling of welfare standards	Higher pressure on producers due to consumers awareness possible	Provides most information	Certification costs for producers, processors. Limited additional labelling costs for processors.	Depends on demand side effects; on average in many cases close to zero	Higher prices only due to changing consumption patterns	Poss. loss of unique selling proposition of existing schemes	No public costs if private certification of farms and firms	Distortive effects on markets unlikely
2. Mandatory labelling of farming system	As 1, but weaker relationship with AW	Provides a lot of information, but possibly less relevant for AW	Certification costs for producers, processors. Limited additional labelling costs for processors.	Depends on demand side effects; on average in many cases close to zero	Higher prices only due to changing consumption patterns	Poss. loss of unique selling proposition of existing schemes	No public costs if private certification of farms and firms	Distortive effects on markets unlikely
3. Mandatory labelling of compliance with EU minimum standards	No effects on EU farms	Additional information only for non-EU products	Very limited addit.costs for producers, processors adhering to EU minimum standards	Depends on demand side effects; on average in many cases close to zero	Higher prices only due to changing consumption patterns	No effects	No public costs if private certification of farms and firms	Distortive effects on markets are unlikely
Requirements for the voluntary use of claims								
4. Harmonised requirements for use of claims in relation to AW	Indirect and difficult to predict	Depends on market share of labelled products	No costs if adhering to EU minimum standards	Depends on demand side effects; on average in many cases close to zero	Higher prices only due to changing consumption patterns	Depends on whether existing schemes can easily meet requirements	Poss. low costs for running an appraisal and enforcement system	Distortive effects on markets are unlikely
5. Harmonised requirements for use of claims in rel. to farming system	Indirect and difficult to predict	Depends on market share of labelled products	No costs if adhering to EU minimum standards	Depends on demand side effects; on average in many cases close to zero	Higher prices only due to changing consumption patterns	Depends on whether existing schemes can easily meet requirements	Poss. low costs for running and appraisal and enforcement system	Distortive effects on markets are unlikely
Other options								
6. Community Animal Welfare Label for voluntary participation	More direct effects, depending on market share of label	Depends on market share of labelled products	No costs if adhering to EU minimum standards	Depends on demand side effects; on average in many cases close to zero	Higher prices only due to changing consumption patterns	Poss. loss of unique selling proposition, but possible increase in market size	No public costs if private certification of farms and firms	Distortive effects on markets are unlikely
7. Guidelines for the establishment of schemes	Indirect and difficult to predict	Very indirect positive effect possible	No costs if adhering to EU minimum standards	Depends on demand side effects; on average in many cases close to zero	Higher prices only due to changing consumption patterns	Depends on whether existing schemes can easily meet requirements	No effects, if not binding	Distortive effects on markets are unlikely

8. Conclusions

Not all policy options for indicating animal welfare related information on products of animal origin considered in this study are to the same degree conform with the guiding principles. Also, expected impacts of options vary, although not in all aspects. The results of the analysis allow excluding a number of options as being of less relevance, for different reasons:

- Mandatory labelling of compliance with EU minimum standards or equivalence with those (Option 3) does not contribute to higher animal welfare standards in the EU, but still may cause (albeit very limited) costs for processors. In addition, this option could be challenged under WTO law as a non-tariff trade barrier that tries to foreclose the EU market for those non-EU producers that are producing at lower animal welfare standards. In balance, there is hardly any rationale for considering this option in depths.
- Harmonised requirements for the voluntary use of claims (Options 4 and 5) are typically used where the validity of claims made by producers or processors is questionable so that consumers may misinterpret the claims. This was the case in the field of health claims where, according to the view of the legislator, a large number of vague or in many cases questionable claims used in the marketing of food products made action necessary, to prevent the abuse of health claims. With regard to animal welfare, a similar problem, however, does not appear to exist. In most EU countries hardly any animal welfare claims are made and products produced under higher animal welfare standards have only very small market shares. This indicates a kind of market failure that presumably cannot be cured by options 4 and 5 but would rather require a policy approach that helps to overcome the existing fragmentation of the market, contributes to overcoming retailers' reluctance to list animal welfare-friendly products and makes it easier for consumers to make informed choices and to find such products. There are therefore few arguments to make that this option is a proportionate solution providing added value, especially as impacts on the animal welfare conditions on farms are indirect and difficult to predict.
- Similar arguments can be put forward concerning Guidelines for the establishment of animal welfare labelling and quality schemes (Option 7). This option seems most preferable where consumers might be misled by claims of very diverse schemes or where it seems questionable whether a quality scheme really represents a higher animal welfare standard or not. Although developing harmonised, recognised and reliable animal welfare indicators is an important issue (see section 6.1 above), this rather needs to be addressed through scientific work and harmonisation efforts (see Part 2 of this study), than through producing guidelines for the establishment of schemes. In addition, impacts on the animal welfare conditions on farms are even more indirect and difficult to predict than under the previous option.

This leads to the following overall conclusions:

18. The results of the analysis allow excluding a number of options for animal welfare labelling as being of less relevance. There is hardly any rationale for considering the mandatory labelling of compliance with EU minimum standards (Option 3). Harmonised requirements for the voluntary use of claims (Options 4 and 5) and guidelines for the establishment of animal welfare labelling and quality schemes (Option 7) also do not appear to be proportionate solutions providing significant added value, especially as impacts on the animal welfare conditions on farms are indirect and difficult to predict.

The following main alternatives are therefore to be considered:

- ❑ The “no change” option (Option 0), which is strongly preferred by industry stakeholders (see Annex 1);
- ❑ Mandatory labelling of welfare standards (Option 1), the preferred option of animal welfare organisations (see Annex 1); or
- ❑ Mandatory labelling of farming system (Option 2); and finally
- ❑ The creation of a Community Animal Welfare Label (Option 6).

Relevant aspects are the conformity of these options with the guiding principles, and their impacts. The results of the assessment of conformity of the options with the guiding principles in section 5.2 are summarised in the table below.

Table 11: Summary of conformity of options with guiding principles (main alternatives)

Criteria	Mandatory labelling of welfare standards	Mandatory labelling of farming system	Community Animal Welfare Label	No change
Based on sound scientific basis and benchmarks	o (future: +?) <i>Current lack of harmonised and reliable measuring instrument for AW. More feasible if indicators were available</i>	o / + <i>Current lack of harmonised, reliable measuring instrument, but more feasible than first option</i>	+ <i>Voluntary claims based on current scientific knowledge, gaps less relevant.</i>	Not applicable
Coverage of broad range of farm animal species	o <i>Difficult, currently significant knowledge gaps</i>	o / + <i>Labelling of farming systems easier than labelling of welfare standards</i>	+ <i>More compatible with knowledge gaps; allows step-by-step approach for inclusion of species</i>	Not applicable
Possibility of third party inspection/audit and certification	o (future: +?) <i>Least feasible option in absence of harmonised, reliable measuring instrument for AW. More feasible if harmonised indicators were available</i>	+ <i>Partly feasible if only a limited number of alternatives is taken into account</i>	+ / ++ <i>At least partly feasible since only auditing of those production systems that voluntarily apply for certification required</i>	Not applicable
Compatibility with international obligations (WTO)	o / + <i>Not possible to predict whether mandatory labelling could be successfully challenged</i>	o / + <i>Not possible to predict whether mandatory labelling could be successfully challenged</i>	++ <i>Compliance of voluntary labelling with WTO rules</i>	Not applicable
Conclusions concerning guiding principles	<i>Least feasible option, as long as a no harmonised, recognised and reliable measuring instrument for AW is available</i>	<i>More feasible option, but still only partly in line with guiding principles</i>	<i>Option to a large extent in line with guiding principles, more compatible with knowledge gaps</i>	<i>The guiding principles are not applicable to the “no change” option</i>

++ = very feasible, + = partly feasible, o = not feasible.

The table indicates that among the remaining alternatives:

- ❑ Mandatory labelling of welfare standards (Option 1) is the option least feasible, as long as a no harmonised, recognised and reliable measuring instrument for AW is available;
- ❑ Mandatory labelling of farming system (Option 2) is a more feasible option, but still only partly in line with guiding principles;
- ❑ A Community Animal Welfare Label (Option 6) is to a large extent in line with the guiding principles and also more compatible with limitations concerning the available scientific knowledge on animal welfare and related indicators, as producers and

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processors who do not agree with the standards implemented do not face mandatory assessments of, for instance, their farming systems. This is the option most in line with the guiding principles of the options considered here.

The guiding principles are not applicable to the “no change” option. In addition, it is necessary to take into account the impacts of the different options, summarised in the table below.

Table 12: Summary of impacts of options (main alternatives)

Impacts	Mandatory labelling of welfare standards	Mandatory labelling of farming system	Community Animal Welfare Label	No change
Direct and indirect economic impacts				
Impact to empower consumers to make informed purchasing decisions	++ <i>Provides most information</i>	+ <i>Provides a lot of information, but possibly less relevant for AW</i>	+ <i>Depends on market share of labelled products</i>	o <i>No impacts</i>
Impact on production costs	- / o <i>Limited additional costs for processors adhering to EU minimum standards. Additional production costs likely if labelling requires improved tracking/tracing and separation of batches during production, storage, transport</i>	- / o	o <i>No costs if adhering to EU minimum standards</i>	o <i>No impacts</i>
Impact on the net income of producers/operators	o <i>Depends on demand side effects, on average in many cases close to zero</i>	o	o	o <i>No impacts</i>
Impact on consumer prices	o <i>Higher prices only due to changing consumption patterns</i>	o	o	o <i>No impacts</i>
Impact on the enforcement costs of public authorities	o <i>No public costs if private certification of farms and firms</i>	o	o	o <i>No impacts</i>
Impact on imports from third countries	o	o	o	o <i>No impacts</i>
Direct and indirect social impacts				
Impact on the animal welfare conditions on farms	+ <i>Higher pressure on producers due to consumers awareness possible</i>	o / + <i>As first option, but weaker relationship of standards with animal welfare</i>	o / + <i>More direct effects than other voluntary options, depending on market share of label</i>	o <i>No impacts</i>
Impact of options on existing private marketing schemes	- <i>Possible loss of unique selling proposition of existing schemes</i>	- <i>Possible loss of unique selling proposition of existing schemes</i>	- to + <i>Possible loss of unique selling proposition, but may be (over)compensated by increase in market size</i>	o <i>No impacts</i>
Direct and indirect environmental impacts				
Impact on environment	o <i>Labelling per se has no direct environmental impacts. Possible indirect impacts would depend on requirements of the higher AW standard labelled (e.g. concerning access to pasture), the natural conditions of a specific country (e.g. the availability of pasture and its status) and the market share of products labelled with a higher AW standard.</i>	o	o	o <i>No impacts</i>
Conclusions concerning impacts	<i>Provides most information to consumers, highest pressure on producers likely to improve AW. Limited additional costs for processors possible, negative impacts on existing schemes</i>	<i>Provides a lot of information, but possibly less relevant for AW. Limited additional costs for processors possible, negative impacts on existing schemes</i>	<i>More direct effects on AW than other voluntary options, depending on market share of label. Negative impacts on existing schemes may be (over)compensated by increase in market size</i>	<i>No impacts under the “no change” option, including on the animal welfare conditions on farms</i>

++ = very positive, + = somewhat positive, o = neutral, - = somewhat negative, -- = very negative.

From the table the following picture emerges:

- ❑ Mandatory labelling of welfare standards (Option 1) is the option that provides most information to consumers, possibly empowering them to make informed purchasing decisions, and leads to the highest pressure on producers to improve animal welfare. However, there are limited additional costs for processors and farmers possible (e.g. for certification), as well as negative impacts on existing schemes;
- ❑ Mandatory labelling of farming system (Option 2) is likely to provide a lot of information to consumers, but possibly information that is less relevant concerning the animal welfare conditions. Limited additional costs for processors are possible, as are negative impacts on existing schemes;
- ❑ A Community Animal Welfare Label (Option 6) can be expected to have more direct effects on animal welfare than other voluntary options, however, this depends on the market share of the label. It is therefore likely to provide less information to consumers as the mandatory labelling of welfare standards on all relevant products (Option 1). Negative impacts on existing schemes are possible, but may be (over)compensated by increase of the overall market size for products produced at higher animal welfare standard. This is therefore the option with the least negative impacts of the options considered here, except the “no change” option, under which in general no impacts are to be expected. However, the latter option also does not have any positive impact on the animal welfare conditions on farms.
- ❑ In theory, it is also possible to combine different options, e.g. to foresee mandatory labelling of welfare standards (Option 1) for animal species where a harmonised, recognised and reliable measuring instrument for AW is available, and to have a Community Animal Welfare Label (Option 6) for other areas. This approach would allow the broadest possible information for consumers and would combine the advantages of both options. On the other hand, possible negative impacts of a mandatory option, such as limited additional costs for processors and farmers, would also remain, and a combination of options even risks confusing consumers, if the labels are not integrated into one coherent labelling system.

Possible impacts of the options on the environment cannot be predicted at this stage, as they would relate to the specific animal welfare standards required (e.g. concerning access to pasture), the natural conditions of the specific country (e.g. the availability of pasture and its status) and the market share of products labelled with a higher animal welfare standard.

It can be concluded that one option appears to be currently the most feasible option for EU action empowering consumers to make informed purchasing decisions, both based on the assessment of conformity with guiding principles and the minimisation of adverse impacts: a Community Animal Welfare Label modelled after the EU organic label. One of its relevant features is that it allows a step-by-step approach for inclusion of species, and also for other ways to extent its scope. For example, a Community Animal Welfare Label could start with a subset of most relevant species in terms of market volume and focus in the beginning on fresh meat (red meat and poultry) and milk/dairy products, as here the direct connection between product and animal is most easily conceivable for consumers. A labelling of eggs would need further consideration once welfare indicators are available that allow to better assess welfare than the current labelling of production systems under the egg marketing legislation, and legislative action would then be required to avoid a situation where both systems are used in parallel and provide possibly contradictory signals. Once the Community Animal Welfare Label is introduced to consumers further steps could be considered, including the extension of the label to other food products, and even non-food products. However, as any improvements of the animal welfare conditions on farms that a label could bring ultimately depend on consumer

demand, it is advisable to first introduce the label in the area of fresh meat and milk/dairy products, and to assess the market success before considering further steps.

This leads to the following conclusions:

19. The most feasible option for EU action empowering consumers to make informed purchasing decisions appears to be a Community Animal Welfare Label modelled after the EU organic label. Option 6 is to a large extent in line with the guiding principles and also more compatible with limitations concerning the currently available scientific knowledge on animal welfare and related indicators. On the other hand, mandatory labelling of welfare standards (Option 1) is the option that provides most information to consumers, and leads to the highest pressure on producers to improve animal welfare. However, there are limited additional costs for processors and farmers possible under this option, as well as negative impacts on existing schemes. It is also possible to combine different options, e.g. to foresee mandatory labelling of welfare standards for animal species where a harmonised, recognised and reliable measuring instrument for AW is available, and to have a Community Animal Welfare Label for other areas. This approach would allow the broadest possible information for consumers and would combine the advantages of both options. On the other hand, possible negative impacts of a mandatory option, such as limited additional costs for processors and farmers, would also remain, and a combination of options even risks confusing consumers, if the labels are not integrated into one coherent labelling system.

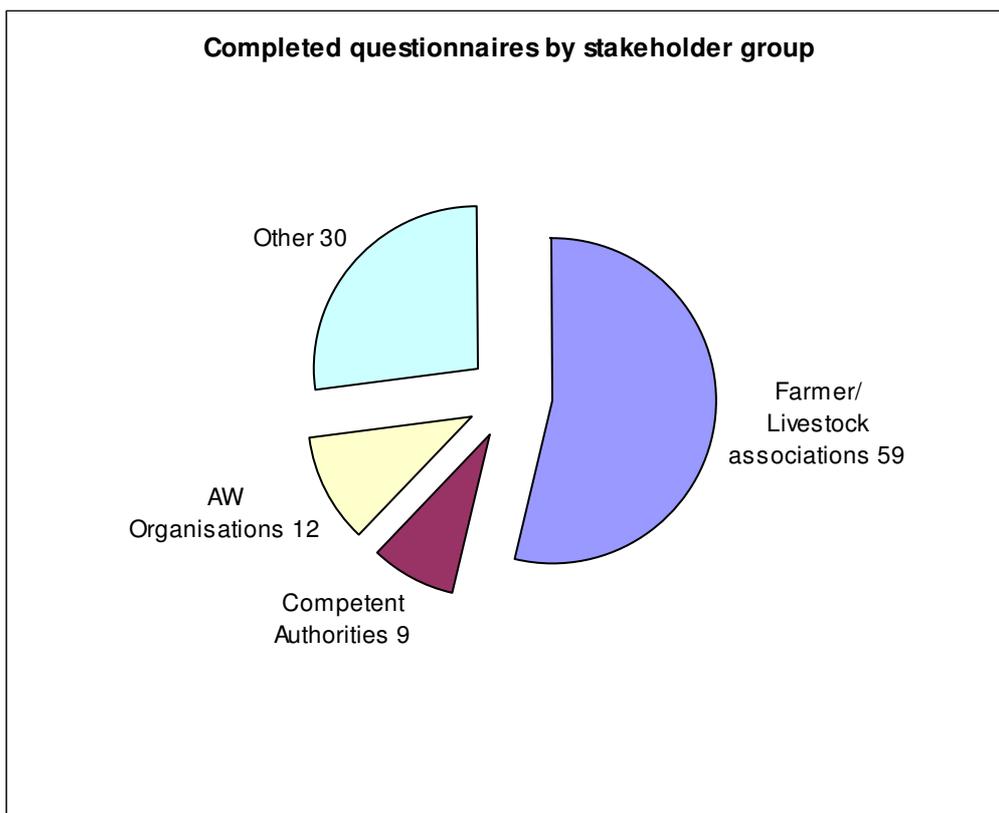
20. A Community Animal Welfare Label can be expected to have more direct effects on animal welfare than other voluntary options, depending on the market share of the label. Negative impacts on existing schemes are possible, but may be (over)compensated by increase of the overall market size for products produced at higher animal welfare standard. As any improvements of the animal welfare conditions on farms that a label could bring ultimately depend on consumer demand, it is advisable to first introduce the label for fresh meat and milk/dairy products, and to assess the market success before considering further steps.

Annex 1: Results of general stakeholder survey concerning Part 1 of study

STUDY ON ANIMAL WELFARE LABELLING AND SETTING UP A COMMUNITY REFERENCE CENTRE FOR ANIMAL PROTECTION AND WELFARE

ANALYSIS OF THE MAIN QUESTIONNAIRE FOR STAKEHOLDERS

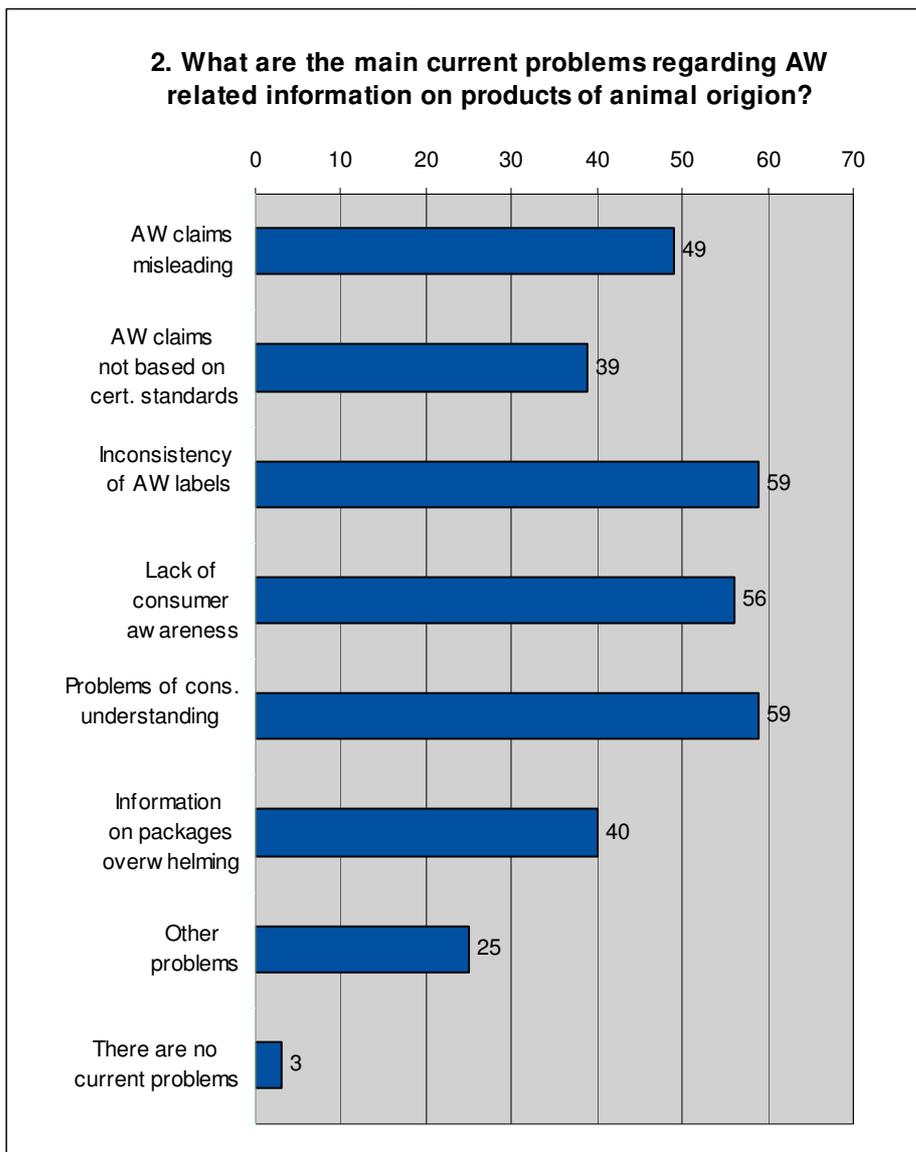
(110 questionnaires completed)¹



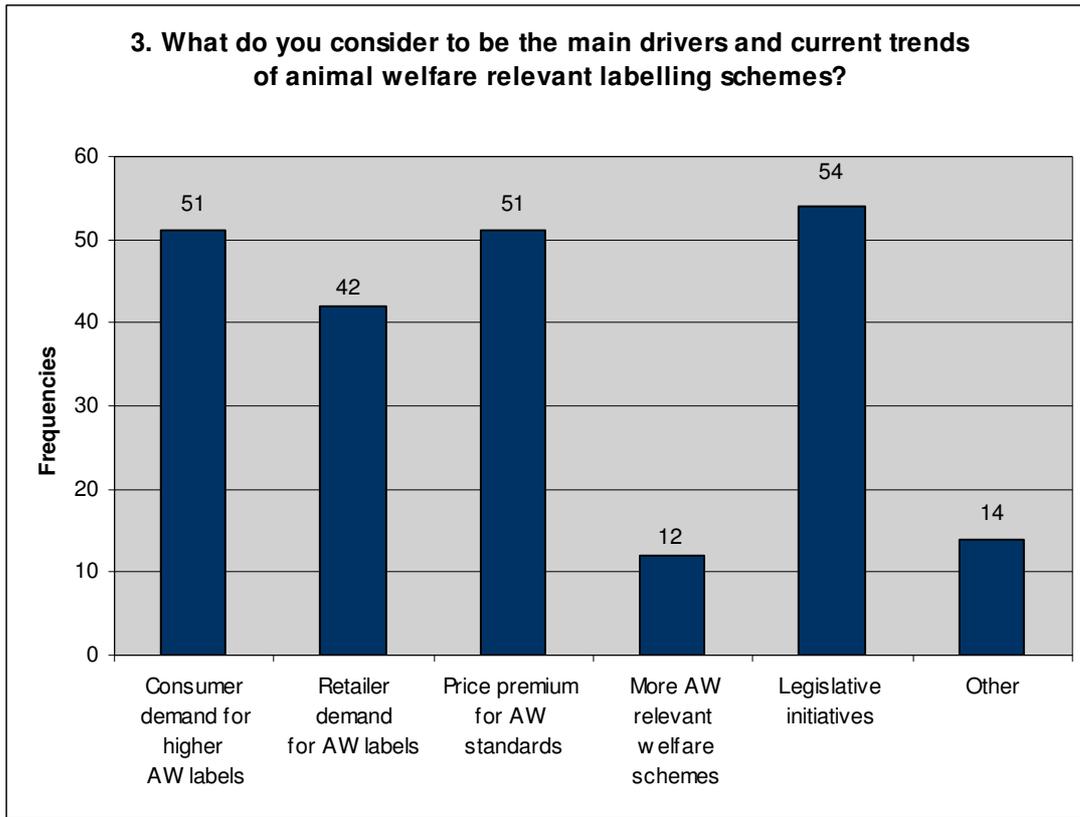
Note: For the following graphs, ‘N’ refers to the number of stakeholders that provided an assessment for the specific questions

¹ The following shows an analysis of questions of the main questionnaires for stakeholders. 110 completed questionnaires have been analysed. Questions where a written assessment was required by stakeholders are not included in this analysis. Those are questions 4 - 11, 16, 26 - 27 and 34 - 35.

