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**International
Markets
Bureau**

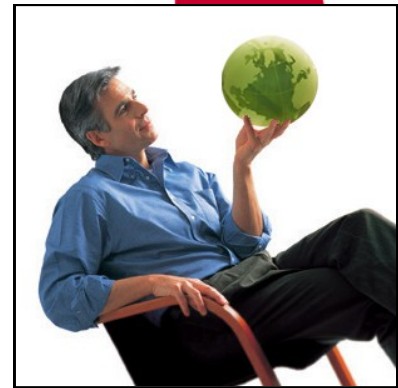
MARKET ANALYSIS REPORT | OCTOBER 2011

Socially Conscious Consumer Trends

Animal Welfare



Source: Mintel



Socially Conscious Consumer Trends

Animal Welfare



▶ EXECUTIVE SUMMARY

Grocery shoppers base their buying decisions on their personal perceptions of value. Value considers the balance between quality and price, but also how a product fits into consumers' culture, lifestyle and social consciousness. Numerous global public opinion surveys have identified the growing influence of personal values in purchase behaviour. The most common, relative to the food and beverage industry, include animal welfare, fair trade, provenance, sustainable sources, manufacturing and packaging, vegetarianism, and environmentalism. The series "Socially Conscious Consumer Trends," of which this report is a part, examines each of these issues within the global food market in more detail. The purpose of this series is to assist Canadian food and beverage producers and processors in positioning their products within, and as alternatives to, these categories.

Consumer concern for the welfare of farm animals has gained momentum alongside growing demand for animal-based products. Increasing food animal production due to growing, affluent populations, has encouraged further public awareness of this industry's linkages to health, safety, the environment and economic development. Appearing within more mature markets first, the trend is now global in scope due to the many stakeholders that are encouraging action on farm animal welfare. Recognizing the influence of international trade and the globalization of animal health concerns, governments have been working to create legislation, standards, codes of practice and labelling criteria to support food animal production, while improving welfare and protecting food security. International associations are also very involved, particularly in efforts to harmonize understanding and approaches. Associations such as the World Organization for Animal Health (OIE), and the Food and Agriculture Organization (FAO), are leading the development of international codes covering the primary elements of animal welfare, are working with individual governments on legislation and standards, and are supporting global research.

The science of animal welfare is also evolving to create a better balance between the needs of animals, and human requirements. Research has progressed from an initial focus on veterinary medicine, genetics and physiology, to include animal behaviour, economics and law. For consumers, it is the response of the food supply chain that has the most visible influence. Companies, non-governmental organizations (NGOs) and livestock producers have responded with a variety of policies, assurance systems and labelling programs. However, the proliferation of such initiatives actually threatens to create more consumer confusion due to a lack of transparency, differences in criteria, and the overall complexity of the issue. As the niche for products offering animal welfare assurance matures, as international approaches become more organized, and as consumer attitudes stabilize, it is anticipated that opportunities for producers will grow.

This report presents an impartial exploration of animal welfare within the context of global market trends and consumer purchase behaviour. Agriculture and Agri-Food Canada does not support or oppose any of the actions or perspectives presented herein.

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▶ DID YOU KNOW?

Animal welfare refers to how an animal is coping with the conditions in which it lives. An animal is in a good state of welfare if (as indicated by scientific evidence) it is healthy, comfortable, well nourished, safe, able to express innate behaviour, and not suffering from unpleasant states of pain, fear or distress. Good animal welfare requires disease prevention and veterinary treatment, appropriate shelter, management, nutrition, humane handling and humane slaughter (OIE, 2010).



▶ SOCIALLY CONSCIOUS CONSUMERS

Socially conscious consumers use their purchasing power to try and positively influence the world around them. Their decisions are based on whether a product's positioning on issues, such as the environment or method of production, align with their values, perceptions or knowledge. They can act on their conscience in positive or negative ways, either buying a product that meets their beliefs, or boycotting a product or company that doesn't meet their standards. Any internet search will result in many examples of support for the socially responsible consumption theme from media reports, blogs, research papers, economic studies and non-government organizations. Surveys and interviews with consumers from around the world report that individuals rely significantly on their social values and belief structure when making purchasing decisions. While this demonstrates a definite change in attitude, actual buying patterns in the marketplace indicate that the percentage of consumers acting on their beliefs is smaller than what is reported, generally keeping socially conscious products in niche categories.

Of the types of products included under the "ethical" umbrella, food and beverages are an area that have seen some global growth, particularly in the United Kingdom. The Cooperative Bank's *Ethical Consumerism Report* for 2010 found that spending on products classified by industry as "ethical food and drink" in the United Kingdom, increased by 27% in the last two years to reach 8% of all food and drink sales. Fair trade food sales increased by 64% to £749 million, and sales of Freedom Food certified products more than tripled, from £28 million to £122 million. Organic foods, however, declined by 14% to £1.7 million (Cooperative Bank, 2010).

Given the traction already gained in the marketplace, socially conscious consumption is likely to become more mainstream over time. A number of integrated factors will all drive this trend forward: a growing volume of national and international legislation regarding environmental and social standards; more companies enacting corporate social responsibility policies as a way to differentiate themselves and their products; greater public awareness of how purchase behaviour links to social issues; and the growing need for consumers to express their personal values through their buying patterns. Undoubtedly, there are opportunities for socially conscious food and beverage products, but it is important to clearly understand consumer behaviour in a potential market to take advantage of these opportunities. Factors to consider include:

- ▶ Consumer purchase behaviour is complex, involving numerous trade-offs of the attributes desired on that specific shopping occasion. Rarely is a purchase made based on any single characteristic, particularly on the social issues related to the product. Social consciousness must correspond with the functionality and price of the product in order to appeal to the consumer.
- ▶ Research techniques, such as surveys and focus groups, rely on people reporting their own purchasing habits or intentions, which generally does not reflect the types of decisions consumers have to make at retail. Also, there is a bias inherent in questions based on values and beliefs as people respond to what they ideally would like to do. True market-based experiments that realistically create these trade-offs and access to retail sales data are required, to get more accurate predictions of actual purchases.
- ▶ Consumers have very diverse social preferences, but actually paying for a product makes individuals even more selective in terms of which social preference carries the most importance. This diversity is further complicated by the fact that consumers may unexpectedly shift their preferences from time to time due to influences such as media, friends and family, or personal experience. This makes marketing using traditional consumer segmentation more of a challenge.

Companies that are interested in being competitive in this market need to build trust with their customers by providing reliable and relatable information about the health, social, and environmental benefits of their products and services, that can be verified by an independent source. Labelling will continue to be the most apparent explanation of why a product's production systems, footprint, packaging techniques, or ingredients are more socially responsible than those of the competition. However, a variety of other marketing techniques, particularly social media, will have to be used to promote both the product attributes and the company's approach to corporate social responsibility to successfully attract consumers interested in making purchases from this perspective.





► INTRODUCTION TO FARM ANIMAL WELFARE

Good animal care practices at all points in an animal's life, including: the prevention and treatment of disease and injury; the prevention and mitigation of pain, distress, and other negative states; and the provision of diets and living conditions that are suited to the needs and nature of animals, form the basis of good animal welfare. According to the Food and Agriculture Organization of the United Nations (FAO), the benefits of these practices extend to people, even the public good, as well as animals. By improving animal health and productivity, good welfare systems help maintain the food supply for people who produce and use animal products, contribute to food safety and overall human health, and sustain and stabilize the livelihood of livestock producers and their rural communities (2008).

Consumer attitudes toward the treatment of farm animals are influenced by individual beliefs and values, sometimes stemming from cultural influences and the priority that is given in those cultures to different aspects of welfare. Generally, animal welfare has been given greater or lesser priority in a market depending on the socio-economic development of its society. It has tended to have less currency in societies that have not undergone industrialization of their economies or animal production systems, although this is slowly changing (FAO, 2011). Academic literature seems to agree that farm animal welfare as a modern consumer issue can be traced back to several post-WWII societal changes:

- ▶ Urbanization has shifted people's perspective away from the day-to-day experience of animals on the farm as food or tools, to animals in the home as pets and companions. This relationship has been emphasized in the entertainment media where animals have been humanized.
- ▶ The rural population has moved away from a dominant agri-food base to include those new to rural living with different beliefs about food production, living standards, access to services, and sense of community.
- ▶ General industrialization has created fewer, but more productive and specialized farms. Since not all farms have animals, this has further reduced the animal agriculture voice in society.
- ▶ Government policy making has evolved to include multiple perspectives in debate and decision about issues that have a public good, such as animal welfare.
- ▶ The influence of science, particularly life science, has been met with growing skepticism. Intensive farming, corporate control, biotechnology, food safety scares, and cloning have created a cautious public.
- ▶ A more recent influence with growing power is social media. There are now many examples of how instantaneous multi-media communications has been used to influence consumers (Rowan, 2011).