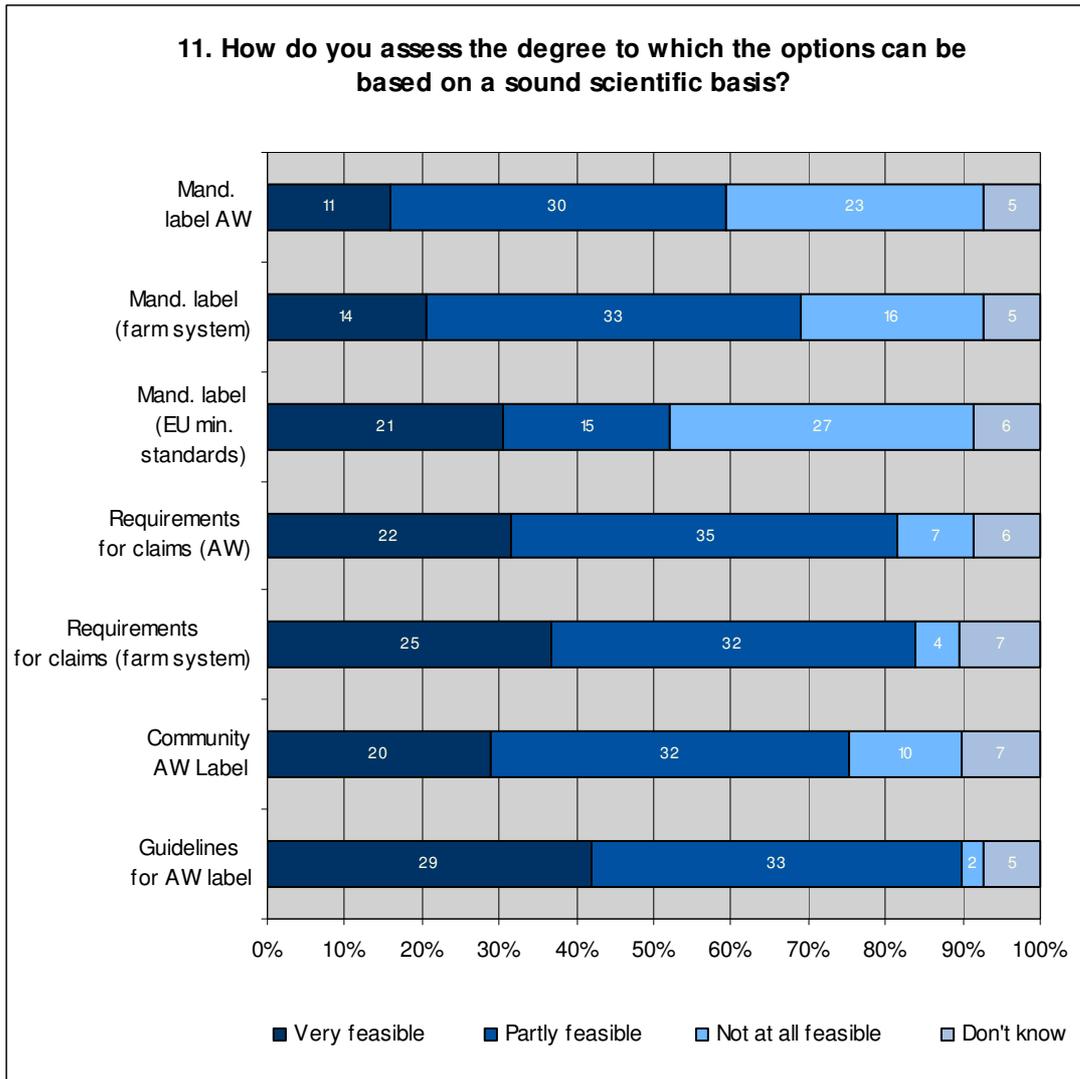
Question 2: all stakeholder groups



Question 3: all stakeholder groups

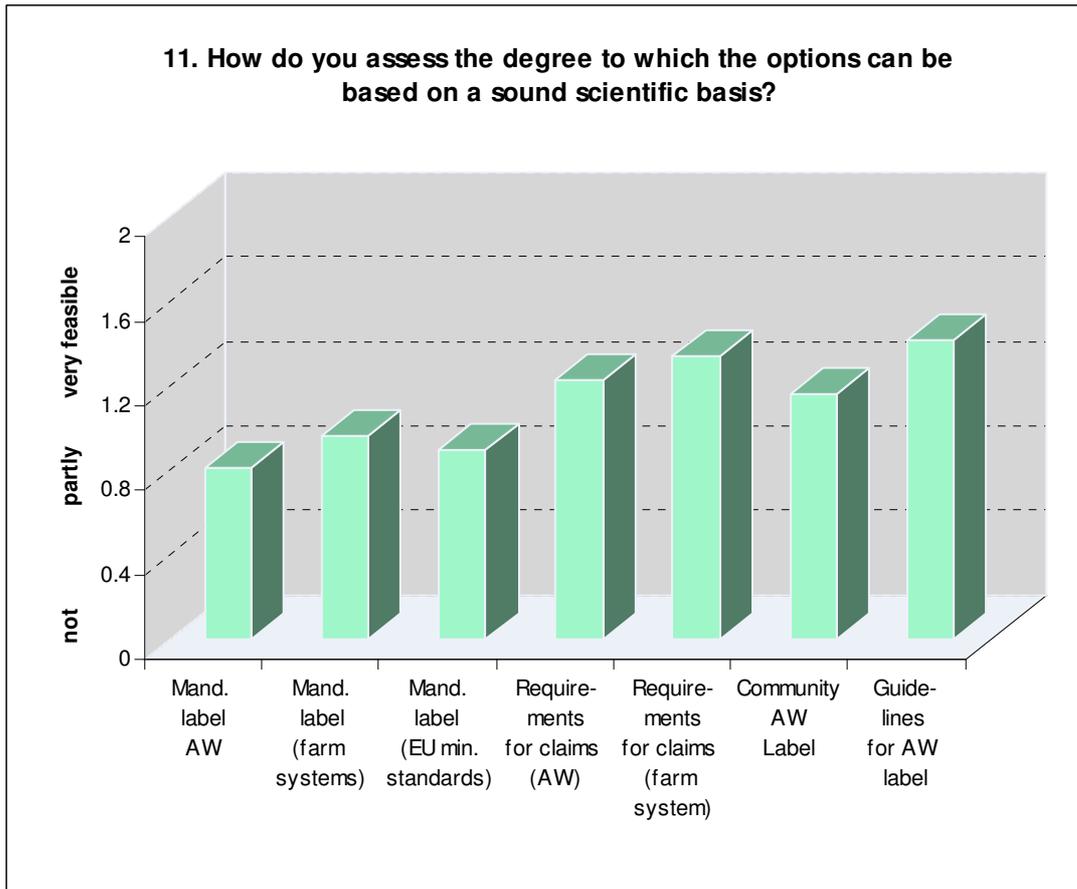


Question 11: all stakeholder groups



N= 63 ('No answer' not included)

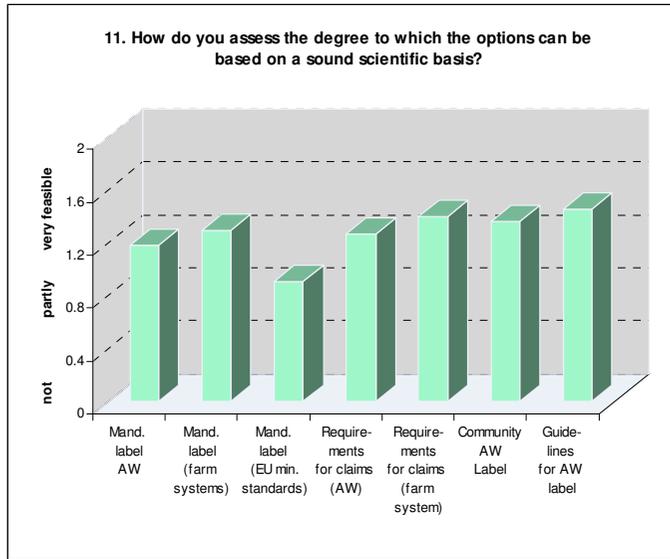
Question 11: all stakeholder groups (weighted assessments)



Average rating, where values represent the assessment of options on a scale from 'not feasible' (0) to 'very feasible' (+2); N= 63

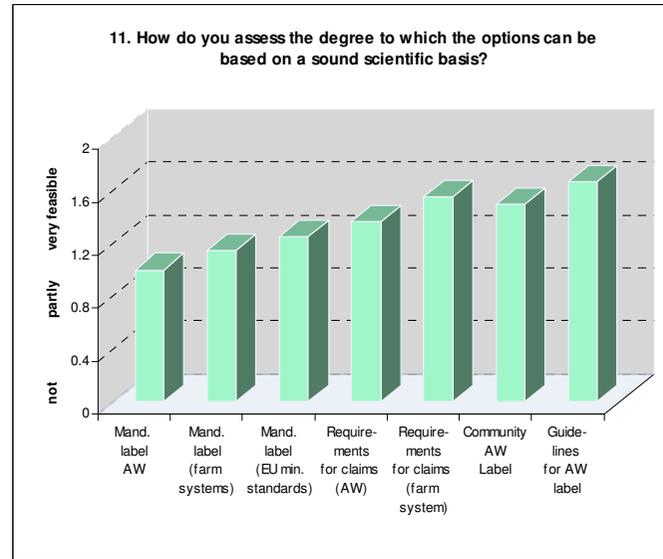
Question 11: by stakeholders

Animal Welfare Organisations



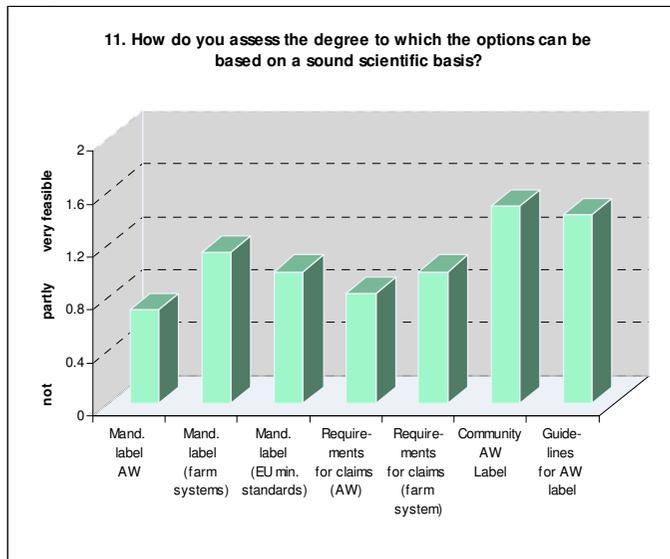
N= 11

Farmer/ Livestock associations



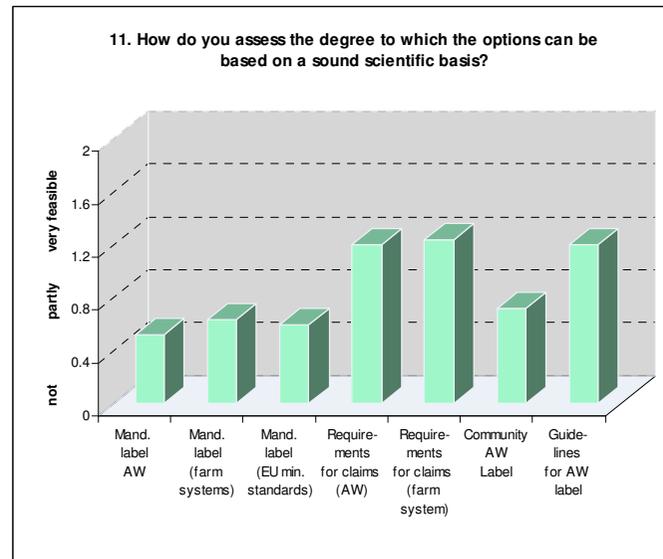
N= 25

Competent authorities



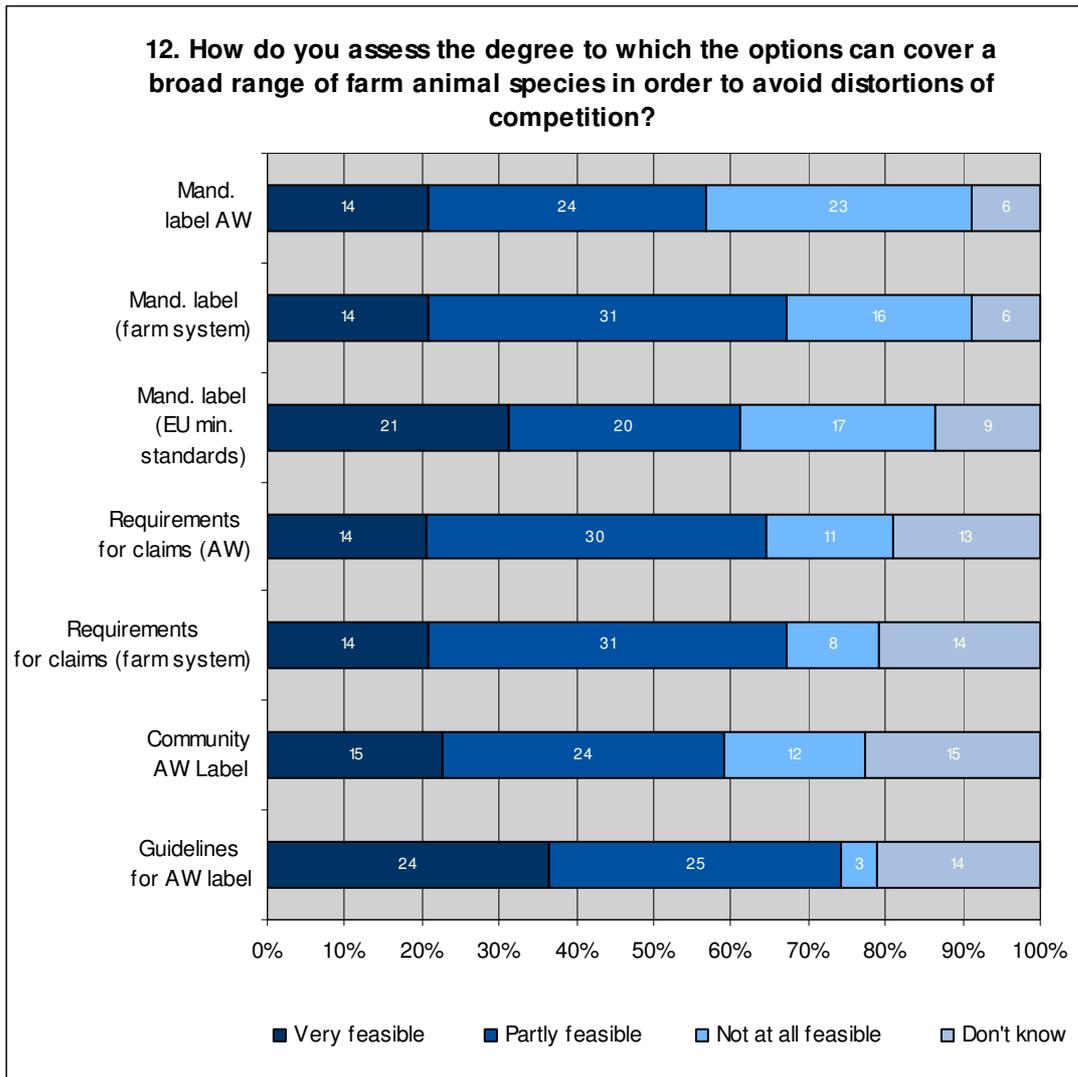
N= 7

Other



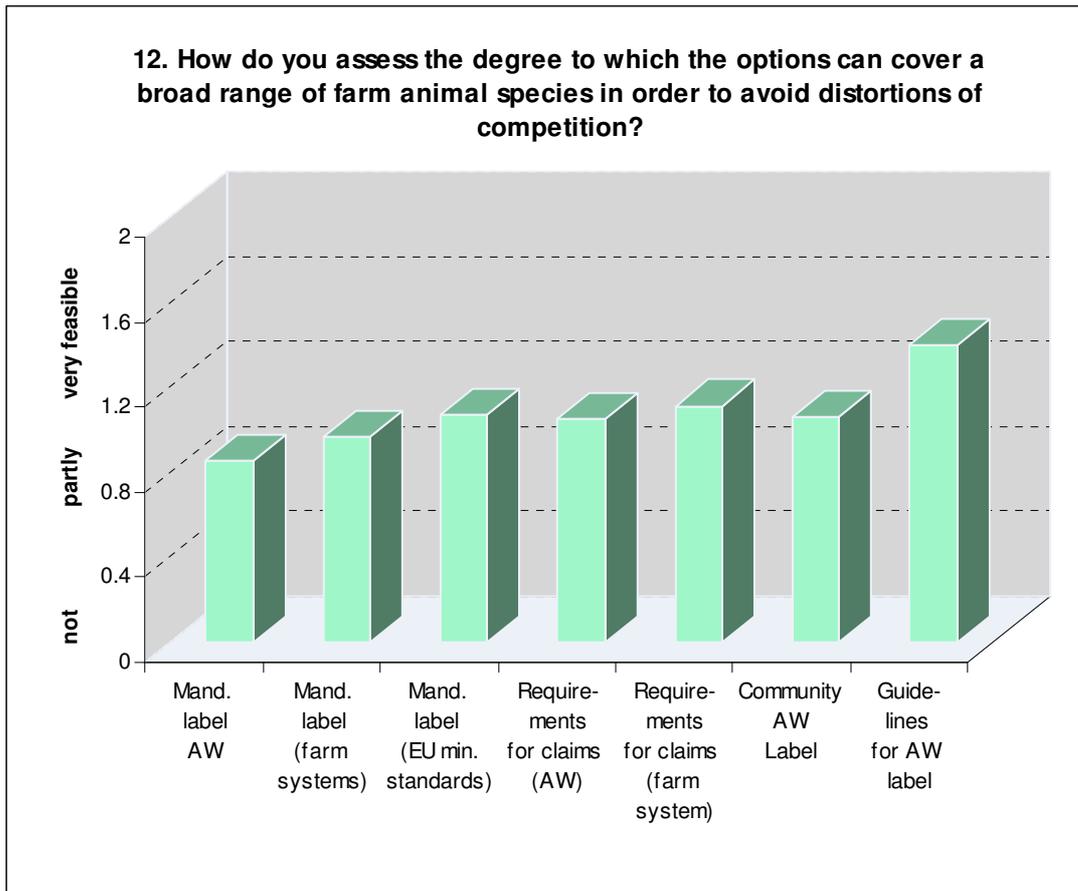
N= 20

Question 12: all stakeholder groups



N= 56 ('No answer' not included)

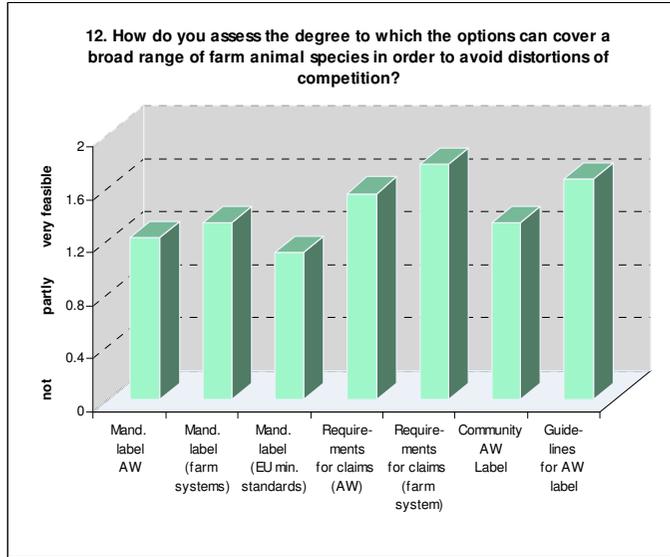
Question 12: all stakeholder groups (weighted assessments)



Average rating, where values represent the assessment of options on a scale from 'not feasible' (0) to 'very feasible' (+2); N= 56