The scientific assessment of animal welfare has become a key element in efforts to implement best practices. The science of animal welfare has become a global, multi-disciplinary field of research, combining areas as diverse as animal behaviour, physiology, nutrition, genetics, economics, marketing and veterinary medicine, that can identify the causes of poor welfare and the opportunities for successful intervention at all points in the production chain.

A wide range of tools have been created to encourage good animal welfare practices based on different political and commercial purposes, including: voluntary codes of practice and animal care standards developed by industry; corporate programs established by retailers and foodservice; product differentiation programs that allow consumers to purchase selectively; legislation; and international agreements created by treaties or intergovernmental organizations. Efforts to train people who work with animals to better understand animal welfare and its importance to health and profitability in livestock production, have also increased. There appears to be increased dialogue between stakeholders at regional, national, and international levels with goals of implementing globally consistent animal welfare legislation and practices that benefit both farm animals and people, and that complement other more socially-based issues facing the food system, such as impacts on food safety or the environment.





▶ PUBLIC OPINION

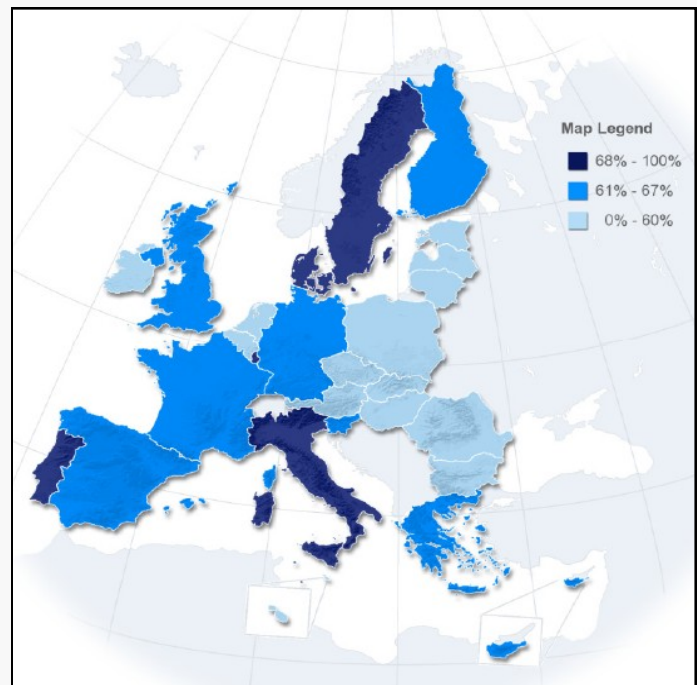
Research on consumer attitudes towards the use of animals in agriculture initially emphasized the public's perceptions and knowledge of the issue, and has now evolved to include the economic value of improving production methods, consumer willingness to pay for welfare-assured products, and government policy options. Studies have been predominately focused on developed markets, where legislation and labelling options are being discussed and implemented. However, developing regions, with their growing populations and animal productions systems, are also receiving attention. Highlights from recent research are featured in this section of the report.

EUROPE

The European Food Safety Authority conducted a survey in June 2010, to assess how consumer views on food-related risks had evolved since 2005 (Special Eurobarometer 354, 2010). The survey involved face-to-face interviews with a representative sample of over 26,000 people aged 15 and over, in the 27 countries of the European Union (E.U.).

- ▶ On a spontaneous basis, consumers reported being most concerned with chemicals and toxins, food poisoning, and diet-related disease, but the greatest increases in worry were regarding freshness, additives, colours, and preservatives.
- ▶ On a prompted basis, welfare of farm animals was considered a medium level worry for E.U. citizens, with Luxembourg, Portugal and Italy showing the highest levels and Romania, Bulgaria and Hungary the least (Figure 1).
- ▶ Since 2005, the percentage of E.U. citizens expressing worry about farm animal welfare has risen from 60% to 64%. No country saw a downward shift, while Finland, Lithuania and Luxembourg recorded the highest percentage increases in concern.