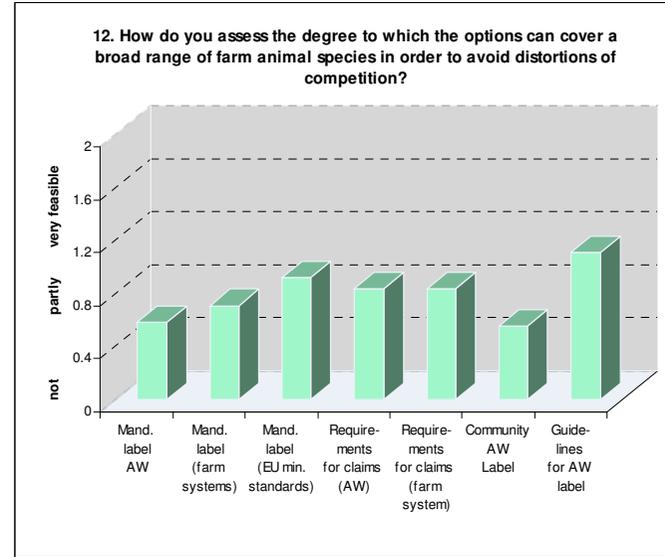
Question 12: by stakeholder groups

Animal Welfare Organisations



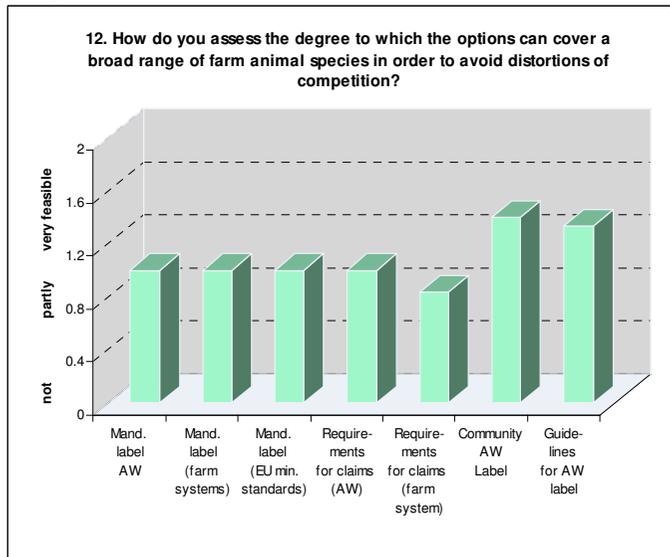
N= 11

Farmer/ Livestock associations



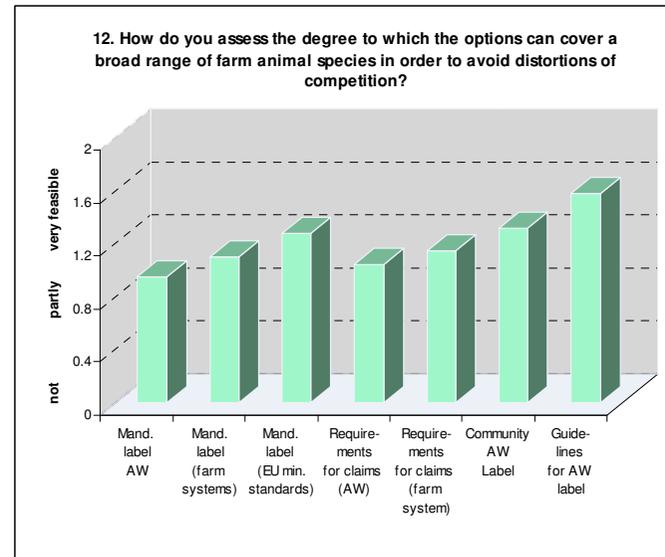
N= 21

Competent authorities



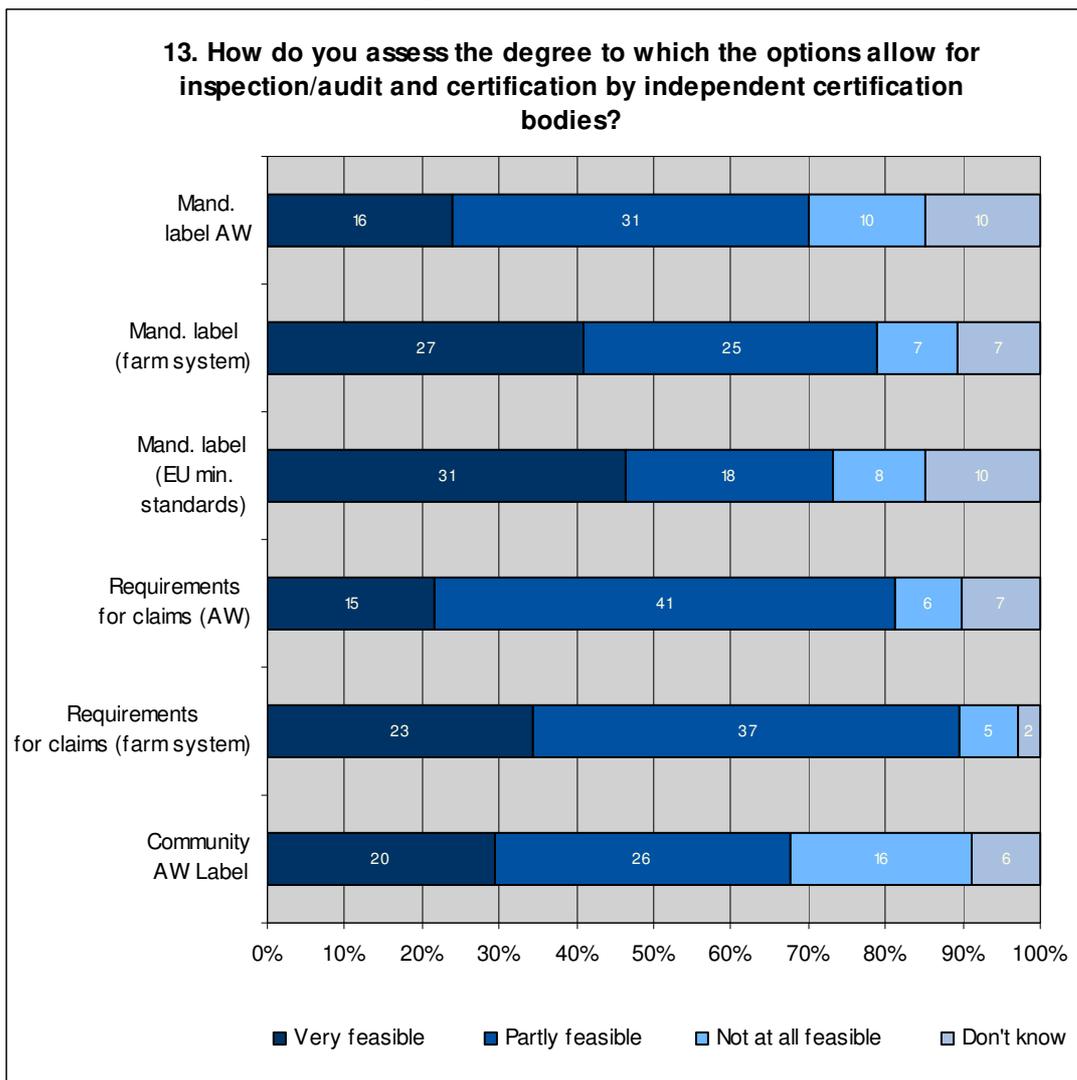
N= 7

Other



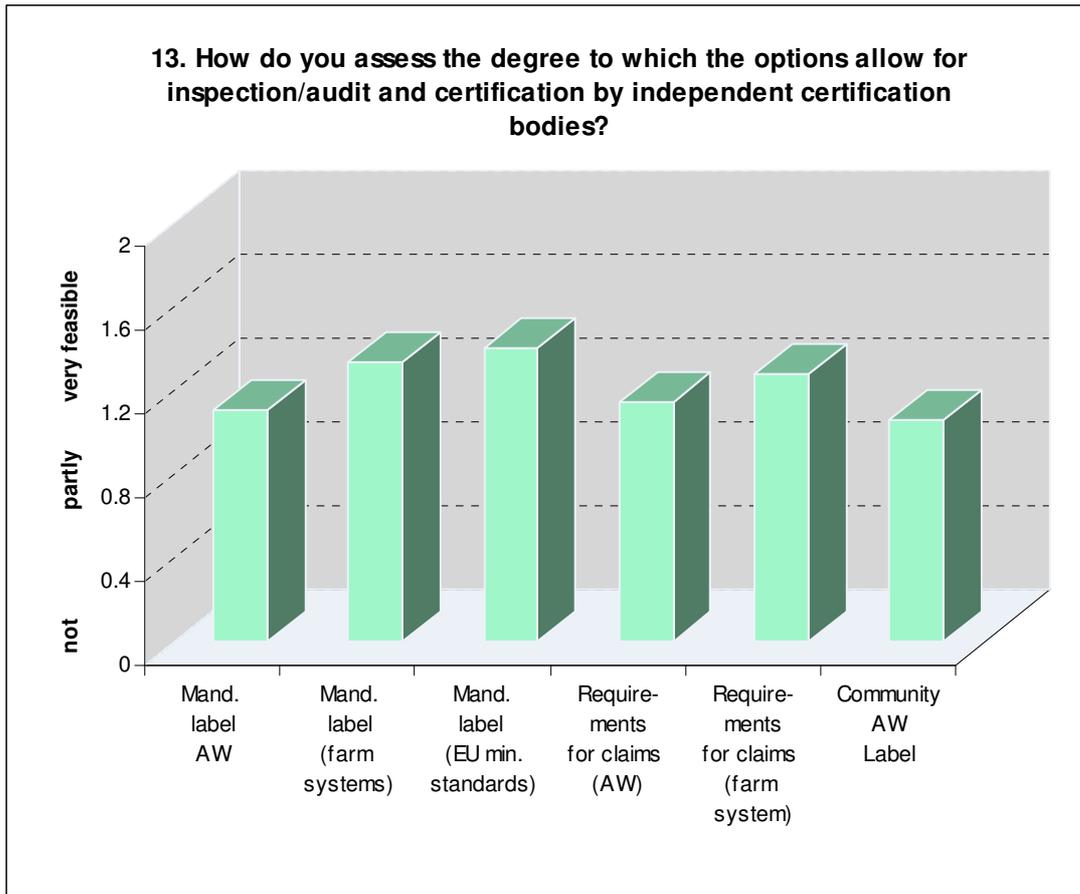
N= 20

Question 13: all stakeholder groups



N= 60 ('No answer' not included)

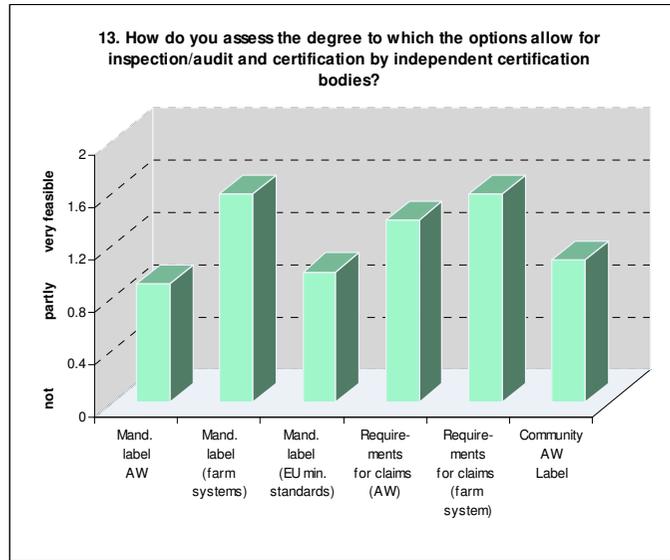
Question 13: all stakeholder groups (weighted assessments)



Average rating, where values represent the assessment of options on a scale from 'not feasible' (0) to 'very feasible' (+2); N= 63

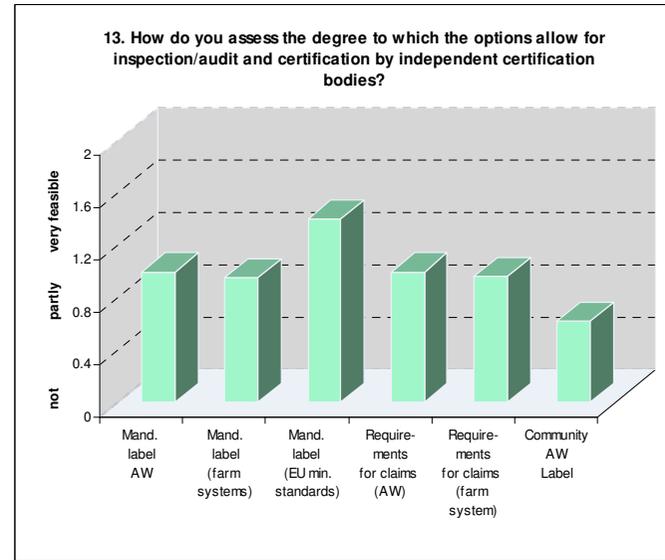
Question 13: by stakeholder groups

Animal Welfare Organisations



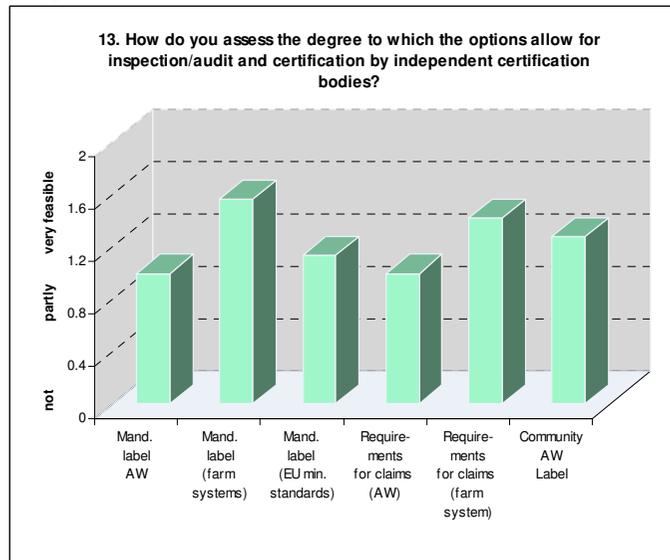
N= 10

Farmer Livestock/ associations



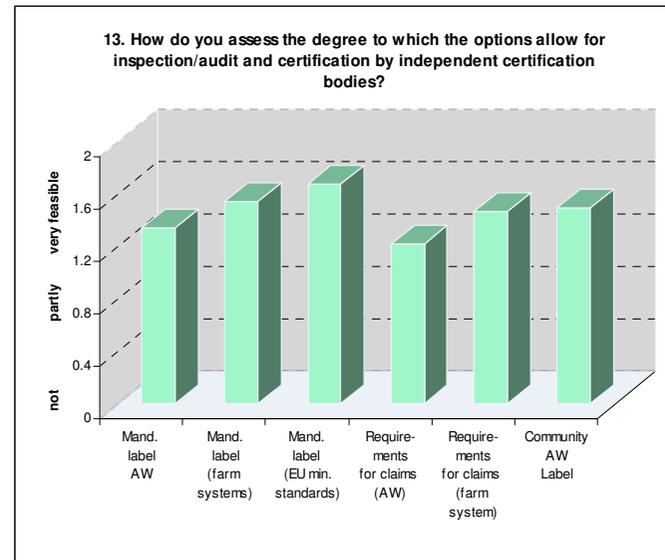
N= 23

Competent authorities



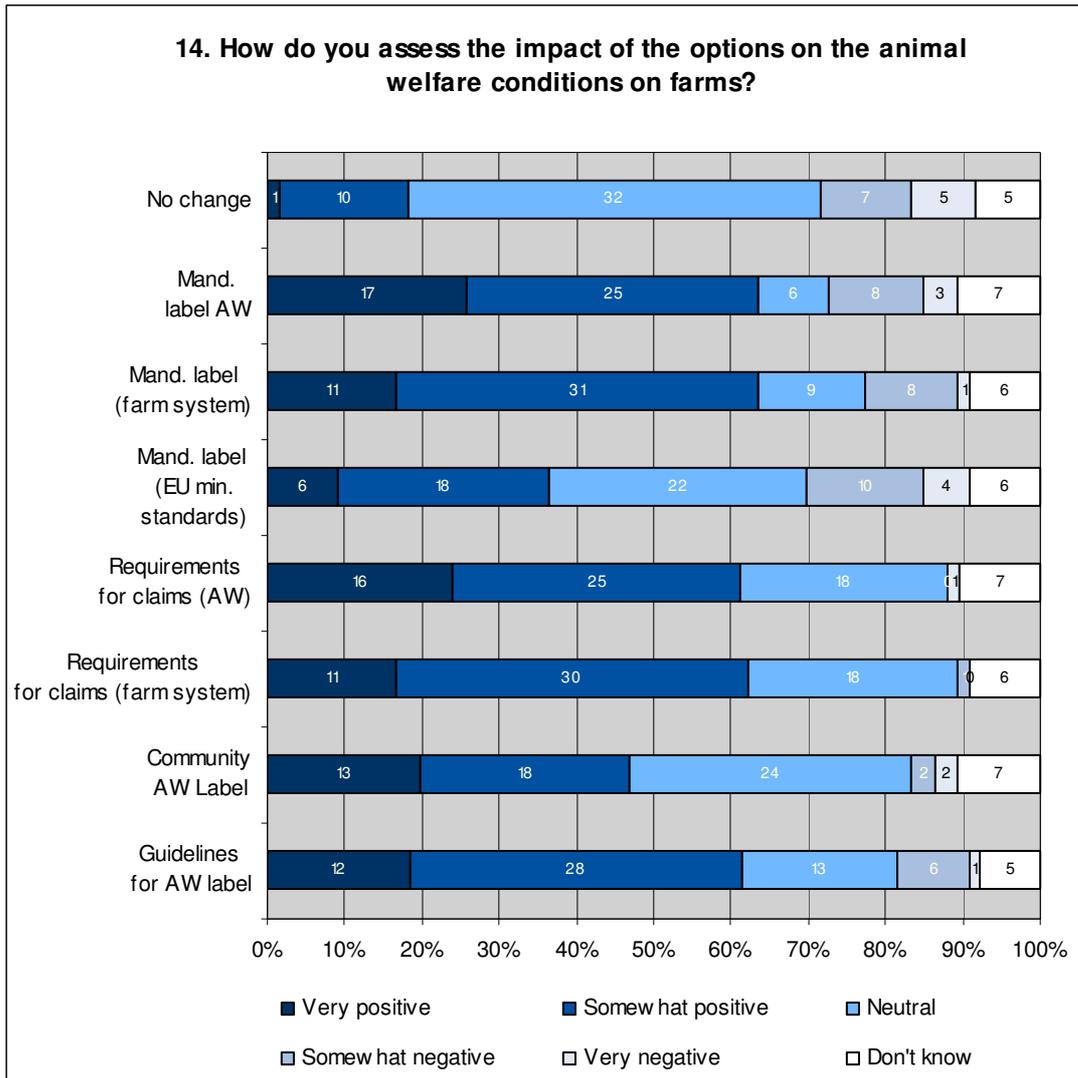
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Other



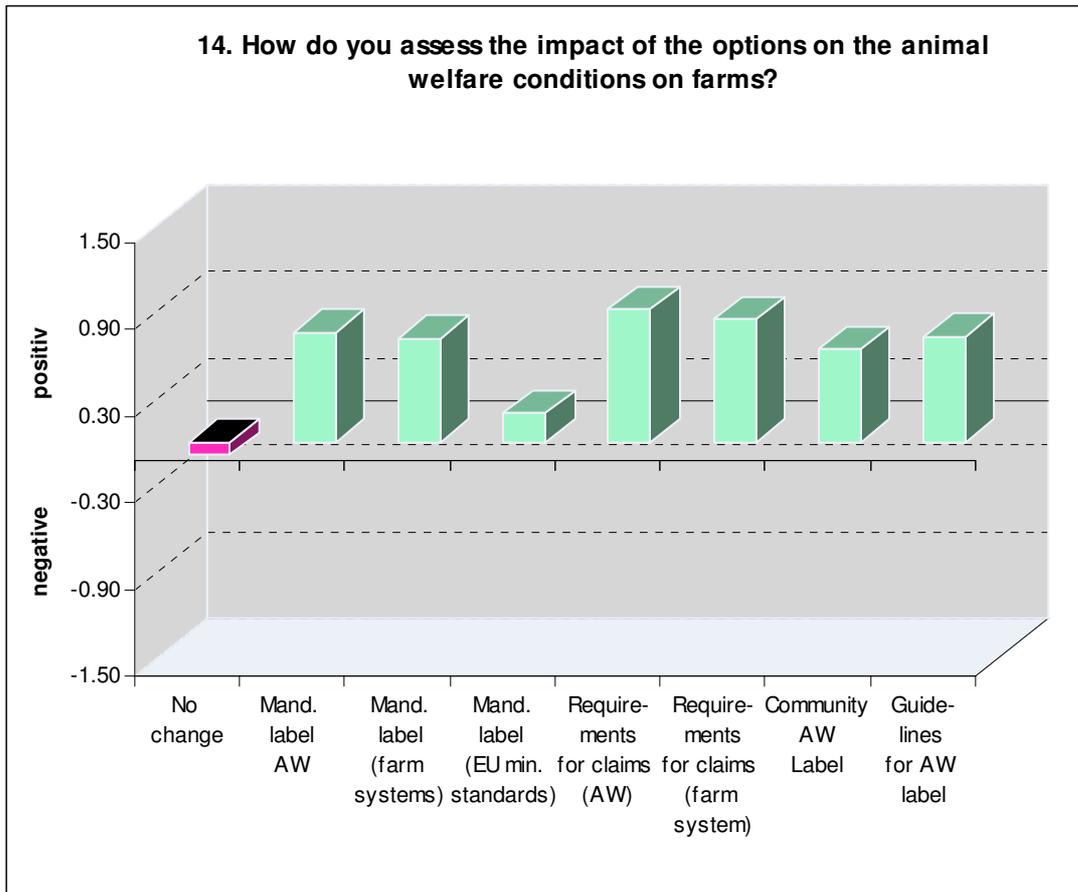
N= 20

Question 14: all stakeholder groups



N= 59 ('No answer' not included)

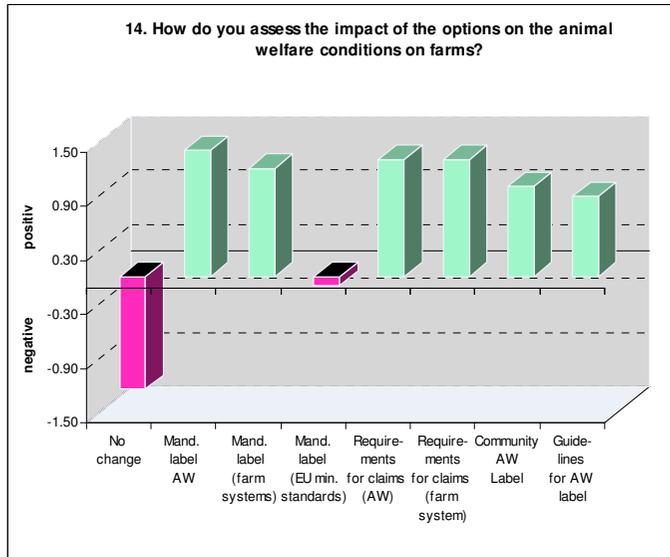
Question 14: all stakeholder groups (weighted assessments)



Average rating, where values represent the assessment of options on a scale from 'negative (-) to 'positive' (2); N= 59