Figure 1: Geographical Representation of Percentage of Consumers Expressing Some Level of Worry over the Welfare of Farmed Animals



Source: Special Eurobarometer 354, 2010

THE UNITED STATES

At a recent animal science conference, one researcher summarized American consumer attitudes towards farm animal welfare (Norwood, 2010), the highlights of which are as follows:

- ▶ Battery cages and gestation crates/pens are unethical according to most. Educating consumers by providing objective information only makes them oppose these cages more.
- ▶ Compared to food safety and the environment, farm animal welfare is of little concern as a social issue.
- ▶ One-third of consumers in the United States (U.S.) believe that animals have a soul.
- ▶ Almost two-thirds of Americans believe that God wants humans to be good stewards of animals, and placing animals in small cages does not constitute good stewardship.
- ▶ One-third of Americans do not care about either animal misery or merriment.
- ▶ When people learn about how hens and pigs are raised, they find they are being treated in a more unethical manner than they originally thought.
- ▶ A slight majority of people desire to ban livestock practices that they believe are unethical, even if products from animals raised in an ethical manner are available to them.
- ▶ Most Americans do not want livestock to suffer, but care very little about the happiness of the animals.



ASIA

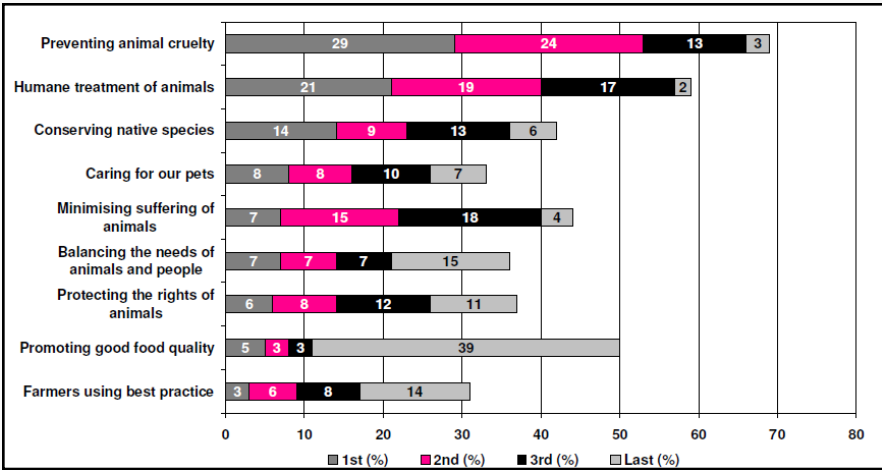
Many countries in Asia have not placed a high priority on animal welfare standards and are just beginning to see an increase in consumer interest. Like the progression in developed countries, special interest groups are initially focusing their efforts on stray and companion animals, animals in entertainment, and on issues related to transport and slaughter, while concerns about how farm animals are raised have not yet been addressed. Consumer research data is limited, however, one study of university students in China found generally positive attitudes and behaviors toward animal welfare initiatives. It concluded that this study, combined with previous work reported in the literature, demonstrated that the Chinese public is perhaps ready to support changes needed to improve animal welfare standards in their country (Davey, 2006).

AUSTRALIA

An objective of a study conducted in 2006 for the Australian Animal Welfare Strategy was to understand community views on animal welfare (Figure 2). In terms of farm animals, consumers thought that the level of animal welfare was dependent on whether the animal was an ongoing asset (such as a dairy cow) or bred for slaughter. Some of the key concerns raised in relation to livestock were associated with specific practices such as:

- ▶ caged and battery hens;
- ▶ mass production of animals;
- ▶ the use of hormones to speed growth;
- ▶ mulesing of sheep; and
- ▶ forcing vegetarian animals to become carnivores (e.g., boosting their feed with other animal byproducts)

Figure 2: What Good Animal Welfare Means to Me (%)



Source: Government of Australia. Attitudes Towards Animal Welfare (2006)