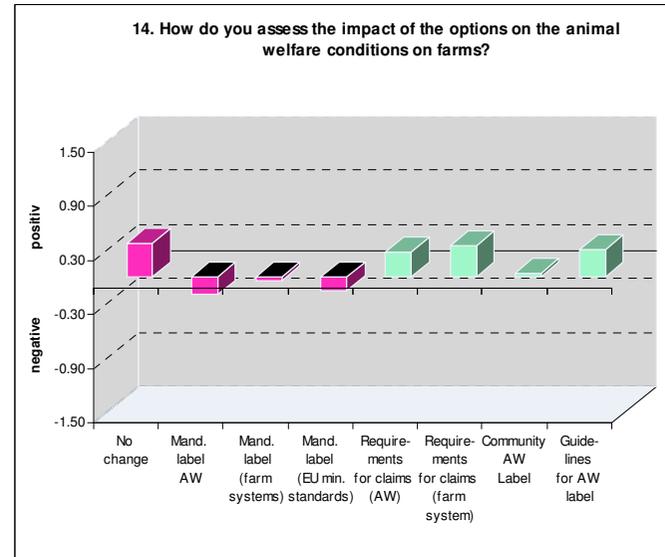
Question 14: by stakeholder groups

Animal Welfare Organisations



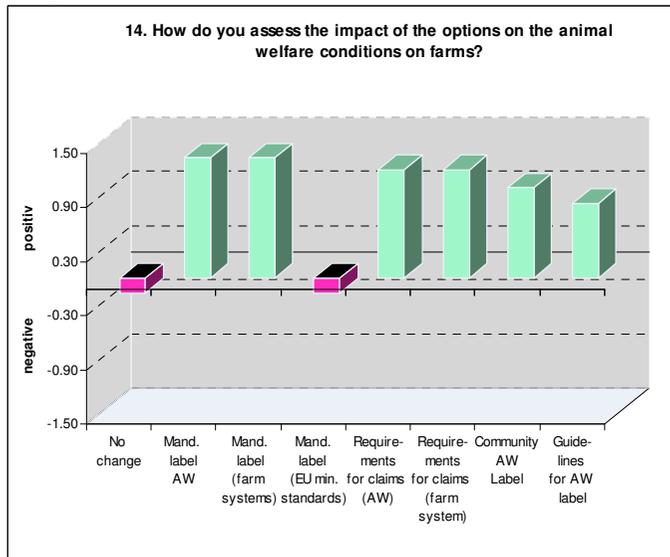
N= 10

Farmer Livestock/ associations



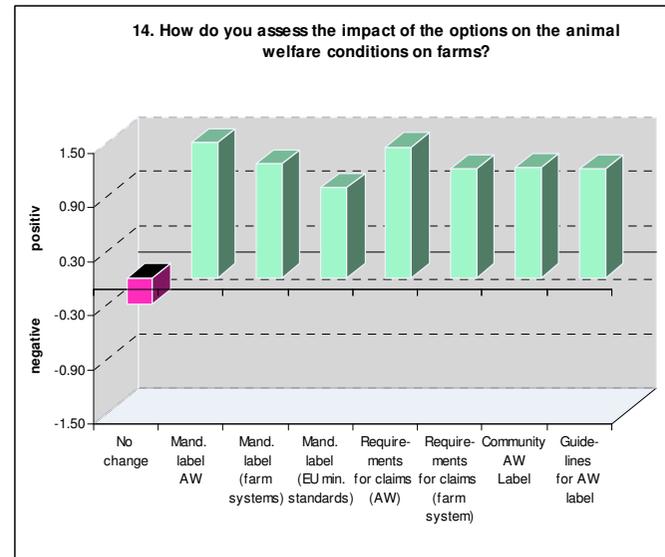
N= 26

Competent authorities



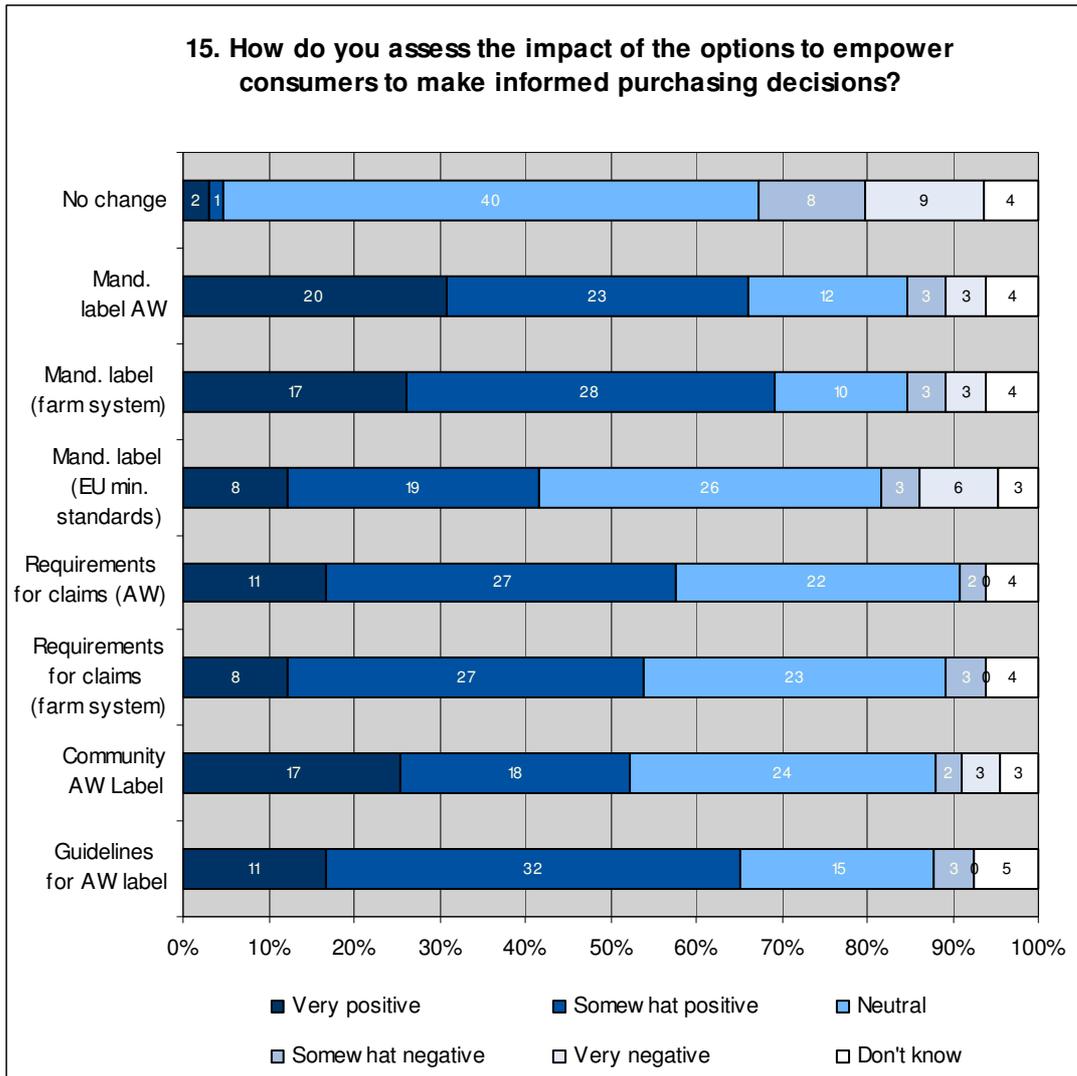
N= 6

Other



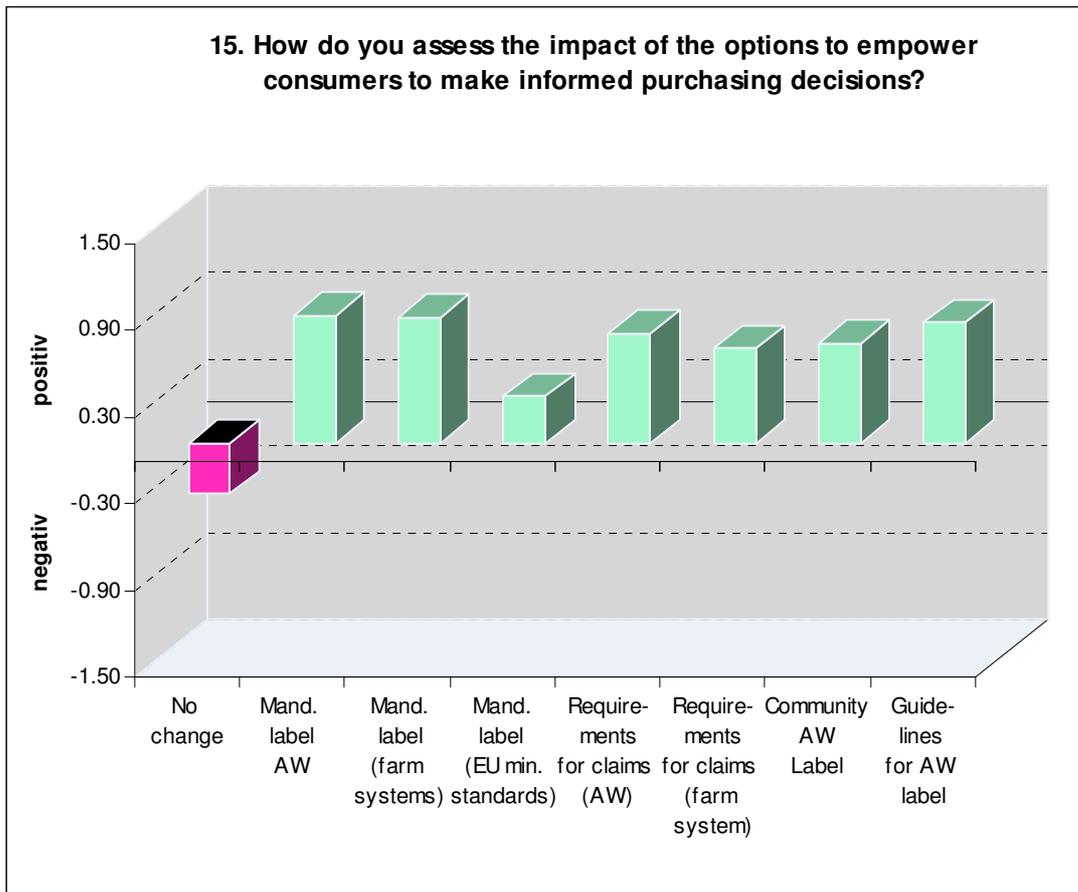
N= 18

Question 15: all stakeholder groups



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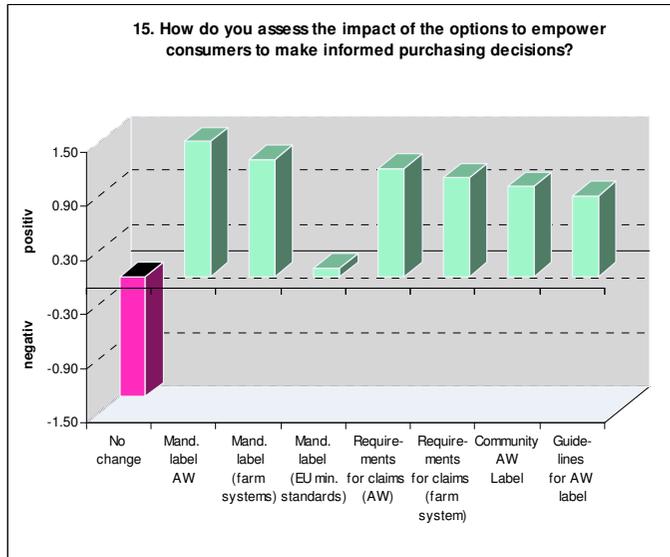
Question 15: all stakeholder groups (weighted assessments)



Average rating, where values represent the assessment of options on a scale from 'negative (-) to 'positive' (+); N= 61

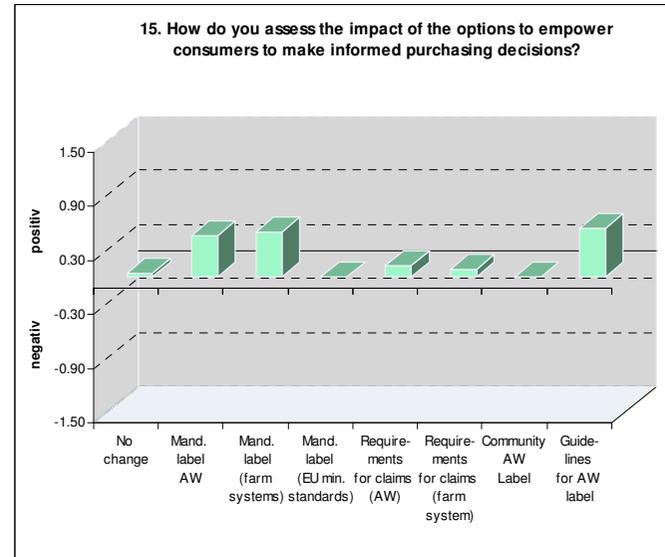
Question 15: by stakeholder groups

Animal Welfare Organisations



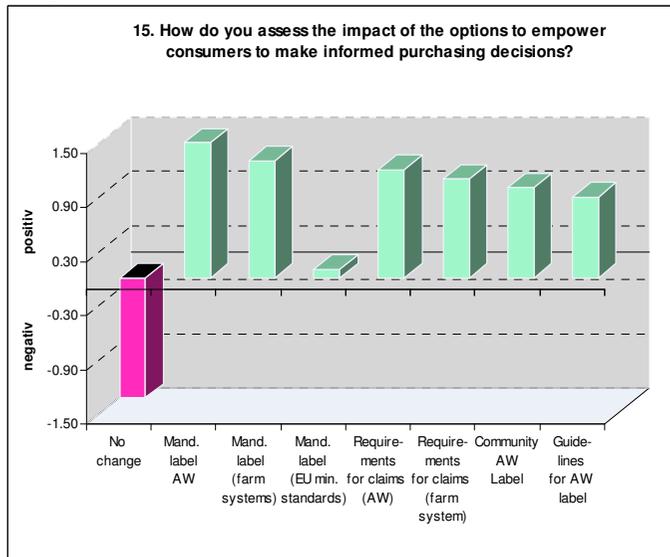
N= 10

Farmer/ Livestock associations



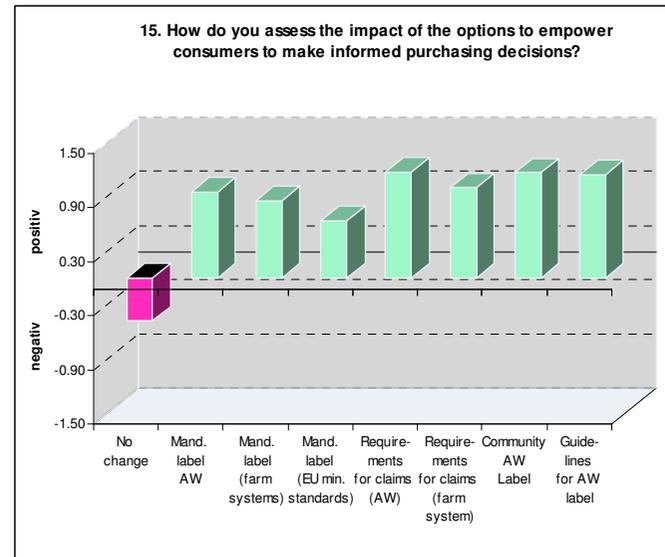
N= 24

Competent authorities



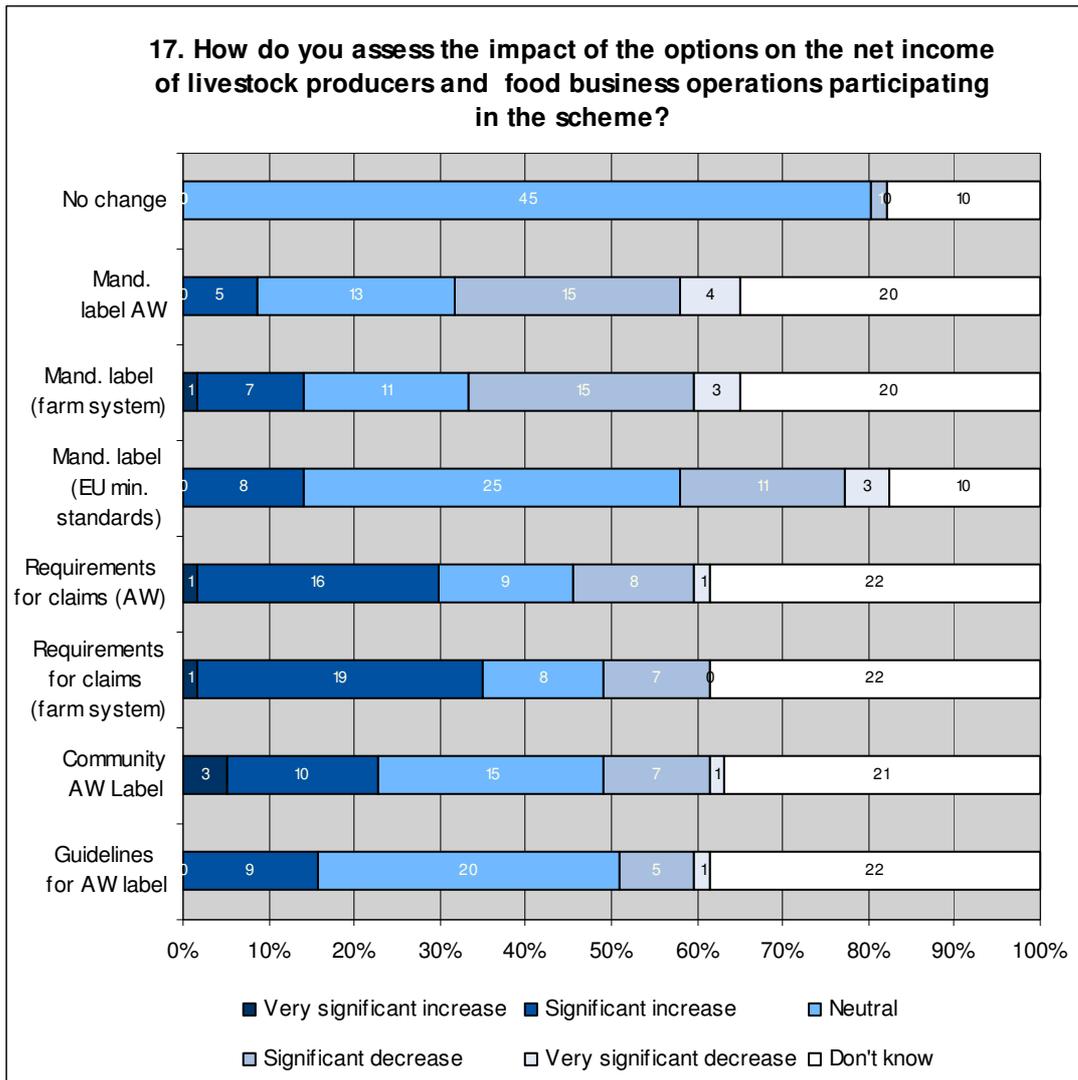
N= 6

Other



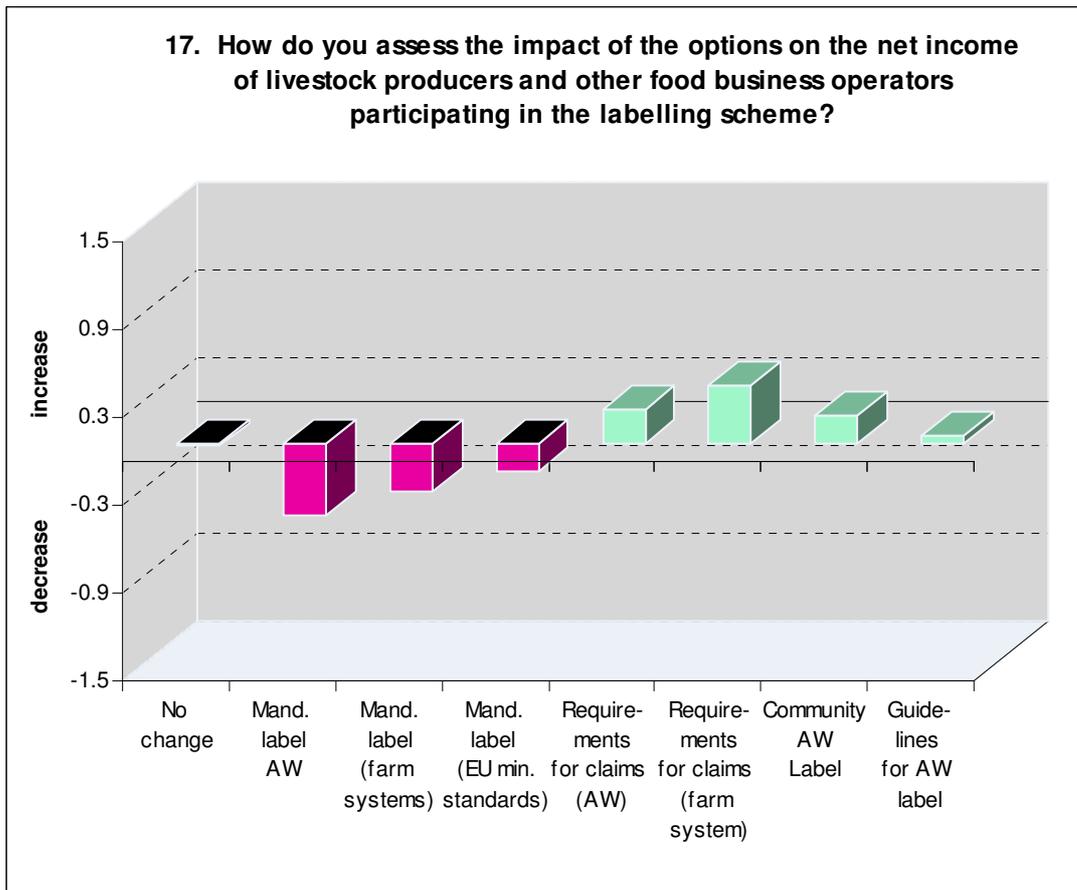
N= 21

Question 17: all stakeholder groups



N= 39 ('No answer' not included)

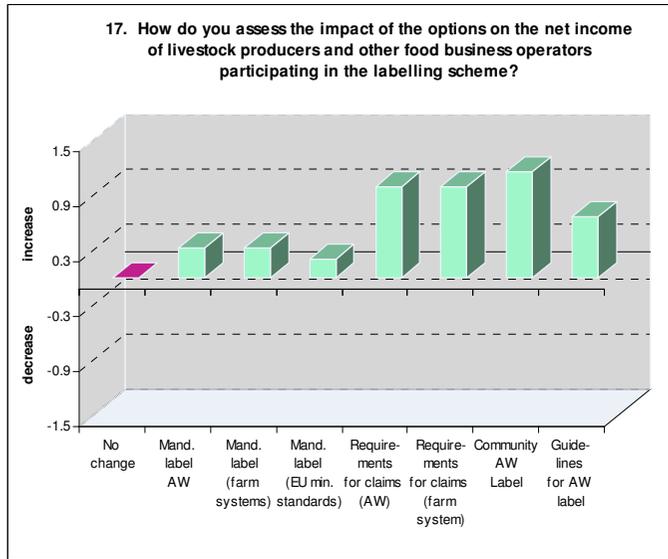
Question 17: all stakeholder groups (weighted assessments)



Average rating, where values represent the assessment of options on a scale from 'decrease' (-) to 'increase' (+); N= 39

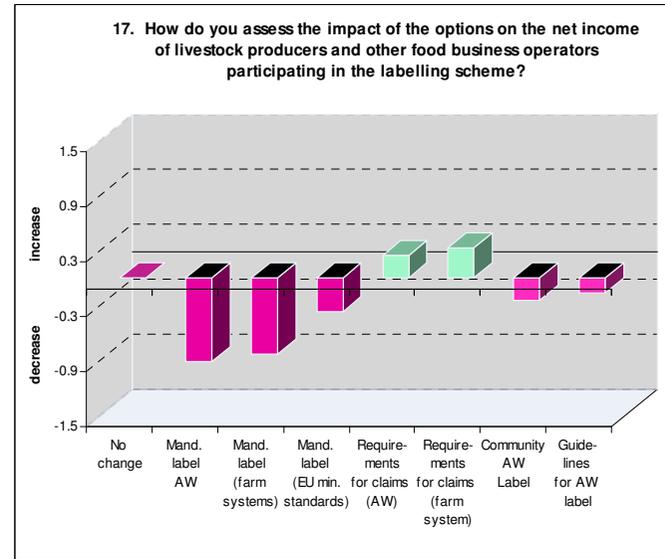
Question 17: by stakeholder groups

Animal Welfare Organisations



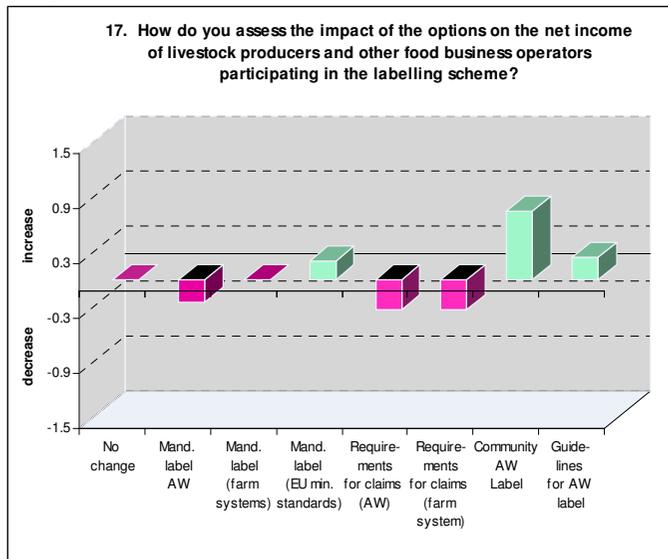
N= 10

Farmer/ Livestock associations



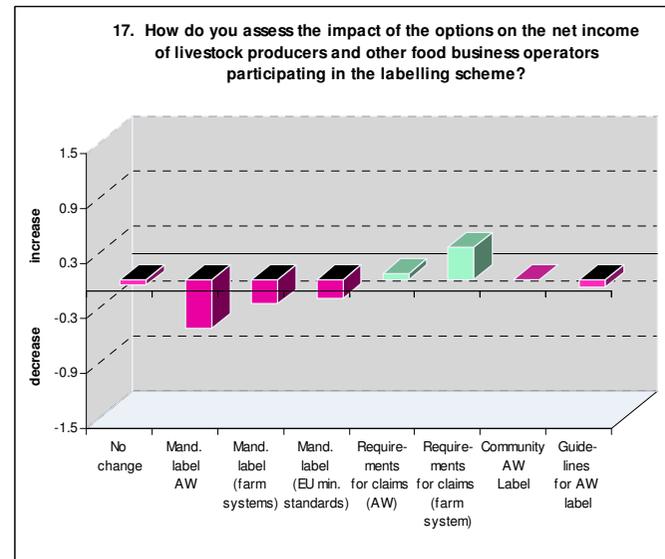
N= 14

Competent authorities



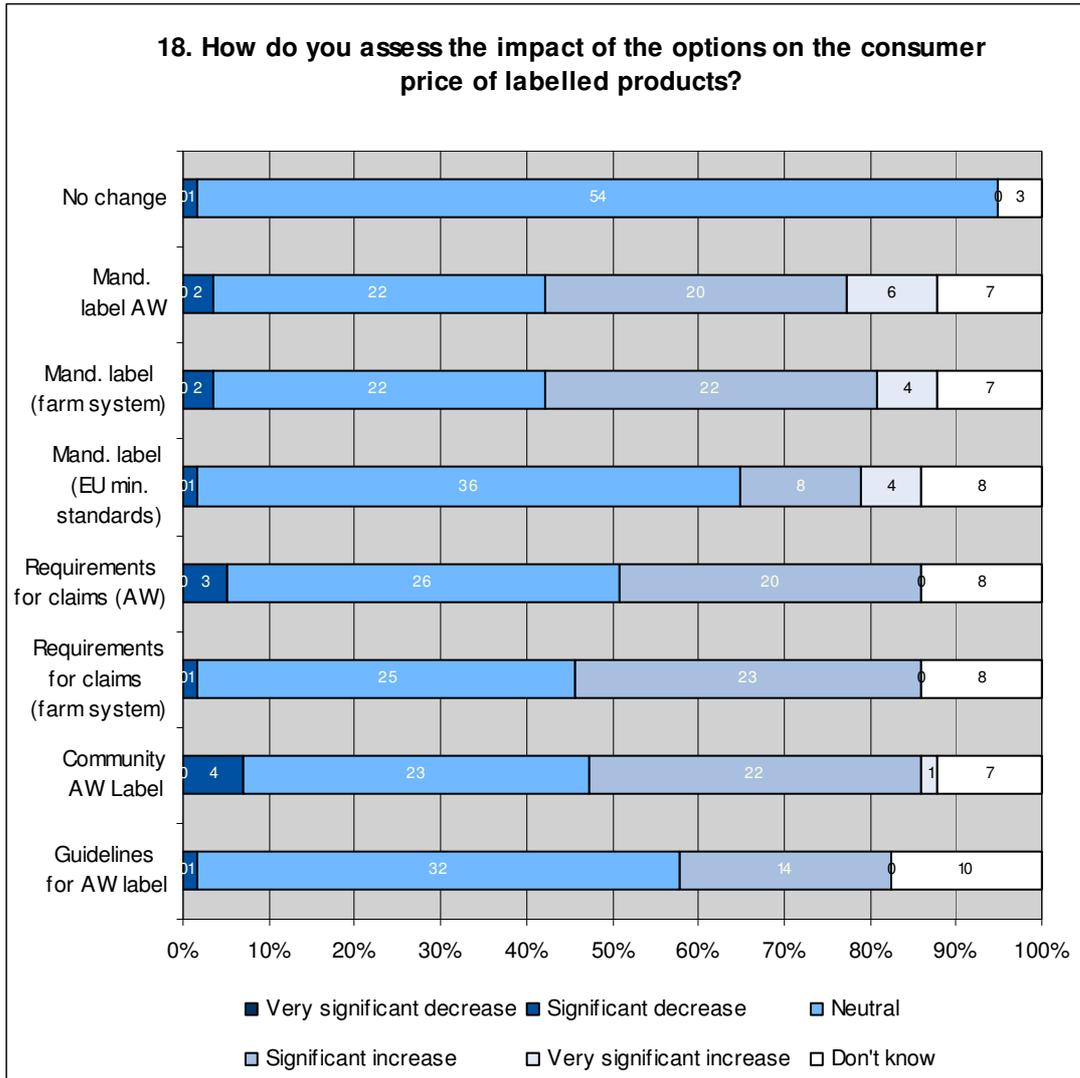
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Other