CANADA

Recently, researchers from the University of Saskatchewan examined the growing consumer demand in Canada for farm animal welfare protocols and product assurances, in order to see whether demand is being driven by a small segment with strong preferences, or by a more fundamental shift in society. They used samples from both the general population and members of animal welfare organizations to assess consumer attitudes towards welfare assurances for pork products, as well as the credibility of quality verification by public sector, private sector, and third party agents (Uzea, 2011). The analysis demonstrated a wide diversity of consumer preferences for animal welfare assurances and suggested that, at present, a market-driven system using credible quality assurance mechanisms would balance consumer demand. Some consumers, particularly those representing the welfare organizations, demonstrated strong preferences for animal welfare, both from personal and public-good perspectives, and wished to base their purchase decisions on these preferences. Others felt less strongly about the issue and were satisfied with products derived from conventionally reared livestock. The results also showed that quality assurance linked with an 'official' verification system had credibility. Both the general population and the interest group sample regarded quality verification by government as credible, with the interest groups also seeing third parties, such as supermarkets, as another source of verification.



► STANDARDS AND LEGISLATION

Standards and legislation relating to farm animal welfare around the world are complex and evolving. Although not currently used as a trade restriction, the potential impact of private and public standards on trade and market access is being discussed and debated at international levels, including the World Trade Organization (WTO). From an export perspective, meat and livestock products will at least have to compete against domestic certified-humane products in a market, and could potentially face access restrictions in the future. It is essential that Canadian livestock sectors maintain a good understanding of how legislation and standards are evolving globally and in specific markets in order to succeed internationally. For those interested in specific legislation by country or region, several resources can be found at the end of this report.

Animal welfare legislation has evolved as countries respond to threats of animal disease, media and public campaigns, retail and producer demands, and pressure from trading partners. Most countries have at least basic legislation for cruelty to animals and penalties for those found to cause suffering, with regulation around humane transport and slaughter being the next step. There is a great deal of diversity in approach after that level, from stand-alone farm animal law, to adaptations of pre-existing legislation on animal health and veterinary matters, to voluntary codes of practice. Canada for example, has developed species-specific voluntary codes of practice for farm animal welfare.

In the U.S., many individual states have started to take action related to farm animal welfare, often as a result of voter referendums. Maine, Michigan, Ohio, West Virginia, Florida, South Carolina, Indiana, Georgia, Colorado, Oklahoma, Arizona, California, Oregon and Utah all have statutes in place, or scheduled, that deal primarily with housing systems (National Agricultural Law Centre, 2011).

The E.U. has taken stringent legislative approaches, such as pending restrictions on specific confinement practices, the use of cages for laying hens and crates for veal calves, and a ban on the use of sow gestation stalls. The E.U. is also a proponent of the use of animal welfare production standards in international trade.

The World Organization for Animal Health (OIE) works with 36 other international and regional organizations to improve animal health on a global scale. Animal welfare was added to their mandate in 2001 in response to members who wanted a leading international agency to provide a better guarantee of the safety of food of animal origin, promote animal welfare through a science-based approach, and help harmonize and implement standards, particularly with developing countries. The OIE has adopted seven animal welfare standards related to food animals, including: transport of animals by land; transport of animals by sea; transport of animals by air; slaughter of animals for human consumption; killing of animals for disease control purposes; welfare of farmed fish during transport; and the welfare aspects of stunning and killing farmed fish for human consumption. Work on animal welfare in livestock production systems, with broiler chickens and beef cattle as the first matters to address, is well underway. Future priorities include dairy cattle and pigs.

Five Freedoms

The United Kingdom was one of the first countries to recognize the need for farm animal welfare standards in more industrialized production systems. In 1965, the government established the Five Freedoms; the ability for all animals to have the freedom to stand up, lie down, turn around, groom themselves and stretch their limbs. In 1993, these were revised to a statement of fundamental principles that are now widely accepted, and used as a foundation in assessing the basic welfare needs of an animal at all points from farm to processing. They are:

1. freedom from hunger and thirst – by ready access to fresh water and a diet designed to maintain full health and vigour;
2. freedom from discomfort – by the provision of an appropriate environment including shelter and a comfortable resting area;
3. freedom from pain, injury or disease – by prevention or through rapid diagnosis and treatment;
4. freedom to express normal behaviour – by the provision of sufficient space, proper facilities and company of the animal's own kind; and
5. freedom from fear and distress – by the assurance of conditions that avoid mental suffering.