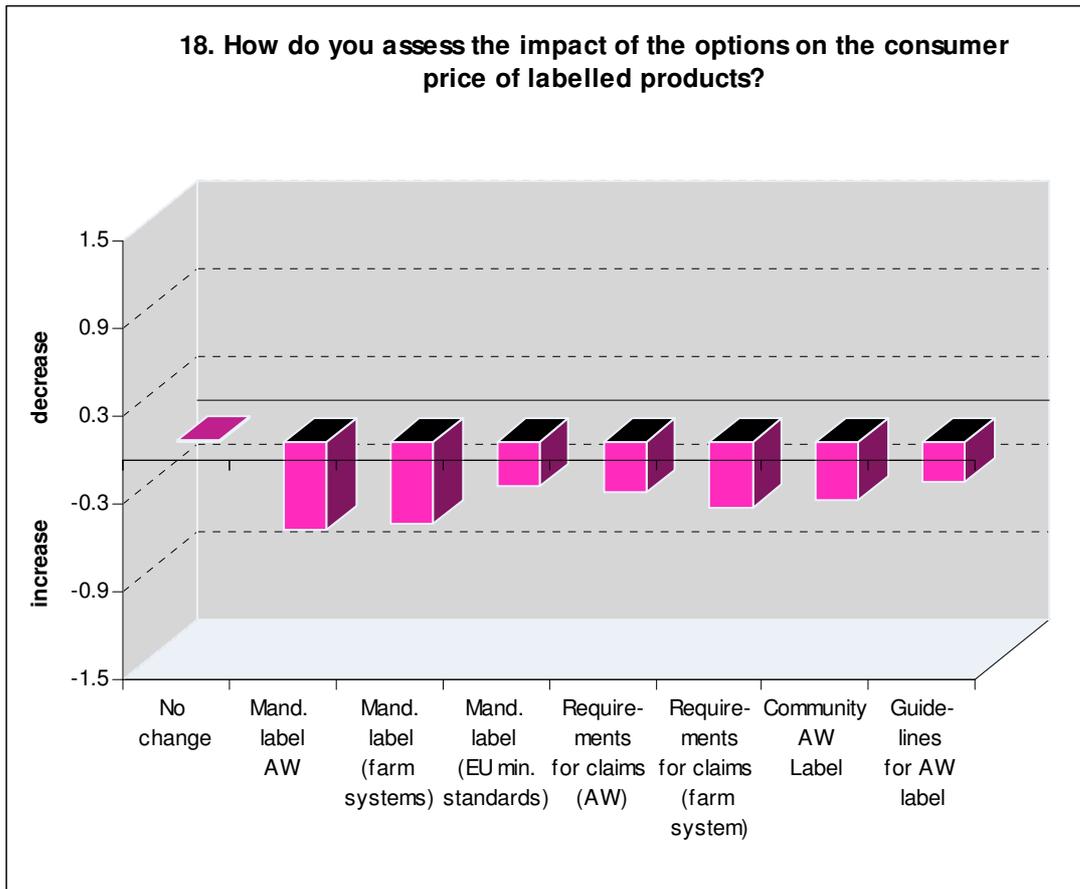
N= 15

Question 18: all stakeholder groups



N= 49 ('No answer' not included)

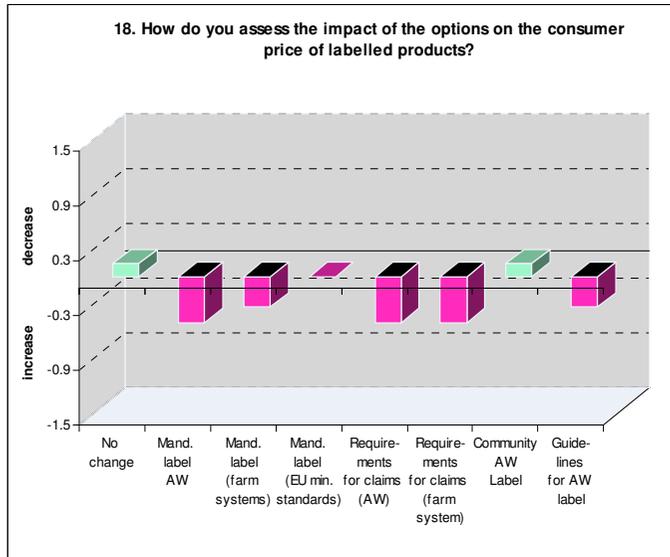
Question 18: all stakeholder groups (weighted assessments)



Average rating, where values represent the assessment of options on a scale from 'very significant decrease' (-2) to 'very significant increase' (+2); N= 49

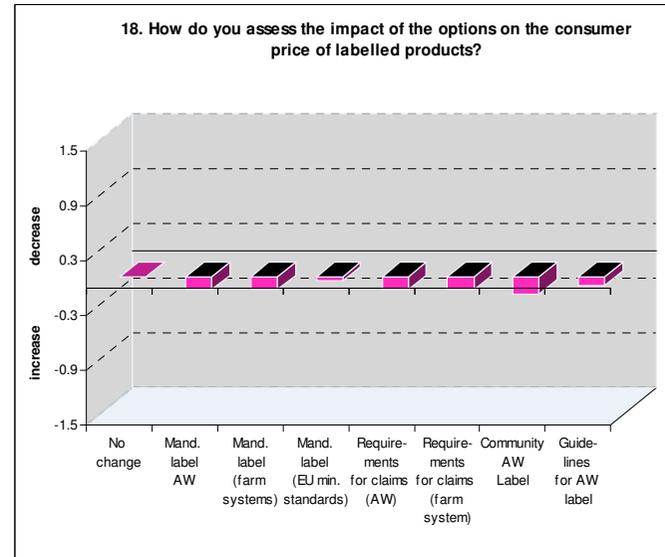
Question 18: by stakeholder groups

Animal Welfare Organisations



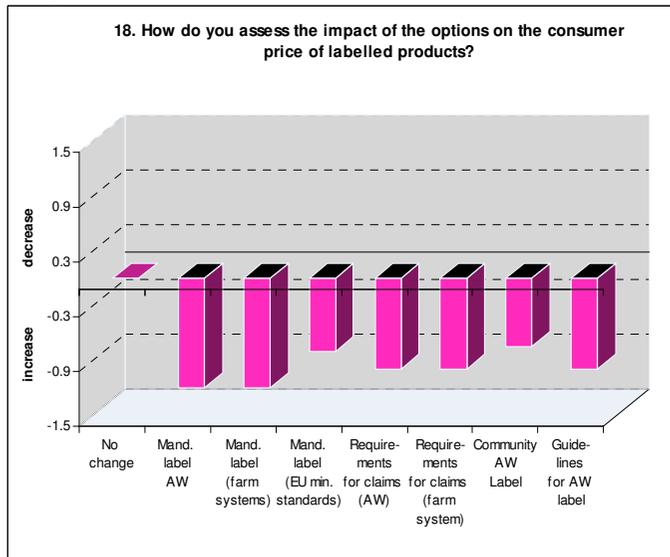
N= 6

Farmer Livestock Associations



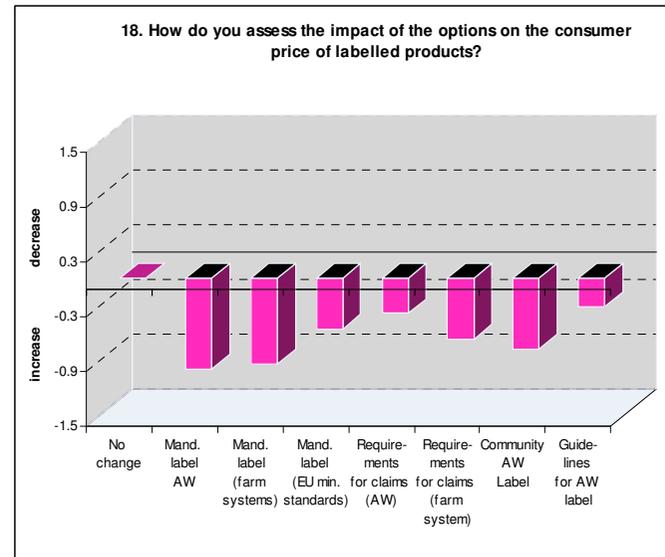
N= 21

Competent authorities



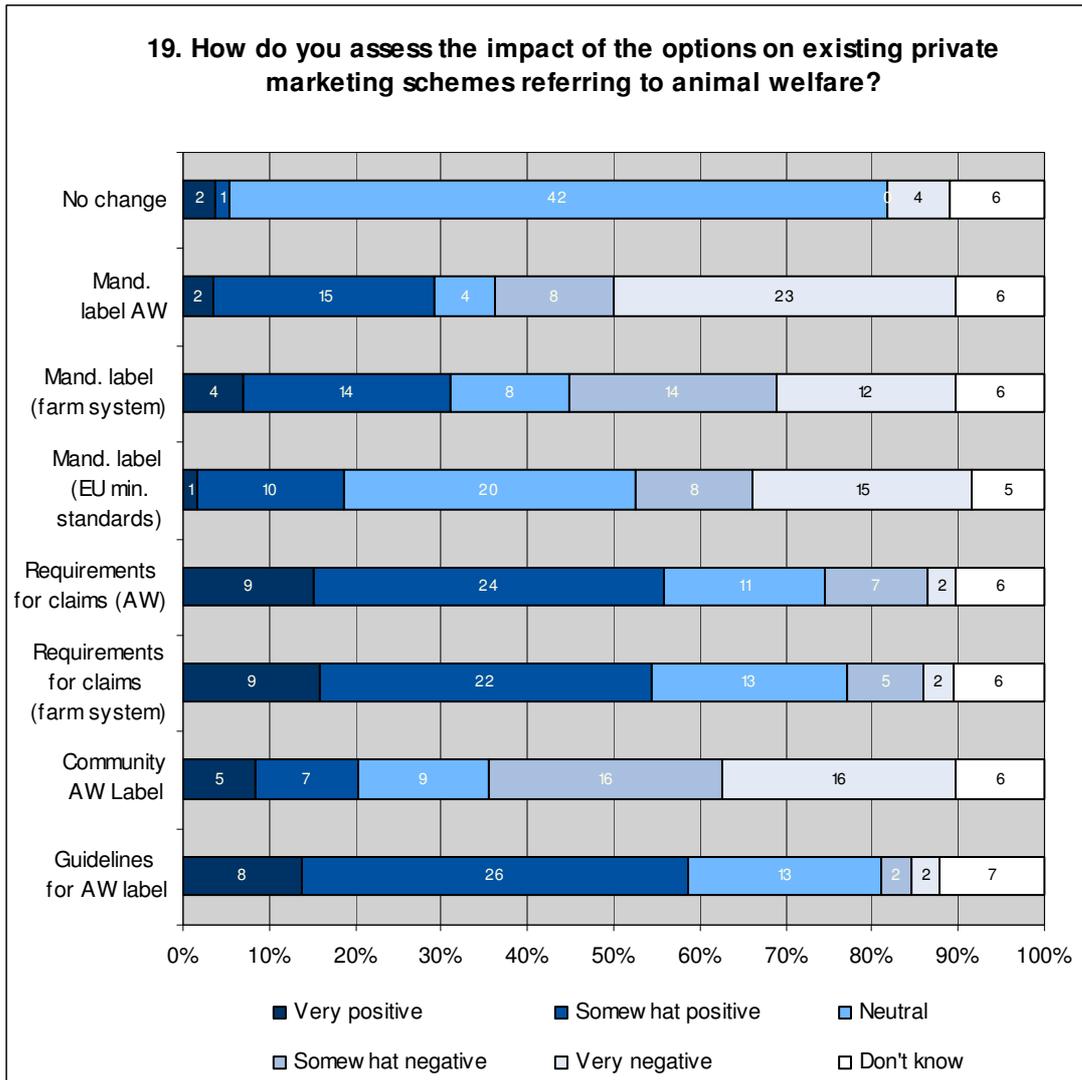
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Other



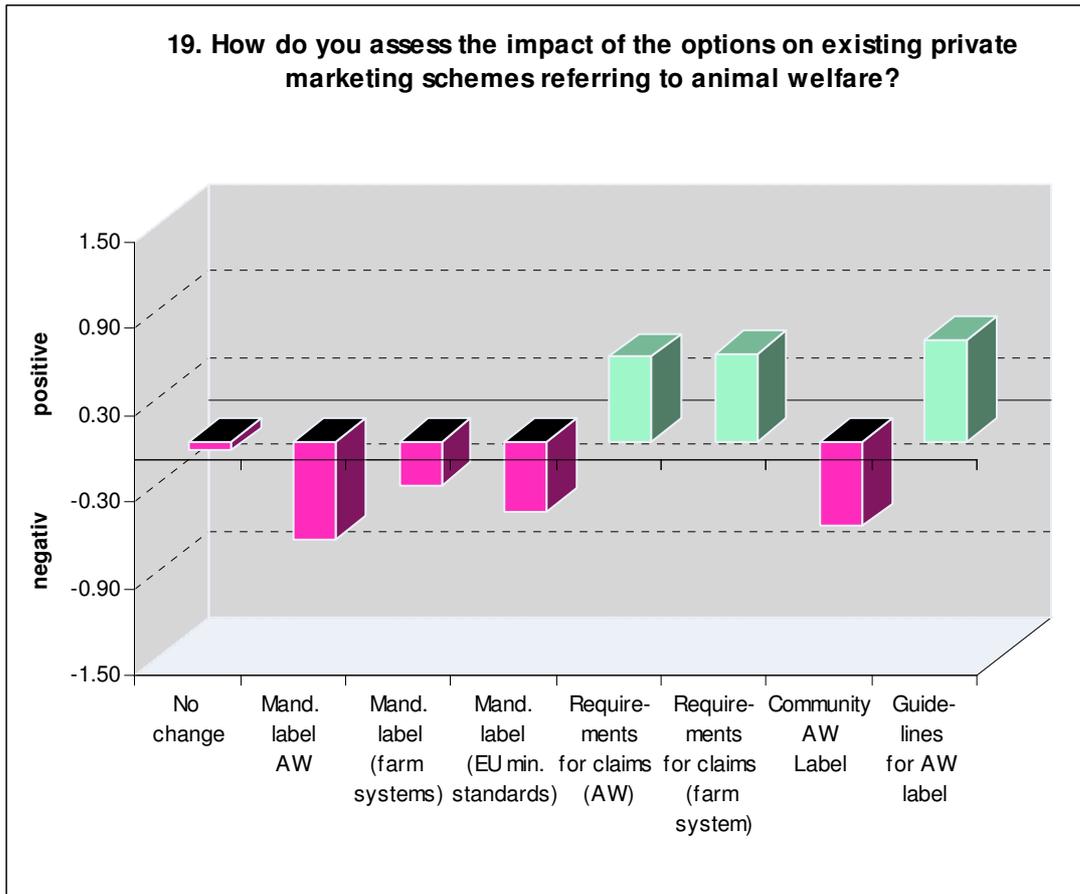
N= 18

Question 19: all stakeholder groups



N= 52 ('No answer' not included)

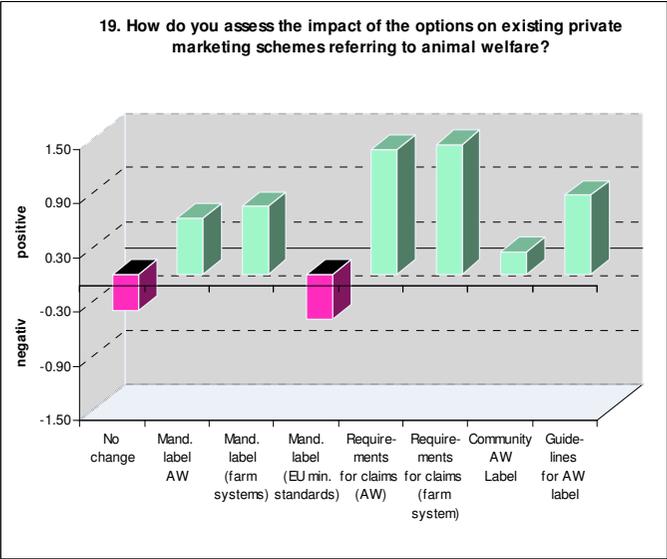
Question 19: all stakeholder groups (weighted assessments)



Average rating, where values represent the assessment of options on a scale from 'negative' (-) to 'positive' (+); N= 52

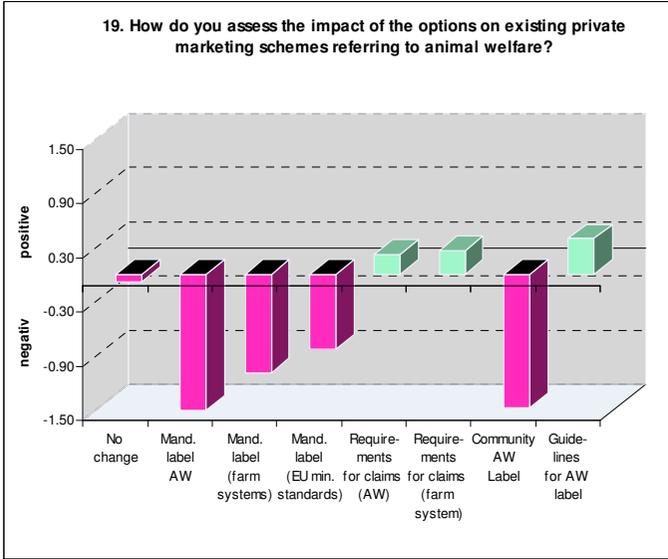
Question 19: by stakeholder groups

Animal Welfare Organisations



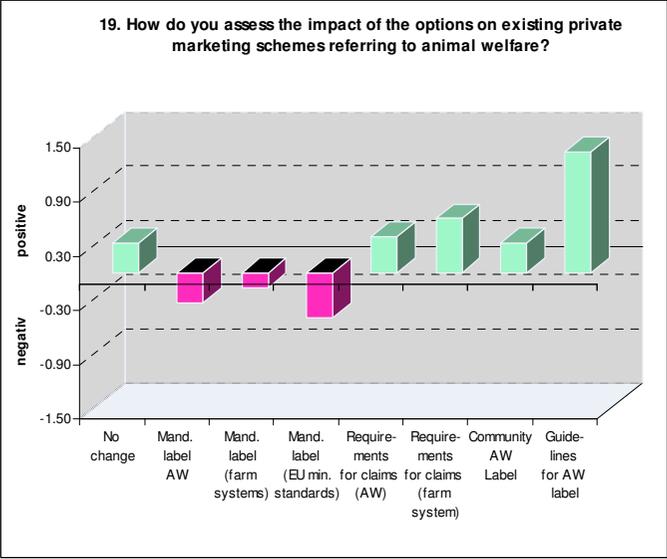
N= 8

Farmer Livestock Associations



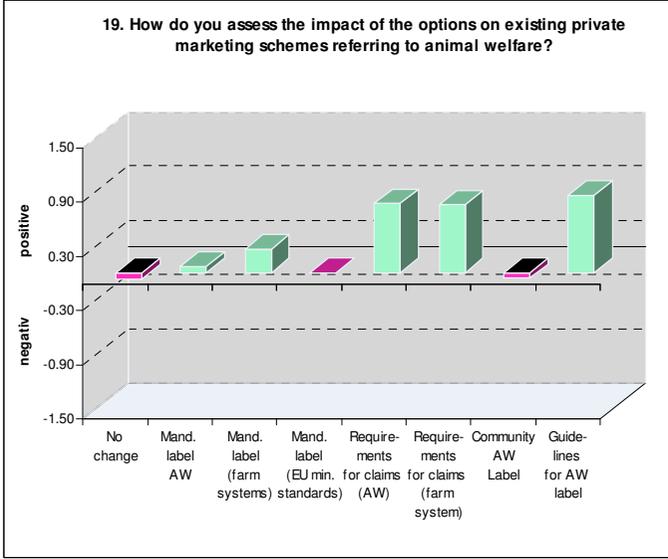
N= 23

Competent authorities



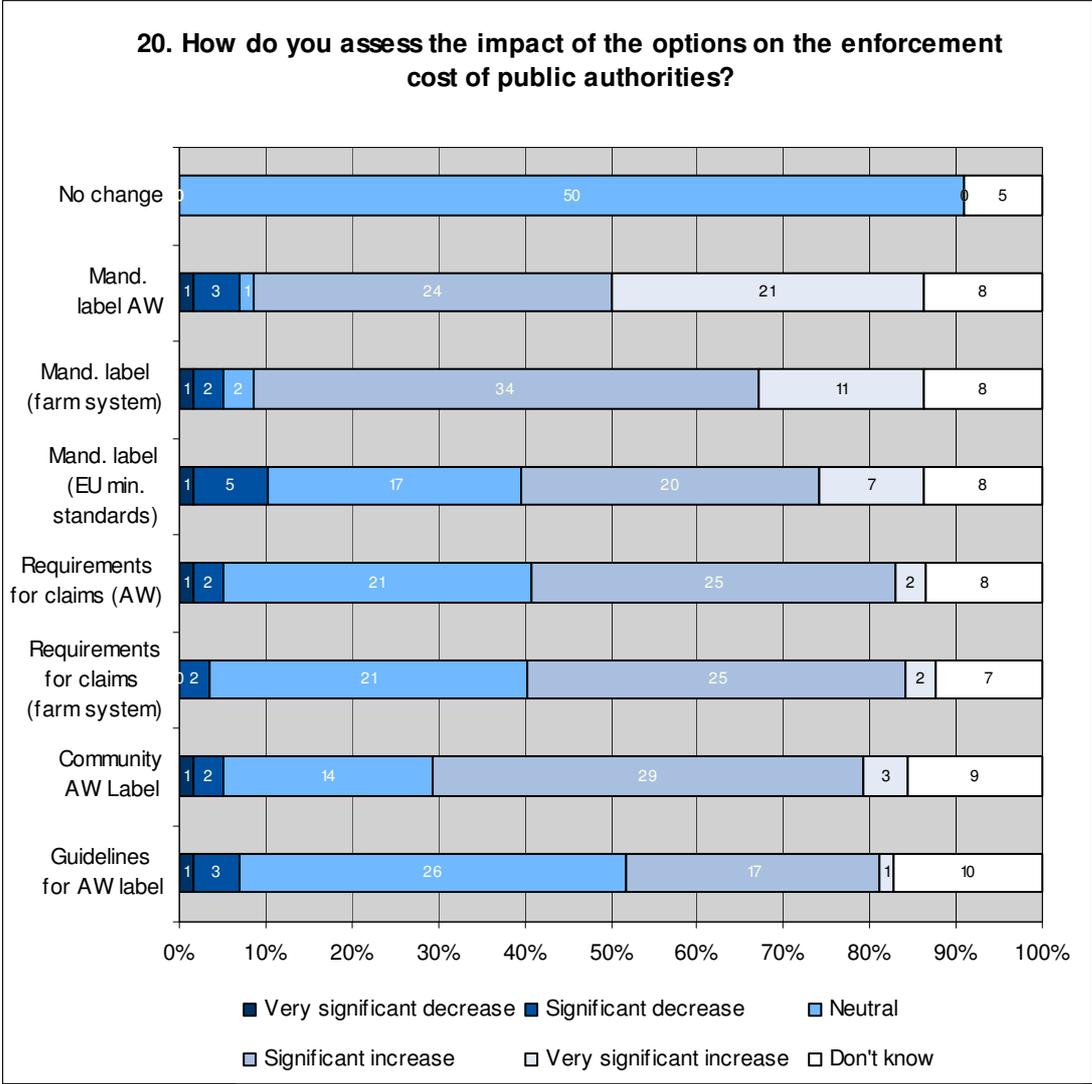
N= 4

Other



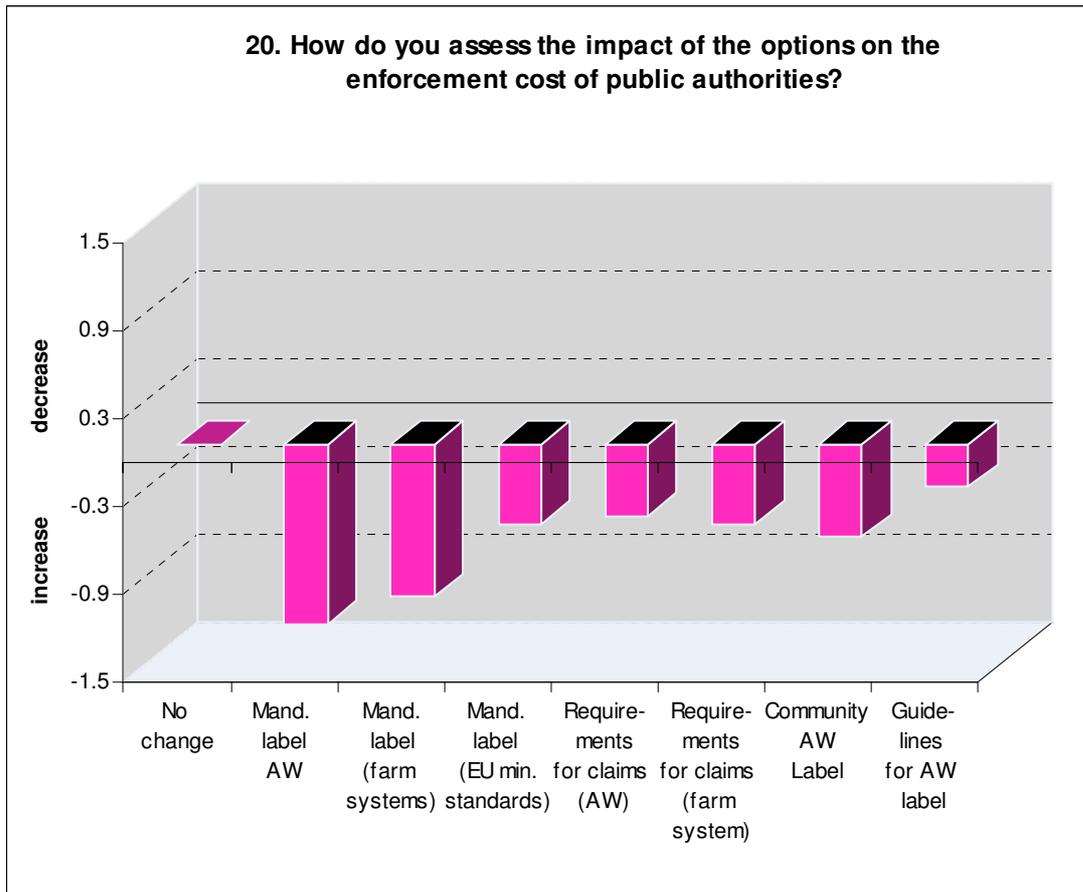
N= 16

Question 20: all stakeholder groups



N= 50 ('No answer' not included)

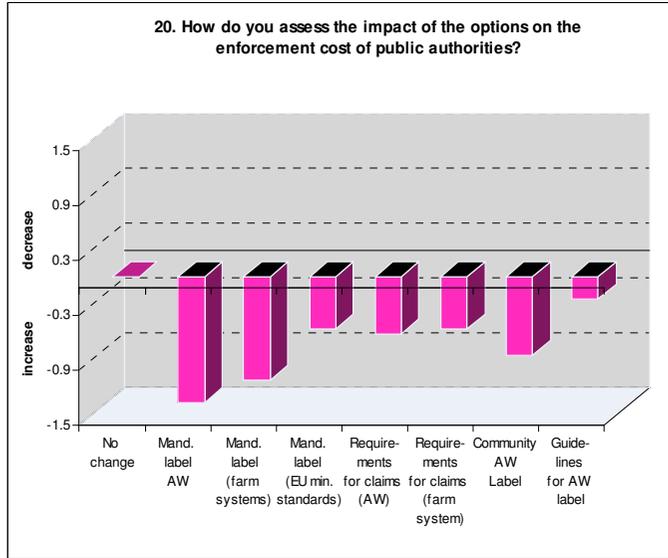
Question 20: all stakeholder groups (weighted assessments)



Average rating, where values represent the assessment of options on a scale from 'decrease' (-) to 'increase' (+); N= 50

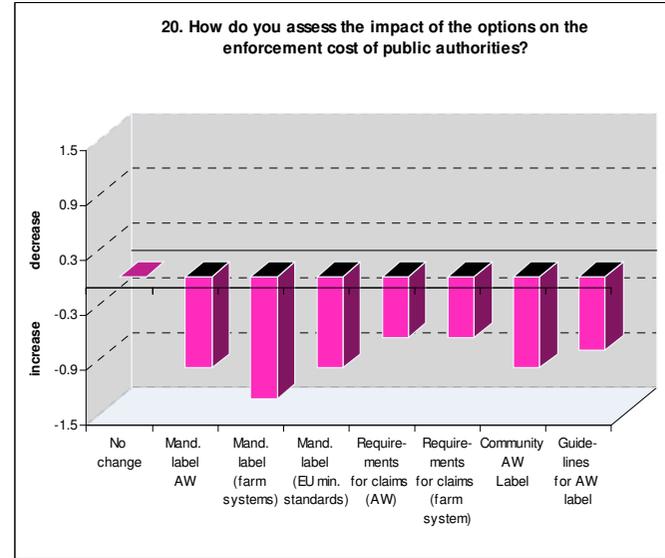
Question 20: by stakeholder groups

Animal Welfare Organisations



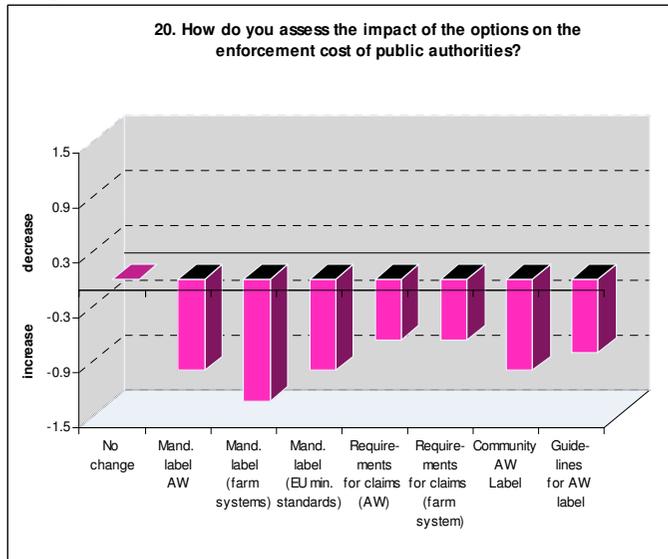
N= 7

Farmer Livestock/ associations



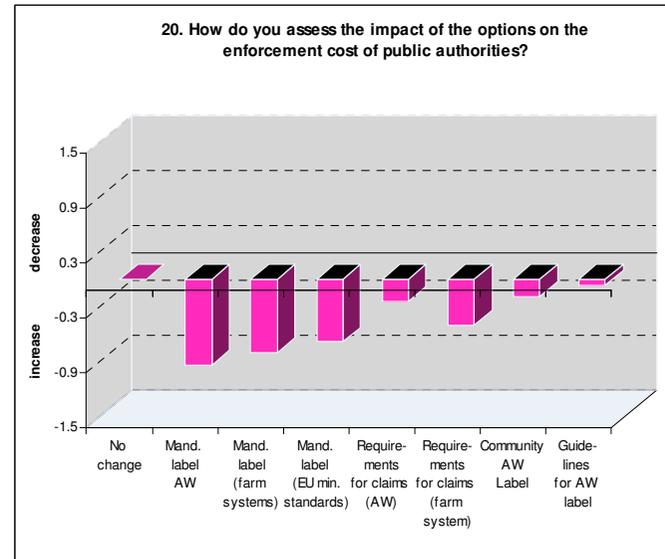
N= 21

Competent authorities



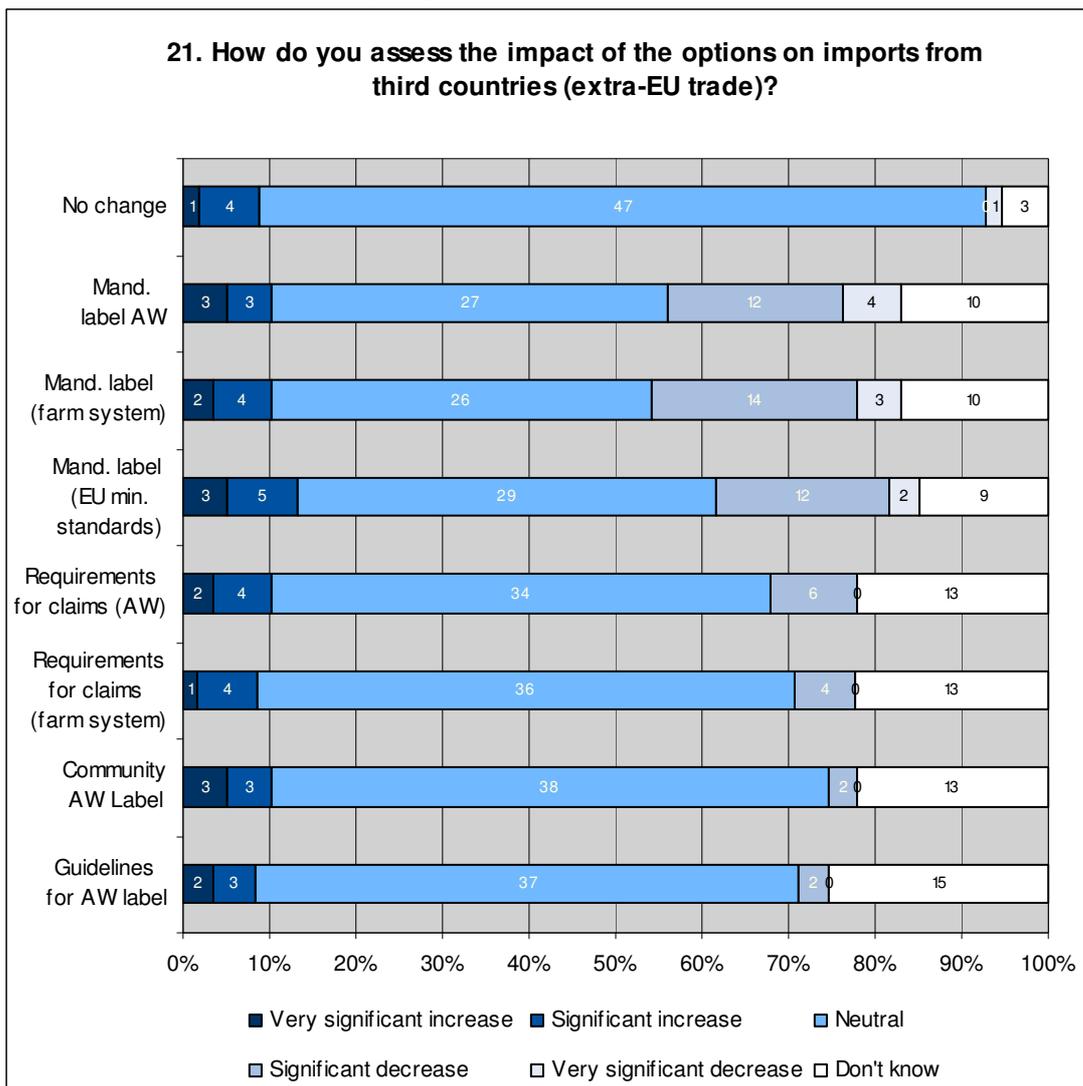
N= 6

Other



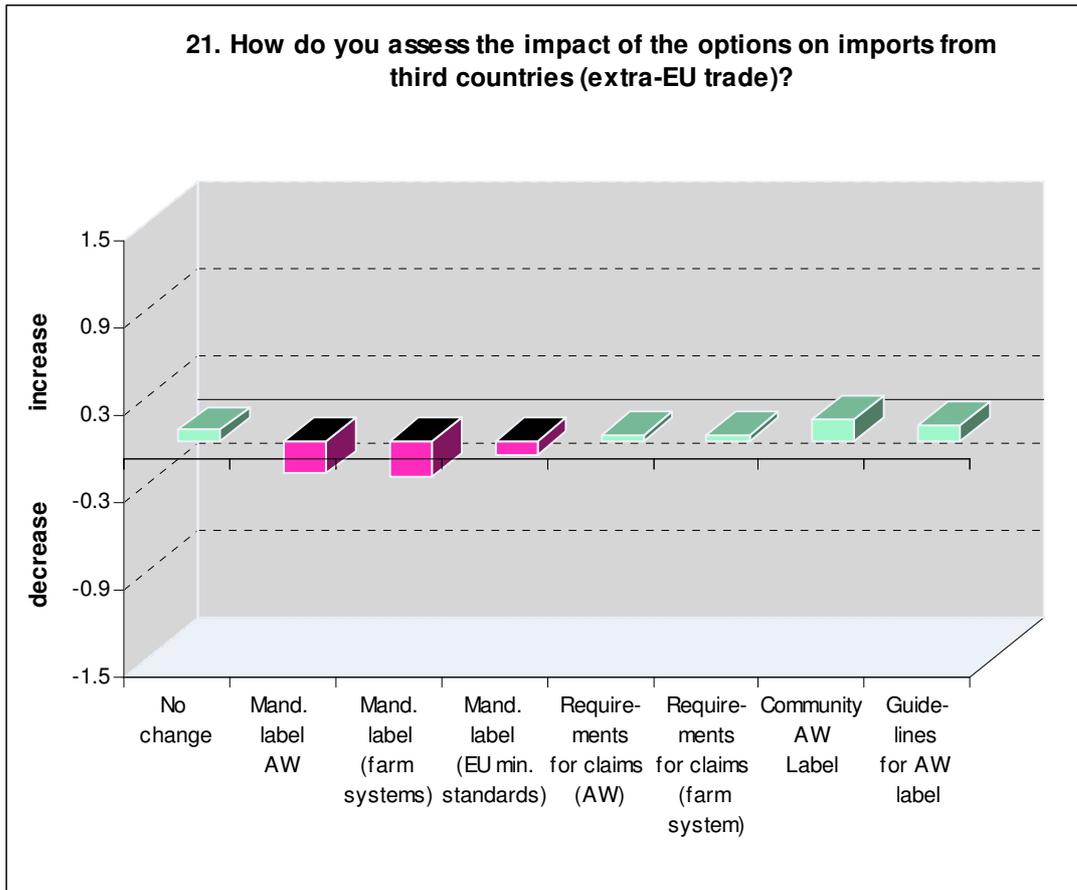
N= 16

Question 21: all stakeholder groups



N= 48 ('No answer' not included)

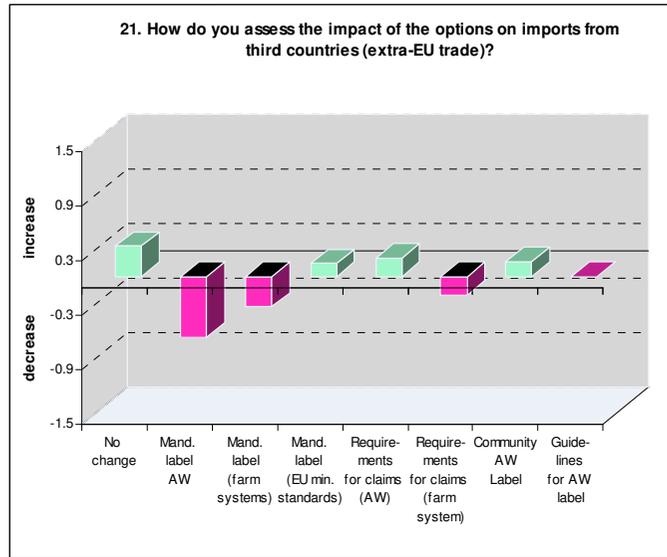
Question 21: all stakeholder groups (weighted assessments)



Average rating, where values represent the assessment of options on a scale from 'decrease' (-) to 'increase' (+); N= 48