Source: Farm Animal Welfare Council, 2007



▶ LABELLING

The influence of animal advocacy organizations is evident in many changes to public policy, however, lobbying efforts are also influencing food marketing. The adoption of private standards as part of the production and procurement guidelines for processors, retailers, and food service is becoming more prevalent. Such standards can be based solely on animal welfare, or include animal welfare among other attributes, and can be managed by independent third parties, the private sector, or even by companies themselves. There is evidence that private standards can have a positive effect on consumer confidence and sales by standardizing best practices, helping create a level playing field for domestic producers, and boosting consumer confidence. However, the current proliferation of these private programs does have risks associated with consumer confusion. Wide variations in standards, with labelling claims such as “free-range,” “natural,” “humanely raised,” and “organic,” make it difficult for consumers to know how the animals producing the meat, milk, or eggs they purchase were cared for. In addition, these private initiatives can compete with the efforts of organizations such as the OIE and FAO to bring forward a more harmonized, international approach to standards. Even with stand-alone animal welfare standards there can be confusion. In the United States, products can carry either “Certified Humane,” “American Humane Certified,” “Animal Welfare Approved,” “United Egg Producers Certified,” “Food Alliance Certified,” or “Global Animal Partnership Step 5 Plus” labels (USDA Animal Welfare Information Centre, 2011). In Australia, the potential for confusion is even stronger due to their 14 established labelling programs (Humane Society International, 2011). This section reviews some examples of NGO and association approaches to labelling.

FREEDOM FOOD

In 1994, the Royal Society for Prevention of Cruelty in Animals (RSPCA) in the United Kingdom established Freedom Food, a farm assurance and food labelling program. Freedom Food has become a trusted and respected brand for those interested in ensuring that the food they consume comes from a supply chain dedicated to higher welfare standards. The program now has over 2,800 participants, 1,000 products in stores, and has seen continued growth even during recessionary times. According to the website, Freedom Food now accounts for 20% of U.K. pig production; 42% of U.K. duck production; 7% of U.K. turkey production; 7% of U.K. chicken production; and 60% of Scottish salmon production (RSPCA, 2011). Freedom Food standards are developed in consultation with producers and a range of technical experts. Producers pay an annual membership fee based on the type of operation (farm, processor, abattoir), the number of animals and species involved, and a license fee for the use of the Freedom Food label. A large percentage of the licence fee is made available to retailers to help promote Freedom Food products in store, and to organize national and regional campaigns to promote the scheme. U.K. supermarkets have been quick to recognize the integrity of the Freedom Food trademark (Figure 3), but independent shops, online retailers, mail order suppliers, and foodservice institutions have also started to market Freedom Food. For more information, visit www.rspca.org.uk.

Figure 3: Freedom Food Availability Guide

		Freedom Food availability guide														
		PRODUCT														
		Chicken	Chicken	Eggs	Turkey	Pork	Beef	Salmon	Sausages	Beef	Cooked Meats	Milk	Lamb	Sausages & Ready Meals	Eggs	Feeds
	ASDA	✓		✓	✓	✓			✓							
	BOOTH'S	✓		✓						✓			✓	✓		
	BUDGENS	✓		✓		✓			✓							
	COOP	✓		✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	
RETAILER	COSTCO							✓			✓					✓
	ICELAND			✓				✓								
	MAKRO				✓				✓							
	MORRISONS	✓		✓		✓		✓	✓				✓			
	NISA TODAY			✓				✓								
	SAINSBURYS	✓		✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
	SOMERFIELD	✓		✓		✓		✓	✓		✓					
	SPAR		✓													
	TESCO	✓		✓	✓	✓	✓	✓	✓			✓	✓			✓
	WAITROSE					✓	✓	✓	✓							

Source: Royal Society for the Prevention of Cruelty to Animals, 2011

LABEL ROUGE

Label Rouge was created in 1960 by farmers in France, interested in providing consumers with chicken produced from traditional means rather than the more intensive systems that emerged post WWII. With strong public and private sector support, it has evolved into a successful program that delivers a premium product while guaranteeing welfare, protecting the environment, and supporting family farms. Approximately 6,000 or 40% of poultry farmers in the country are organized into separate regional alliances that market under the Label Rouge umbrella, but with their own branded product based on their locale or “terroir”. In addition to chicken, the lines include turkeys, ducks, geese, quail and guinea fowl.