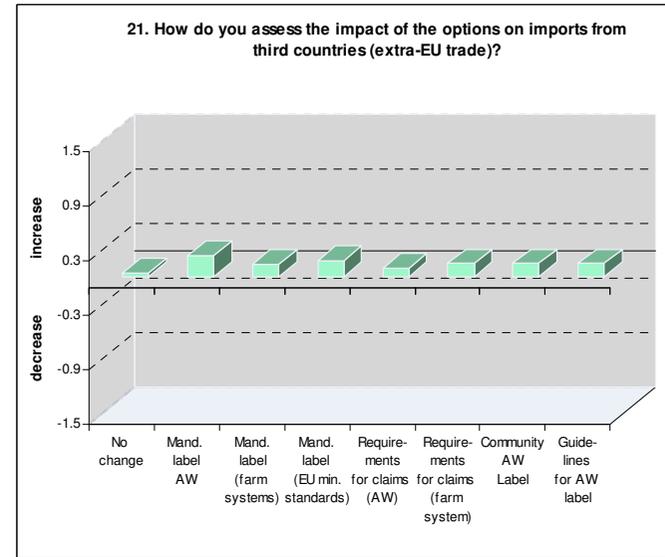
Question 21: by stakeholder groups

Animal Welfare Organisations



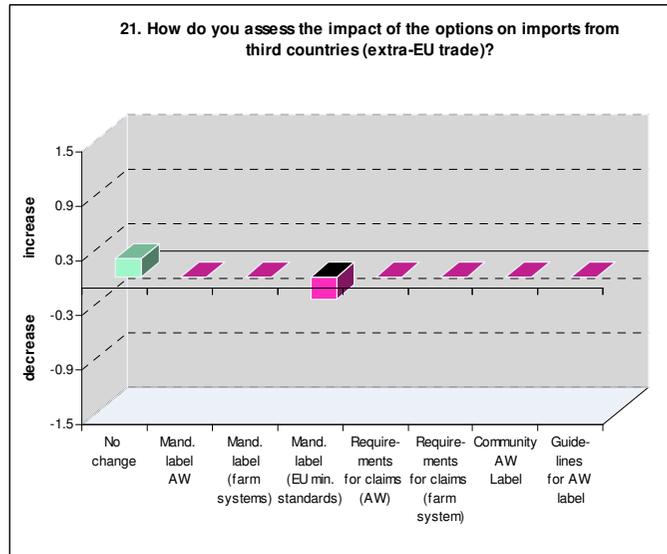
N= 6

Farmer Livestock/ associations



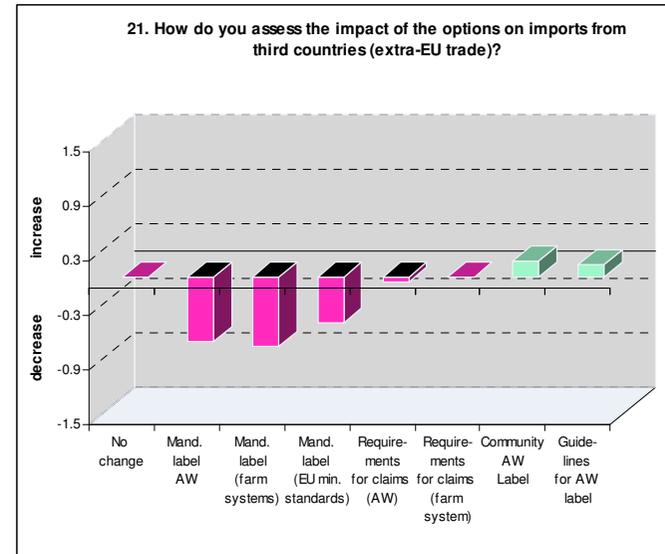
N= 22

Competent authorities



N= 3

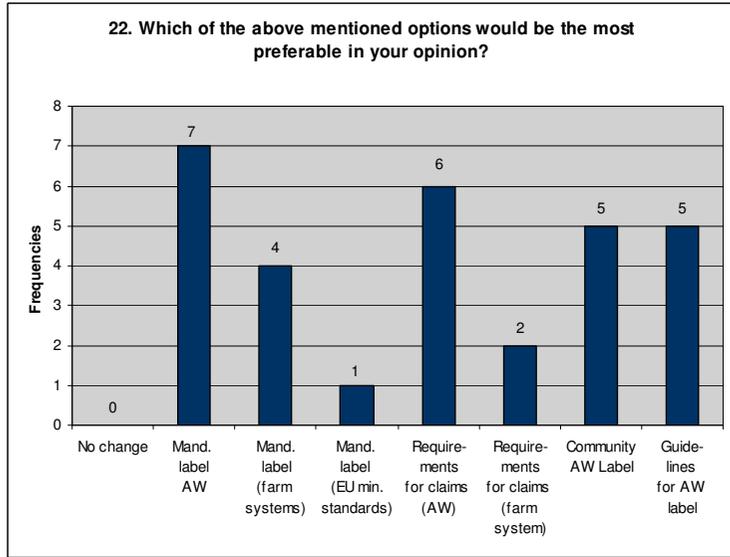
Other



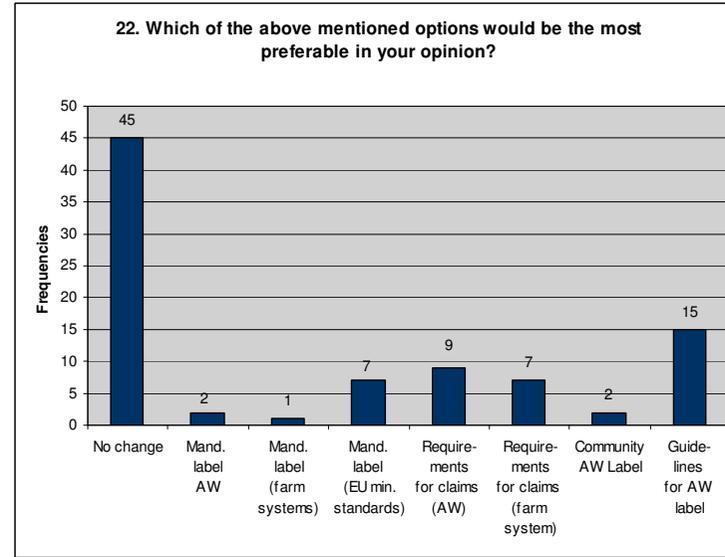
N= 17

Question 22: by stakeholder groups

Animal Welfare Organisations

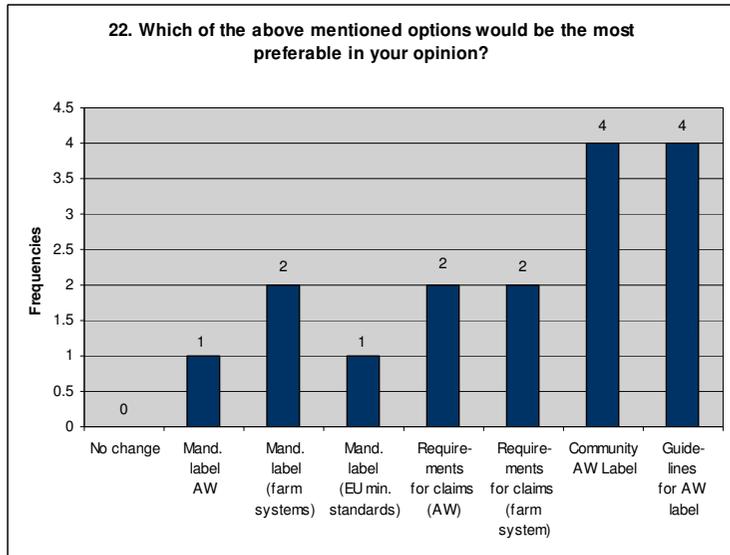


Farmer/ Livestock associations

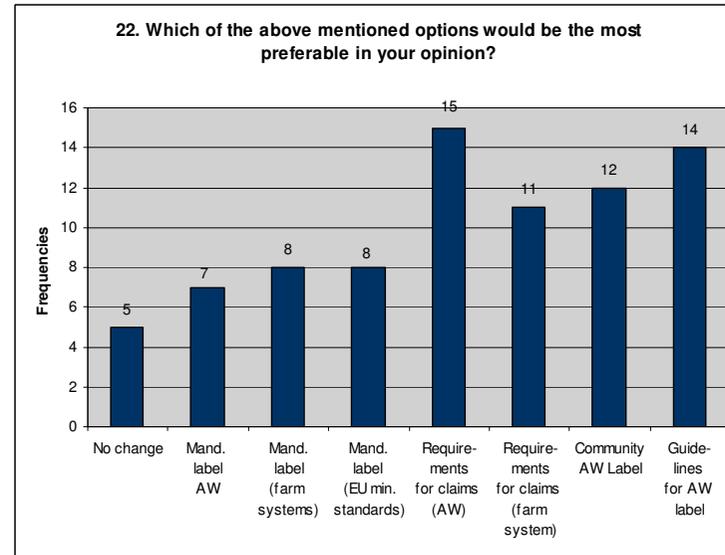


Competent Authorities

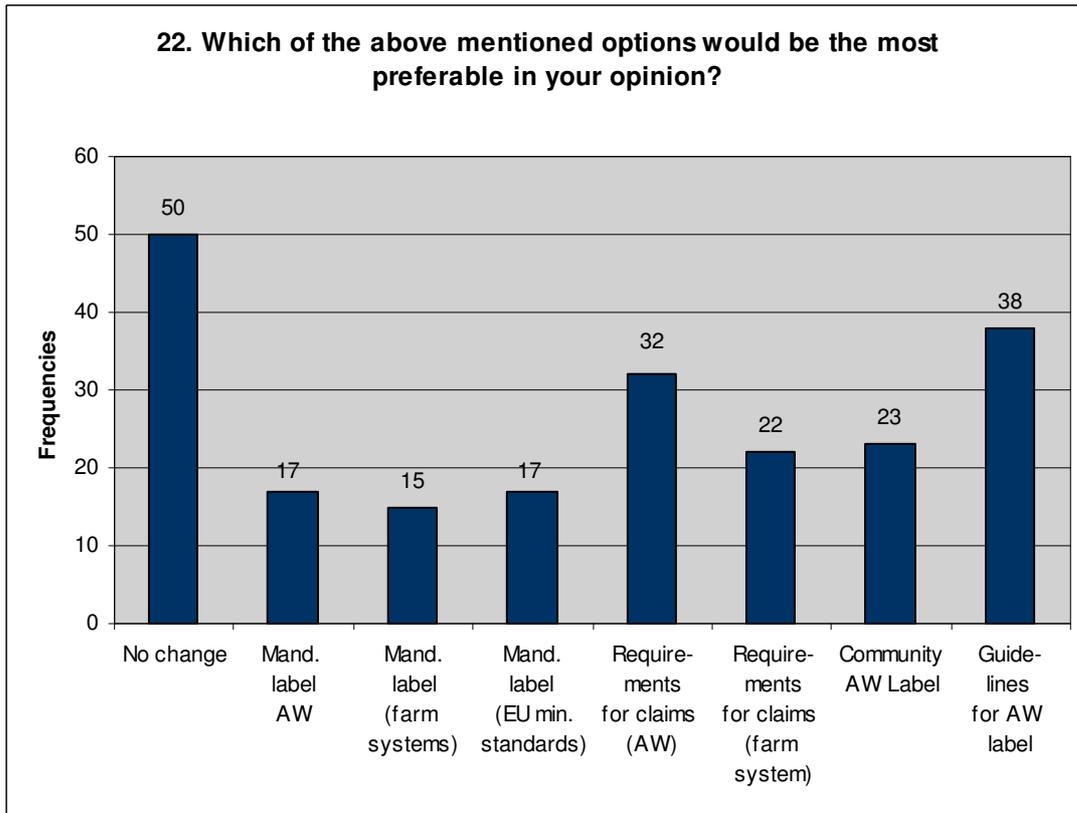
Competent authorities



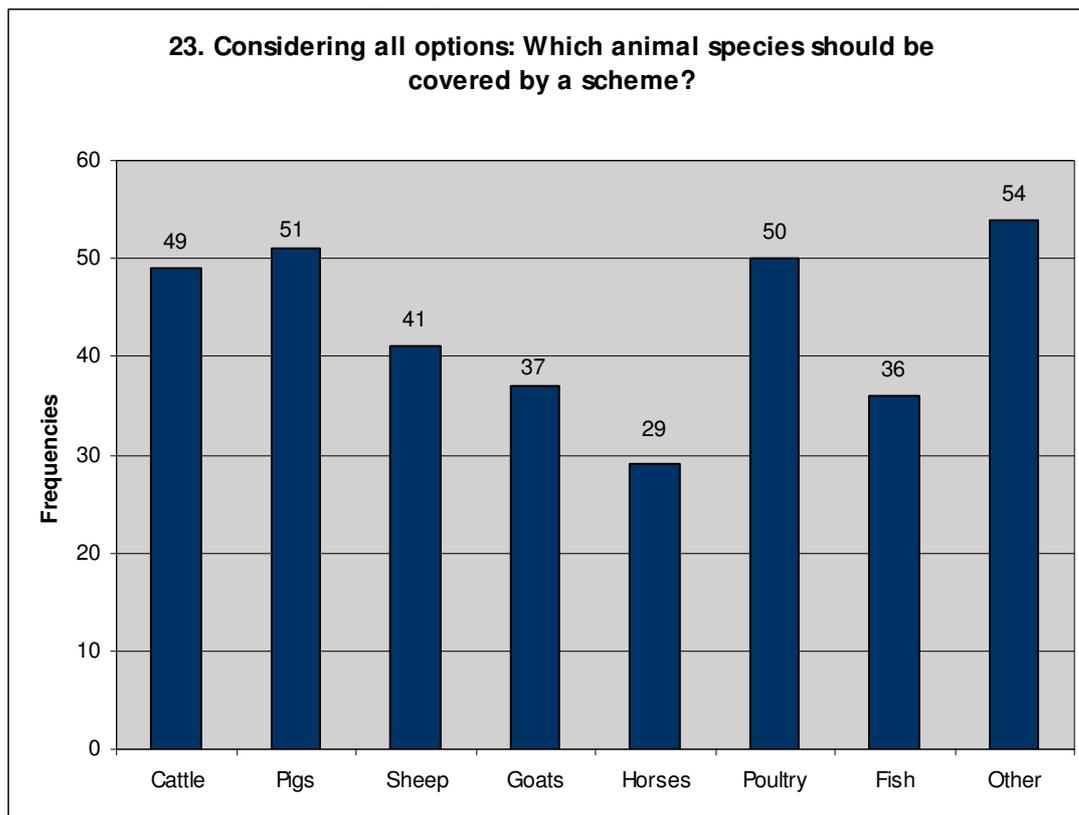
Other



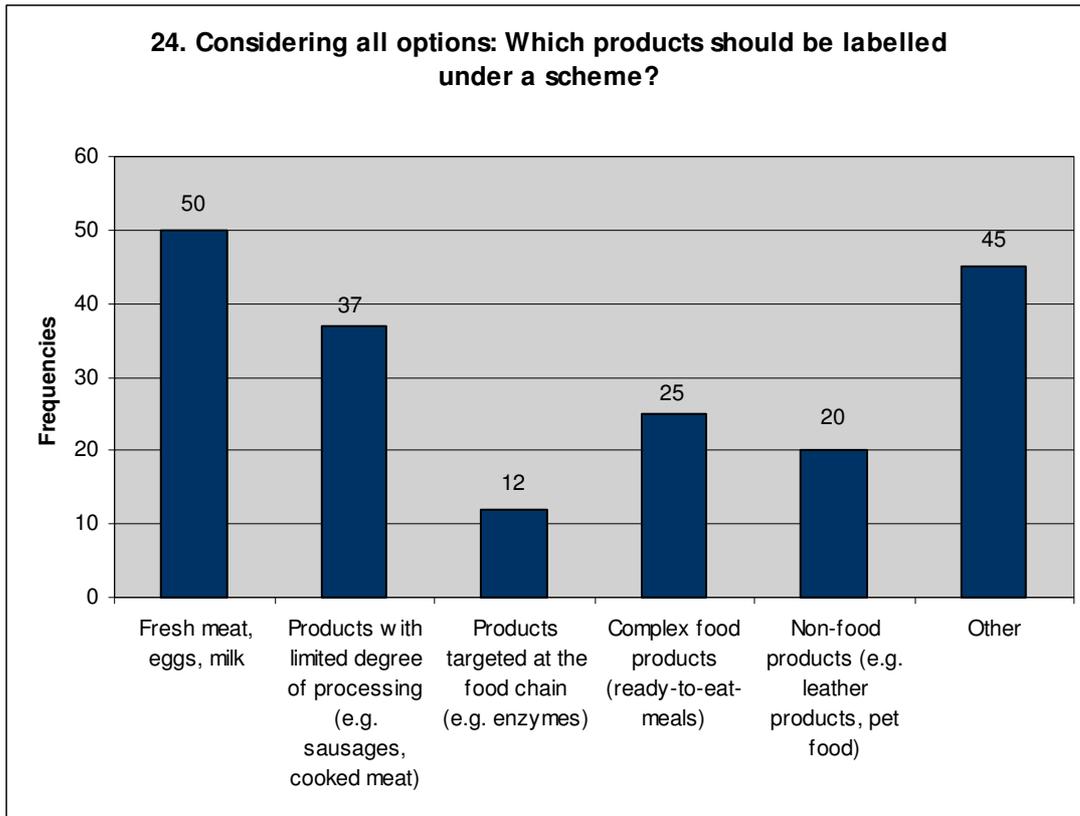
Question 22: all stakeholder groups



Question 23: all stakeholder groups



Question 24: all stakeholder groups



Annex 2: Questionnaire for general stakeholder survey

**FEASIBILITY STUDY ON ANIMAL WELFARE LABELLING AND SETTING UP A COMMUNITY
REFERENCE CENTRE FOR ANIMAL PROTECTION AND WELFARE**

*

MAIN QUESTIONNAIRE FOR STAKEHOLDERS

**Please return filled questionnaire by email to labelling@civic-consulting.de no later than
11 July 2008**

(please return in Word format and do not convert it to a .pdf document)

The Community Action Plan on the Protection and Welfare of Animals 2006-2010, adopted in January 2006, highlights the importance of consumer information as part of a comprehensive communication strategy on animal welfare. The European Parliament and the European Economic and Social Committee endorsed this approach and have called upon the Commission to take initiative in this regard. Civic Consulting of the Food Chain Evaluation Consortium (FCEC) has therefore been commissioned by the Health and Consumer Directorate General of the European Commission to conduct a study to assess the feasibility of options for indicating animal welfare related information on products of animal origin (part 1) and for establishing a Community Reference Centre for Animal Protection and Welfare (part 2).

This questionnaire is targeted to stakeholder organisations. We would encourage you to answer preferably in English, French or German. We very much appreciate your contribution to this study. We also kindly ask you to forward the separate questionnaires for animal welfare relevant labelling schemes and institutions working in the area of animal welfare to relevant contact persons that you may have (see questions 10 and 35 of this questionnaire).

If you have further questions, do not hesitate to contact:

Marie-Pascale Doré (labelling@civic-consulting.de)

Phone: +49 30 2196 2295 Fax: +49 30 2196 2298

1. Please identify yourself:

- a. Please identify your organisation:

Please specify

- b. Please identify the stakeholder category to which you belong:

Please select from the drop-down menu

If other, please specify

- c. Please identify the country in which you are located:

Please specify

- d. Please provide contact details for the person completing the questionnaire:

Name, position, contact details

PART 1: INDICATING ANIMAL WELFARE RELATED INFORMATION ON PRODUCTS OF ANIMAL ORIGIN

A. GENERAL ISSUES

2. What are the main current problems regarding animal welfare related information on products of animal origin? (check all that apply)

- Animal welfare claims on packaging misleading
- Animal welfare claims on packaging not based on certified standards
- Inconsistency in animal welfare standards used for different labels/logos
- Lack of consumer awareness of labels/logos
- Problems of consumer understanding of labels/logos
- Amount of information on packaging/products is overwhelming to consumers
- Other current problem (please specify below)
- There are no current problems

Please comment

3. What do you consider to be the main drivers and current trends of existing animal welfare relevant labelling schemes¹? (check all that apply)

- Growing consumer demand for higher animal welfare standards
- Growing retail/wholesale demand for higher animal welfare standards
- Price premium for products produced with higher animal welfare standards
- Increase in number of animal welfare relevant labelling schemes
- Legislative initiatives related to animal welfare
- Other

Please comment

4. What are current needs/loopholes of existing animal welfare relevant labelling schemes?

Please comment

5. What are good practices of existing animal welfare relevant labelling schemes?

Please comment

6. What is the relevance of other labelling systems for any initiative related to animal welfare?

Please comment

¹ An *animal welfare relevant labelling scheme* is in the context of this study understood as a scheme that is based on a set of standards aiming to achieve a higher level of animal welfare than legal minimum standards in food production and that communicates this through a label/logo to consumers. Producers, processors and retailers participating in the scheme must comply with these standards and have this verified by passing an audit procedure in order to be awarded the right to use the label/logo or in order to supply products to other stakeholders awarded the right to use the label/logo of the scheme. Examples for animal welfare relevant labelling schemes are organic labels (e.g. Bioland in Germany), quality labels (e.g. Label Rouge in France), and animal welfare labels (e.g. Freedom Food in the UK).

7. How could consistency between animal welfare related labelling and organic labelling be ensured?

<i>Please comment</i>

8. For each species, what is the percentage of livestock producers participating in animal welfare related labelling schemes² in your country (in 2007)?

Species	Percent of livestock producers involved in animal welfare related labelling schemes (in your country)
<i>Cattle</i>	<i>Please estimate %</i>
<i>Pigs</i>	<i>Please estimate %</i>
<i>Sheep and goats</i>	<i>Please estimate %</i>
<i>Poultry</i>	<i>Please estimate %</i>
<i>Other, please specify</i>	<i>Please estimate %</i>

9. What is the market share of products labelled for animal welfare² in your country in terms of volume (in 2007)?

Species	Percent of total labelled products on the market in your country (in terms of volume)
<i>Beef and milk products</i>	<i>Please estimate % of market share</i>
<i>Pork products</i>	<i>Please estimate % of market share</i>
<i>Sheep and goat meat products</i>	<i>Please estimate % of market share</i>
<i>Poultry meat and egg products</i>	<i>Please estimate % of market share</i>
<i>Other, please specify</i>	<i>Please estimate % of market share</i>

10. Do you consider any of the existing animal welfare relevant labelling schemes as being of specific importance for this study?

<i>Please provide name of labelling scheme, website, email and contact person, if available</i>

If you have a contact to such a labelling scheme, please forward our separate questionnaire for existing labelling schemes, or send us an email so that we can forward it as soon as possible.

² Total of all animal welfare relevant labelling schemes (e.g. organic labelling schemes, quality schemes, animal welfare schemes).

B. ASSESSMENT OF OPTIONS

Please compare the following policy options for a possible EU initiative in the area of animal welfare labelling:

Baseline option

- 0. *No change*
- Continuation of the current situation (status quo option)

Mandatory labelling

- 1. *Mandatory labelling of the welfare standards under which products of animal origin are produced*
- Entailing a requirement for all relevant products of animal origin to include a label of the standard/measure of animal welfare achieved for farm animals
- 2. *Mandatory labelling of the farming system under which products of animal origin are produced*
- Entailing a requirement for all relevant products of animal origin to include a label of declaration of the system of production of farm animals
- 3. *Mandatory labelling of compliance with EU minimum standards or equivalence with those*
- Entailing a requirement for all relevant products of animal origin to include a label indicating compliance with EU minimum regulated standards (or equivalent)

Requirements for the voluntary use of claims

- 4. *Harmonised requirements for the voluntary use of claims in relation to animal welfare*
- EU law will regulate mandatory standards that must be achieved when suppliers voluntarily label products indicating a certain standard/measure of animal welfare achieved for farm animals
- 5. *Harmonised requirements for the voluntary use of claims in relation to farming systems*
- EU law will regulate standards that must be achieved when suppliers voluntarily label products declaring the system of production of farm animals

Other options

- 6. *A Community Animal Welfare Label open for voluntary participation*
- A harmonised EU-wide label would be established, organised, and/or managed in a harmonised way, providing for voluntary participation
- 7. *Guidelines for the establishment of animal welfare labelling and quality schemes*
- Guidelines could be established at an EU level to harmonise the establishment of animal welfare labelling and quality schemes

11. How do you assess the degree to which the options can be based on a sound scientific basis and benchmarks to assess the level of animal welfare?

<i>Options</i>	<i>A sound scientific basis and benchmarks to assess the level of animal welfare provided is ...</i>
0. No change.....	<i>Not applicable</i>
1. Mandatory labelling (welfare standards).....	<i>Please select from the drop-down menu</i>
2. Mandatory labelling (farming systems).....	<i>Please select from the drop-down menu</i>
3. Mandatory labelling (compliance with EU min. standards)..	<i>Please select from the drop-down menu</i>
4. Requirements for the use of claims (welfare standards).....	<i>Please select from the drop-down menu</i>
5. Requirements for the use of claims (farming systems).....	<i>Please select from the drop-down menu</i>
6. Community Animal Welfare Label.....	<i>Please select from the drop-down menu</i>
7. Guidelines for animal welfare labelling/quality schemes.....	<i>Please select from the drop-down menu</i>

Please comment here on any negative assessments

12. How do you assess the degree to which the options can cover a broad range of farm animal species in order to avoid distortions of competition?

<i>Options</i>	<i>Covering a broad range of farm animal species in order to avoid distortions of competition is ...</i>
0. No change.....	<i>Not applicable</i>
1. Mandatory labelling (welfare standards).....	<i>Please select from the drop-down menu</i>
2. Mandatory labelling (farming systems).....	<i>Please select from the drop-down menu</i>
3. Mandatory labelling (compliance with EU min. standards)..	<i>Please select from the drop-down menu</i>
4. Requirements for the use of claims (welfare standards).....	<i>Please select from the drop-down menu</i>
5. Requirements for the use of claims (farming systems).....	<i>Please select from the drop-down menu</i>
6. Community Animal Welfare Label.....	<i>Please select from the drop-down menu</i>
7. Guidelines for animal welfare labelling/quality schemes.....	<i>Please select from the drop-down menu</i>

Please comment here on any negative assessments

13. How do you assess the degree to which the options allow for inspection/audit and certification by independent certification bodies?

<i>Options</i>	<i>Inspecting/auditing and certification by independent certification bodies is ...</i>
0. No change.....	<i>Not applicable</i>
1. Mandatory labelling (welfare standards).....	<i>Please select from the drop-down menu</i>
2. Mandatory labelling (farming systems).....	<i>Please select from the drop-down menu</i>
3. Mandatory labelling (compliance with EU min. standards)..	<i>Please select from the drop-down menu</i>
4. Requirements for the use of claims (welfare standards).....	<i>Please select from the drop-down menu</i>
5. Requirements for the use of claims (farming systems).....	<i>Please select from the drop-down menu</i>
6. Community Animal Welfare Label.....	<i>Please select from the drop-down menu</i>
7. Guidelines for animal welfare labelling/quality schemes.....	<i>Not applicable</i>

Please comment here on any negative assessments

14. How do you assess the impact of the options on the animal welfare conditions on farms?

<i>Options</i>	<i>The impact on the animal welfare conditions on farm is likely to be ...</i>
0. No change.....	<i>Please select from the drop-down menu</i>
1. Mandatory labelling (welfare standards).....	<i>Please select from the drop-down menu</i>
2. Mandatory labelling (farming systems).....	<i>Please select from the drop-down menu</i>
3. Mandatory labelling (compliance with EU min. standards)..	<i>Please select from the drop-down menu</i>
4. Requirements for the use of claims (welfare standards).....	<i>Please select from the drop-down menu</i>
5. Requirements for the use of claims (farming systems).....	<i>Please select from the drop-down menu</i>
6. Community Animal Welfare Label.....	<i>Please select from the drop-down menu</i>
7. Guidelines for animal welfare labelling/quality schemes.....	<i>Please select from the drop-down menu</i>

Please comment here on any significant impacts

15. How do you assess the impact of the options to empower consumers to make informed purchasing decisions?

<i>Options</i>	<i>The impact of options to empower consumers to make informed purchasing decisions is likely to be ...</i>
0. No change.....	<i>Please select from the drop-down menu</i>
1. Mandatory labelling (welfare standards).....	<i>Please select from the drop-down menu</i>
2. Mandatory labelling (farming systems).....	<i>Please select from the drop-down menu</i>
3. Mandatory labelling (compliance with EU min. standards)..	<i>Please select from the drop-down menu</i>
4. Requirements for the use of claims (welfare standards).....	<i>Please select from the drop-down menu</i>
5. Requirements for the use of claims (farming systems).....	<i>Please select from the drop-down menu</i>
6. Community Animal Welfare Label.....	<i>Please select from the drop-down menu</i>
7. Guidelines for animal welfare labelling/quality schemes.....	<i>Please select from the drop-down menu</i>
<i>Please comment here on any significant impacts</i>	

16. How do you assess the impact of the options on production costs of livestock producers and other food business operations participating in the labelling scheme?³ Please include in your consideration impacts on investment and operating costs.

<i>Options</i>	<i>The impact on average production costs of participating livestock producers/food business operations is estimated to be ...</i>
0. No change.....	<i>Please provide estimated percentage change in production costs</i>
1. Mandatory labelling (welfare standards).....	<i>Please provide estimated percentage change in production costs</i>
2. Mandatory labelling (farming systems).....	<i>Please provide estimated percentage change in production costs</i>
3. Mandatory labelling (compliance with EU min. standards)..	<i>Please provide estimated percentage change in production costs</i>
4. Requirements for the use of claims (welfare standards).....	<i>Please provide estimated percentage change in production costs</i>
5. Requirements for the use of claims (farming systems).....	<i>Please provide estimated percentage change in production costs</i>
6. Community Animal Welfare Label.....	<i>Please provide estimated percentage change in production costs</i>
7. Guidelines for animal welfare labelling/quality schemes.....	<i>Please provide estimated percentage change in production costs</i>
<i>Please comment here on any significant impacts</i>	

³ The increase or decrease in production costs refers only to the business operation involved in producing the labelled products. In the case of mandatory labelling all livestock producers and other food business operations are considered to be participating in the scheme.

17. How do you assess the impact of the options on the *net income*⁴ of livestock producers and other food business operations participating in the labelling scheme?⁵ Please include in your consideration impacts on investments and operating costs, as well as potential increase in revenues because of possible price premiums for labelled products.

<i>Options</i>	<i>The impact on net income of participating livestock producers/food business operations is...</i>
0. No change.....	<i>Please select from the drop-down menu</i>
1. Mandatory labelling (welfare standards).....	<i>Please select from the drop-down menu</i>
2. Mandatory labelling (farming systems).....	<i>Please select from the drop-down menu</i>
3. Mandatory labelling (compliance with EU min. standards)..	<i>Please select from the drop-down menu</i>
4. Requirements for the use of claims (welfare standards).....	<i>Please select from the drop-down menu</i>
5. Requirements for the use of claims (farming systems).....	<i>Please select from the drop-down menu</i>
6. Community Animal Welfare Label.....	<i>Please select from the drop-down menu</i>
7. Guidelines for animal welfare labelling/quality schemes.....	<i>Please select from the drop-down menu</i>

Please comment here on any significant price increases

18. How do you assess the impact of the options on the consumer price of labelled products?

<i>Options</i>	<i>The impact on the consumer price of labelled products is...</i>
0. No change.....	<i>Please select from the drop-down menu</i>
1. Mandatory labelling (welfare standards).....	<i>Please select from the drop-down menu</i>
2. Mandatory labelling (farming systems).....	<i>Please select from the drop-down menu</i>
3. Mandatory labelling (compliance with EU min. standards)..	<i>Please select from the drop-down menu</i>
4. Requirements for the use of claims (welfare standards).....	<i>Please select from the drop-down menu</i>
5. Requirements for the use of claims (farming systems).....	<i>Please select from the drop-down menu</i>
6. Community Animal Welfare Label.....	<i>Please select from the drop-down menu</i>
7. Guidelines for animal welfare labelling/quality schemes.....	<i>Please select from the drop-down menu</i>

Please comment here on any significant impacts

How do you assess the willingness of consumers to pay more for products produced with higher animal welfare standards?

Please specify

19. How do you assess the impact of the options on existing private marketing schemes referring to animal welfare?

<i>Options</i>	<i>The impact on existing private marketing schemes referring to animal welfare is ...</i>
0. No change.....	<i>Please select from the drop-down menu</i>
1. Mandatory labelling (welfare standards).....	<i>Please select from the drop-down menu</i>

⁴ Net income is equal to the income that a firm has after subtracting costs and expenses from the total revenue.

⁵ In the case of mandatory labelling all livestock producers and other food business operations are considered to be participating in the scheme.

2. Mandatory labelling (farming systems).....	<i>Please select from the drop-down menu</i>
3. Mandatory labelling (compliance with EU min. standards)..	<i>Please select from the drop-down menu</i>
4. Requirements for the use of claims (welfare standards).....	<i>Please select from the drop-down menu</i>
5. Requirements for the use of claims (farming systems).....	<i>Please select from the drop-down menu</i>
6. Community Animal Welfare Label.....	<i>Please select from the drop-down menu</i>
7. Guidelines for animal welfare labelling/quality schemes.....	<i>Please select from the drop-down menu</i>

Please comment here on any significant impacts

20. How do you assess the impact of the options on the enforcement costs of public authorities?

<i>Options</i>	<i>Impact on the enforcement costs of public authorities is ...</i>
0. No change.....	<i>Please select from the drop-down menu</i>
1. Mandatory labelling (welfare standards).....	<i>Please select from the drop-down menu</i>
2. Mandatory labelling (farming systems).....	<i>Please select from the drop-down menu</i>
3. Mandatory labelling (compliance with EU min. standards)..	<i>Please select from the drop-down menu</i>
4. Requirements for the use of claims (welfare standards).....	<i>Please select from the drop-down menu</i>
5. Requirements for the use of claims (farming systems).....	<i>Please select from the drop-down menu</i>
6. Community Animal Welfare Label.....	<i>Please select from the drop-down menu</i>
7. Guidelines for animal welfare labelling/quality schemes.....	<i>Please select from the drop-down menu</i>

Please comment here on any significant impacts

21. How do you assess the impact of the options on imports from third countries (extra EU-trade)?

<i>Options</i>	<i>Impact on imports from third countries:</i>
0. No change.....	<i>Please select from the drop-down menu</i>
1. Mandatory labelling (welfare standards).....	<i>Please select from the drop-down menu</i>
2. Mandatory labelling (farming systems).....	<i>Please select from the drop-down menu</i>
3. Mandatory labelling (compliance with EU min. standards)..	<i>Please select from the drop-down menu</i>
4. Requirements for the use of claims (welfare standards).....	<i>Please select from the drop-down menu</i>
5. Requirements for the use of claims (farming systems).....	<i>Please select from the drop-down menu</i>
6. Community Animal Welfare Label.....	<i>Please select from the drop-down menu</i>
7. Guidelines for animal welfare labelling/quality schemes.....	<i>Please select from the drop-down menu</i>

Please comment here on any negative assessments

Please specify in case you consider an option as being not compatible with international obligations (OIE guidelines, WTO law)

22. Which of the above mentioned options would be the most preferable in your opinion? (check all that apply)

<i>Options</i>	<i>Please mark preferred option(s) ...</i>
0. No change.....	<input type="checkbox"/>
1. Mandatory labelling (welfare standards).....	<input type="checkbox"/>
2. Mandatory labelling (farming systems).....	<input type="checkbox"/>
3. Mandatory labelling (compliance with EU min. standards)..	<input type="checkbox"/>
4. Requirements for the use of claims (welfare standards).....	<input type="checkbox"/>
5. Requirements for the use of claims (farming systems).....	<input type="checkbox"/>
6. Community Animal Welfare Label.....	<input type="checkbox"/>
7. Guidelines for animal welfare labelling/quality schemes.....	<input type="checkbox"/>

Please provide reasons for your preference

23. Considering all options: Which animal species should be covered by a scheme? (check all that apply)

- Cattle
- Pigs
- Sheep
- Goats
- Horses
- Poultry
- Fish
- Other: *Please specify*

24. Considering all options: Which products should be labelled under a scheme? (check all that apply)

- Fresh meat, eggs, milk
- Products with limited degree of processing (e.g. sausages, cooked meat)
- Products targeted at the food chain (e.g. enzymes, etc.)
- Complex food products (e.g. ready-to-eat meals)
- Non-food products (e.g. leather products; pet food)
- Other: *Please specify*

Please specify

Please describe the requirements that you would suggest for labelling of complex food products (made from multiple ingredients):

Please specify

PART 2: ESTABLISHING A COMMUNITY REFERENCE CENTRE FOR ANIMAL PROTECTION AND WELFARE

A. GENERAL ISSUES

25. What are the main current problems that may be relevant for considering the establishment of a Community Reference Centre for Animal Protection and Welfare? (check all that apply)

- Duplication of activities because of a lack of coordination at EU level
- Lack of harmonised standards/indicators for higher animal welfare
- Need for increased attention to all areas of animal use at EU level
- Need for independent source of information at EU level
- Other current problem (please specify below)
- There are no current problems

Please comment

26. What are the lessons learned from other policy areas that should be considered when establishing a Community Reference Centre for Animal Protection and Welfare?

Please comment

27. Is there a policy area that could serve as a blueprint for establishing a Community Reference Centre?

Please comment

28. What are the tasks related to animal welfare and protection that a Community Reference Centre should carry out? (check all that apply)

- Standard setting
- Harmonisation of animal welfare indicators
- Research on animal welfare and protection practices
- Certification of existing animal welfare schemes
- Auditing of existing animal welfare schemes
- Operation of databases related to existing animal welfare schemes
- Preparation of socio-economic studies
- Preparation of impact assessments
- Formulation of policy advice
- Development and implementation of the Three Rs in the field of research animal use⁶
- Assessment of existing practices and standards
- Collection and dissemination of best practices
- Advising, training and education of stakeholders
- Dissemination of information to consumers
- Other(s): *Please specify*

Please comment

⁶ Three Rs Principles (replacement, reduction, refinement) by Russel and Burch (1959) which today is a commonly accepted principle among scientists, academia and industry internationally when using animals in scientific procedures.

29. What type of animals should a Community Reference Centre for Animal Protection and Welfare cover? (check all that apply)

- Farm animals
- Animal used for other consumer products (e.g. fur)
- Companion animals
- Research animals
- Zoo, circus and marine animals
- Animals in work and sport
- Wild animals
- Other(s): *Please specify*

B. ASSESSMENT OF OPTIONS

Please compare the following policy options for establishing a Community Reference Centre for Animal Protection and Welfare:

Baseline option

0. No change

- Continuation of the current situation (status quo option)

Centralised approaches

1. Entrusting a Community body

- A centralised public body at an EU level would be responsible for all relevant tasks of the Community Reference Centre for Animal Protection and Welfare

2. Entrusting one public body already existing in a Member State

- An already existing public body at the MS level would acquire EU level responsibilities for relevant tasks of the Community Reference Centre for Animal Protection and Welfare

3. Entrusting one private body already existing in a Member State

- An already existing private body or institute at the MS level would acquire EU level responsibilities for relevant tasks of the Community Reference Centre for Animal Protection and Welfare

Decentralised approaches

4. Entrusting several public bodies already existing in Member States

- Already existing public bodies at the MS level would acquire EU level responsibilities for relevant tasks of the Community Reference Centre for Animal Protection and Welfare

5. Entrusting several private bodies already existing in Member States

- Already existing private bodies or institutes at the MS level would acquire EU level responsibilities for relevant tasks of the Community Reference Centre for Animal Protection and Welfare

6. Entrusting a combination of public and private bodies already existing

- Already existing public and private bodies or institutes would acquire EU level responsibilities for relevant tasks of the Community Reference Centre for Animal Protection and Welfare

Please note: The discussions in the European Parliament, the European Economic and Social Committee and with Member States made clear that the creation of a self-dependent body, like a Commission agency, would not find the necessary support. This study therefore concentrates on options using existing bodies, either at the EU level or in the Member States, in order to minimise the administrative costs.

30. How do you assess the degree to which the options would ensure that a Community Reference Centre complements, not duplicates, current activities by other Community bodies (FVO, EFSA, JRC)?

<i>Options</i>	<i>Ensuring that a Community Reference Centre complements, not duplicates, current activities by other Community bodies is ...</i>
0. No change.....	<i>Not applicable</i>
1. Entrusting a Community body	<i>Please select from the drop-down menu</i>
2. Entrusting one public body existing in a MS.....	<i>Please select from the drop-down menu</i>
3. Entrusting one private institute existing in a MS.....	<i>Please select from the drop-down menu</i>
4. Entrusting several public bodies existing in MS.....	<i>Please select from the drop-down menu</i>
5. Entrusting several private bodies existing in MS.....	<i>Please select from the drop-down menu</i>
6. Entrusting a combination of public and private bodies.....	<i>Please select from the drop-down menu</i>

Please comment here on any negative assessments

31. How do you assess the degree to which the options would ensure that a Community Reference Centre covers all areas of animal use? (i.e. not limited to food production but also including for example the trade in pet animals, the use for entertainment, in circuses or zoos)

<i>Options</i>	<i>Ensuring that a Community Reference Centre covers all areas of animal use is ...</i>
0. No change.....	<i>Not applicable</i>
1. Entrusting a Community body	<i>Please select from the drop-down menu</i>
2. Entrusting one public body existing in a MS.....	<i>Please select from the drop-down menu</i>
3. Entrusting one private institute existing in a MS.....	<i>Please select from the drop-down menu</i>
4. Entrusting several public bodies existing in MS.....	<i>Please select from the drop-down menu</i>
5. Entrusting several private bodies existing in MS.....	<i>Please select from the drop-down menu</i>
6. Entrusting a combination of public and private bodies.....	<i>Please select from the drop-down menu</i>

Please comment here on any negative assessments

32. How do you assess the degree to which the options would ensure that a Community Reference Centre is independent from outside interests (e.g. business interests, interests of EU and national policy makers)?

<i>Options</i>	<i>Ensuring that a Community Reference Centre is independent from outside interests ...</i>
0. No change.....	<i>Not applicable</i>
1. Entrusting a Community body	<i>Please select from the drop-down menu</i>
2. Entrusting one public body existing in a MS.....	<i>Please select from the drop-down menu</i>
3. Entrusting one private institute existing in a MS.....	<i>Please select from the drop-down menu</i>
4. Entrusting several public bodies existing in MS.....	<i>Please select from the drop-down menu</i>
5. Entrusting several private bodies existing in MS.....	<i>Please select from the drop-down menu</i>
6. Entrusting a combination of public and private bodies.....	<i>Please select from the drop-down menu</i>

Please comment here on any negative assessments

33. Which of the above mentioned policy options would be the most preferable in your opinion?
(check all that apply)

<i>Options</i>	<i>Please mark preferred option ...</i>
0. No change.....	<input type="checkbox"/>
1. Entrusting a Community body	<input type="checkbox"/>
2. Entrusting one public body existing in a MS.....	<input type="checkbox"/>
3. Entrusting one private institute existing in a MS.....	<input type="checkbox"/>
4. Entrusting several public bodies existing in MS.....	<input type="checkbox"/>
5. Entrusting several private bodies existing in MS.....	<input type="checkbox"/>
6. Entrusting a combination of public and private bodies.....	<input type="checkbox"/>

Please provide reasons for your preference

34. Do you have specific suggestions concerning the structure and practical setting of the Community Reference Centre? Please list preconditions and necessary arrangements that you consider relevant to minimise costs and administrative burden.

Please comment

35. Are you aware of any public or private institution, operating at EU and/or Member State level, that could take on or support functions of a possible Community Reference Centre or network of such centres through its expertise⁷ in animal protection and welfare?

Please provide name of institution, website, email and contact person, if available

If you have a contact to a relevant existing institution, please forward our separate questionnaire, or send us an email so that we can forward it as soon as possible.

⁷ Relevant areas of animal welfare and protection include: Standard setting, animal welfare indicators, research on animal welfare and protection practices, certification of labelling schemes, accreditation of certification bodies or schemes, auditing labelling schemes, operation of databases related to existing certified labels, preparation of socio-economic studies, preparation of impact assessments, formulation of policy advice, collection and dissemination of best practices, dissemination of information to consumers, advising and training of stakeholders.

Annex 3: Respondents to general stakeholders survey

Respondents to general stakeholder survey	Country
Farmer/ Livestock associations	
Austrian butcher association	AT
VIP vzw - Vereniging van Industriële Pluimveeslachterijen	BE
CLITRAVI	BE
UECBV - European Livestock And Meat Trading Union	BE
Milchindustrie -Verband e.V.	DE
ISN - Interessengemeinschaft der Schweinehalter Deutschlands e.V.	DE
Bioland	DE
BVDF - German association for the meat processing industry	DE
Zentralverband der Deutschen Schweineproduktion e.V.	DE
Zentralverband der Deutschen Geflügelwirtschaft e.V.	DE
Bundesverband Deutsches Ei e.V.	DE
Bundesverband Bäuerlicher Hähnchenerzeuger e.V.	DE
Verband Deutscher Putenerzeuger e.V.	DE
Bundesverband der Geflügelschlachtereien e.V.	DE
Arbeitsgemeinschaft Deutscher Tierzüchter e. V.	DE
Deutscher Bauernverband	DE
Wiesenhof Geflügel GmbH	DE
Friland A/S	DK
ANPROGAPOR – Asociación Nacional de Productores de Ganado Porcino	ES
TERBO S.A.	ES
FAC - Federació Avícola Catalana	ES
FAIXERET S.L.	ES
SILVANUS - Asociación profesional selvicultores	ES
ASAJA – Asociación Agraria Jóvenes Agricultores	ES
Vall Companys S.A.	ES

Respondents to general stakeholder survey	Country
AICE - Asociación de Industrias de la Carne de España	ES
ANCOPORC	ES
ANTA - Asociación Nacional de Transportistas de Animales Vivos	ES
GANADOS SERRA S.A.	ES
Comercial Agropecuaria Llinas S.L.	ES
M.T. - Eleveur national/association du secteur alimentaire	ES
INCARLOPSA - Industrias Cárnicas Loriente Piqueras	ES
ASOPROVAC	ES
Valio - Dairy Industry	FI
FNICGV - Fédération nationale de l'industrie et des commerces en gros des viandes	FR
SYNALAF - Syndicat national des labels avicoles de France	FR
UNICEB	IT
LTO Nederland	NL
Product Boards for Livestock Meat and Eggs	NL
Central Organisation for the Meat Industry	NL
ANEVEI - Dutch Association of Egg packers, Egg traders and Egg Processors	NL
Dutch Meat Processors' Association	NL
VanDrie Group	NL
Peter's Farm	NL
Romanian Meat Association	RO
Federation of Swedish Farmers	SE
Farmers' Union of Wales	UK
National Farmers' Union	UK
British Poultry Council	UK
Scottish Association of Meat Wholesalers	UK

Respondents to general stakeholder survey	Country
Competent authorities	
Federal Ministry of Health, Family and Youth and Federal Ministry of Agriculture, Forestry, Environment and Water Management	AT
Federal Public Service Health, Food Chain Safety and Environment	BE
State Veterinary Administration of the Czech Republic	CZ
Lower Saxony Ministry for Food, Agriculture, Consumer Protection and Rural Development, Unit for Animal Welfare and Veterinary Pharmaceutics	DE
Lower Saxony State Office of Consumer Protection and Food Safety (LAVES)	DE
Ministry of the Environment and Rural and Marine Affairs	ES
Department of Agriculture, Fisheries and Food (DAFF)	IE
Food and Veterinary Regulation Division and Fisheries Conservation and Control Division, Ministry for Resources and Rural Affairs	MT
Ministry of Agriculture, Nature and Food Quality	NL
Animal welfare organisations	
RSPCA Australia - Royal Society for the Prevention of Cruelty to Animals	AU
VIER PFOTEN European Policy Office	BE
NEULAND	DE
PROVIEH	DE
ESPA - Estonian Society for the Protection of Animals	EE
AAALAC - Association for Assessment and Accreditation of Laboratory Animal Care International	ES
LFDA - Ligue Française des Droits de l'Animal	FR
Dutch society for the Protection of Animals	NL
Swedish Society for the Protection of Animals (Djurskyddet Sverige)	SE
RSPCA UK - Royal Society for the Prevention of Cruelty to Animals	UK
Farm Animal Welfare Council	UK
Born Free Foundation	UK

Respondents to general stakeholder survey	Country
Other	
Institute of Animal Husbandry and Animal Welfare, Department of Farm Animals and Veterinary Public Health, University of Veterinary Medicine Vienna	AT
Catholic University Leuven	BE
UGAL aisbl - Union of Groups of Independent Retailers of Europe	BE
FVE - Federation of Veterinarians of Europe	BE
EuroCommerce	BE
Food and Water Europe	BE, DE, PL, FR
Sir James Dunn Animal Welfare Centre, Atlantic Veterinary College, University of Prince Edward Island	CA
Welfare Quality	COM
IPSC - Institute for Protection and Safety of the Citizen of the Joint Research Centre, Unit Traceability, Risk and Vulnerability Assessment	COM/IT
Institute for Animal Hygiene, Animal Welfare and Behaviour of Farm Animals, University of Veterinary Medicine Hannover	DE
Institute of Animal Welfare and Animal Husbandry in the Friedrich-Loeffler-Institute	DE
The Faculty of Agricultural Science, Dept Animal Health, Welfare and Nutrition, University of Aarhus	DK
Universidad de Murcia	ES
Agrupació Productors d'Ous de Catalunya	ES
Universidad de León	ES
ADS Nº 2 COMARCAL PORCINO ZARAGOZA	ES
Research Centre for Animal Welfare, Faculty of Veterinary Medicine, University of Helsinki	FI
Centre for Animal Welfare, Faculty of Veterinary Medicine, University of Helsinki	FI
FVE - Federation of Veterinarians of Europe (FNOVI ITALY)	IT
Department of Animal Science, University of Milan	IT
Animal Sciences Group of Wageningen UR	NL
National Research Institute for Animal Production	PL
Veterinary administration of the Republic of Slovenia	SI
Animal Welfare and Behaviour Research Group, Department of Clinical Veterinary Science, University of Bristol	UK

Respondents to general stakeholder survey	Country
FELASA - Federation of European Laboratory Animal Science Associations	UK
Assured Food Standards	UK
School of Agriculture, Food and Rural Development, Newcastle University	UK
Shechita UK	UK

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Annex 5: Animal welfare labelling and religious slaughter

The subject of religious slaughter is of relevance in the context of animal welfare and consumer information. European legislation⁸² foresees that the obligation of stunning before slaughter does not apply to slaughter methods demanded by religious rites. *Kosher* and *halal* slaughter⁸³ practices are therefore exempted from the obligation to stun.

The meat derived from *kosher* and *halal* slaughter is not only sold at markets specifically serving religious target groups, but also at conventional food markets. One reason is that the entire or part of the carcass may be rejected due to religious prescriptions. Another reason is related to the limited purchasing power of some consumers of meat derived from religious slaughter. Their consumption pattern is often oriented more towards the most affordable part of the carcass, leaving expensive parts for conventional consumption. Some meat processors tend to systematically avoid prior stunning in order to ensure that they can react on changes in demand for both religious and non-religious markets. Whereas the meat sold at markets frequented by the target groups is mostly labelled as such, as it provides a positive attribute for the targeted consumers, the part of the animal marketed in conventional supermarkets does generally not mention that animals were not stunned as it represents a negative attribute for other consumers.⁸⁴ An expert interviewed argued that this constitutes a problem regarding consumer information.⁸⁵ A possible solution would be to require the labelling of such products.

There appear to be two possible approaches to label the products. Under a positive labelling approach, products are designated as '*kosher*' or '*halal*', meaning conform to religious rites. A negative approach implies the labelling of products derived 'from unstunned animals'. It needs to be stressed that both designations described do not have the same meaning, as many Muslim clerics accept some stunning methods.⁸⁶

Both approaches would also imply different consequences. The positive approach of requiring the labelling of products as '*kosher*' or '*halal*' could be perceived as constituting an involvement in religious prescriptions and raise issues concerning the legitimacy of EU involvement. The negative approach of labelling products 'from unstunned animals' would likely be less problematic to implement as it would be established on the basis of simple and verifiable criteria. However, in addition to likely facing resistance by relevant meat processors because of a possible decrease in demand for such products in the conventional retail sector, a main risk of such a label would be that it could be perceived by religious minorities as stigmatising *kosher* and *halal* food and therefore possibly indirectly affect religious groups.⁸⁷

Impacts of policy options on the present situation of religious slaughter depend on the content of animal welfare standards applied. A Community Animal Welfare Label (Option 6) or guidelines for the establishment of animal welfare and quality schemes (Option 7) would likely be based upon specific animal welfare indicators. If the requirement of stunning before slaughter was part of these indicators, religious slaughter practices not allowing to stun animals could be excluded from participation in animal welfare schemes. Under the option of mandatory labelling of

⁸² Council Directive 93/119/EC of 22 December 1993 on the protection of animals at the time of slaughter and killing.

⁸³ Slaughter practices that are required in order to obtain kosher and halal foods are referred to as *shechita* (for *kosher*) and *dhabiha* (for *halal*). For the reason of simplification, we here use the terms '*kosher* slaughter' (for *shechita*) and '*halal* slaughter' (for *dhabiha*).

⁸⁴ Stakeholder interview.

⁸⁵ Stakeholder interview.

⁸⁶ Bergeaud-Blackler, F. (2008): Nouveaux enjeux autour de l'abattage rituel musulman: une perspective européenne; Bergeaud-Blackler, F. (2008): L'encadrement de l'abattage rituel industriel dans l'Union Européenne: limites et perspectives.

⁸⁷ Stakeholder interviews.

welfare indicators (Option 1), producers could be requested to indicate products as derived ‘from unstunned animals’, possibly leading to negative implications for actors of religious food chains as described above. Therefore, it is unlikely that this option would find the support of all religious minority groups concerned.⁸⁸

⁸⁸ Stakeholder interview.

Annex 6: Interviews conducted

Country	Institution
EU	CRL Food Contact Materials
EU	EFSA
EU	EuroCommerce
EU	Eurogroup for Animal Welfare
EU	European Egg Packers and Traders Association (EEPTA)
EU	Federation of Veterinarians of Europe
EU	JRC/ IPSC
Finland	Animal Welfare Centre, University of Helsinki
France	Ligue Francaise des Droits de l'Animal (LFDA)
France	SYNALAF/ Label Rouge
Germany	Bioland
Germany	Friedrich Loeffler Institute/ Institute for Animal Welfare and Husbandry
Germany	German Ministry for Food, Agriculture and Consumer Protection, Animal Welfare Unit
Germany	Neuland food scheme
Germany	Veterinary School of Hannover
Italy	University of Milan; Faculty of Veterinary Science
International	Welfare Quality Project
Multinational	Product Authorisation Inspectorate (PAI Group)
Multinational	Tesco
Norwegian	Norwegian Institute for Consumer Protection
United Kingdom	Assured Foods
United Kingdom	Bristol Welfare Protocol (BWAP)
United Kingdom	Farm Animal Welfare Council (FAWC)
United Kingdom	Royal Society for the Prevention of Cruelty to Animals (RSPCA)