▶ LABELLING (continued)



Prices for Label Rouge products are generally at least 60% higher than conventional variations, however, today 1 in every 10 chickens consumed in France carries the Label



Source: Label Rouge Poultry

Rouge sticker. These numbers reflect a rebound seen since 2005 when the growth of the organic market and the recession lowered the Label Rouge market share. Production is controlled by strict specifications, supervised from incubation to slaughter, and enforced by independent third-party certifying organizations. In addition to regular inspections, there are five taste-tests a year to determine that these products are "vividly distinguishable" from conventional poultry. This argued superior taste is credited to the use of slow-growing breeds, which are reared in the open air and for twice as long as standard poultry. Feed rations must consist of at least 75% cereal and must be non-medicated. There is a strong emphasis on sustainable farming methods, with no more than two hours traveling time or 64 miles to a processing plant. For more information, visit www.poultrylabelrouge.com/.

WHOLE FOODS: GLOBAL ANIMAL PARTNERSHIP

Global Animal Partnership (GAP) was established in 2008 as an animal welfare standards setting organization, evolving from the Animal Compassion Foundation program developed by Whole Foods Market (a natural and organic food retailer in North America and the U.K.). Animal welfare scientists, advocates, farmers and retailers are represented within the organization, and have created a 5-step ratings system for beef, pigs and chickens raised for meat. Each step has its own distinct label highlighting specific requirements that have been met by producers to the indicated level. Generally the requirements correspond to the following:

- ▶ Step One: No crates, no cages, and no crowding;
- ▶ Step Two: Indoor environments must include minimal enhancements to encourage natural behaviours;
- ▶ Step Three: Outdoor access along with environmental enhancements to encourage natural behaviours;
- ▶ Step Four: Pasture centered – improved standards for outdoor areas;
- ▶ Step Five: Animal centered – all physical alterations prohibited; and
- ▶ Step Five Plus: Animal centered – the animals spend their entire life on same farm.

Some of the higher standards also include consideration of other parameters such as weaning periods, animal health, and transport. Authorized, third-party certification companies, with trained and ratified auditors, perform the audits and issue Step certificates as appropriate. GAP feels that this approach will:

- ▶ recognize and reward producers for their animal welfare practices and provide incentive for continuous improvement;
- ▶ engage a broader spectrum of producers both large and small;
- ▶ allow a wider selection of products at various price points for greater consumer choice; and
- ▶ better inform consumers about the production systems they may choose to support.

GAP estimates that more than 140 million animals annually are raised according to their Animal Welfare Rating Standards, by more than 1,430 farms and ranches that have already been audited and certified. For two years, GAP had an exclusive pilot program with Whole Foods Market (including Canadian stores, where the labels were launched in August 2011), however they are now seeking to expand the program into both restaurants and other grocery retailers. For more information, visit www.globalanimalpartnership.org.



Source: GAP, 2011

▶ CORPORATE APPROACHES



In addition to participating in labelling schemes, companies have been investing in social responsibility and the development of policies and practices that address the social issues most related to their businesses. Companies have also been taking leadership roles in the advancement of such initiatives. Tesco and McDonalds are two examples of this trend.



Tesco has a team dedicated to agriculture that is responsible for strict livestock codes of practice, which cover all aspects of farming and ensure good environmental practices, including welfare and food safety. These codes of practice are applied wherever they source their product, regardless of country of origin. An independent auditing company is responsible for ensuring supplier compliance. Their website provides standards for each of the key species, and also provides specific technical information for those interested in more detail. Tesco has also taken an additional step in terms of whole farm sustainability and viability with the creation of the Food Animal Initiative (FAI). FAI is both an academic resource and a farming enterprise that brings together commercial agriculture, researchers, non-governmental interest groups, and policy makers. Its objective is to develop food production systems with better animal welfare, improved farmland environments, and that are economically sustainable from primary producer through to the consumer. The 505-hectare farm, which produces beef, lamb, pork, and chicken, works to develop practical production systems that enhance animal welfare, but that can be economically viable and readily adopted by other producers. The farm also hosts visitors and educational programs. For more information, visit <http://tescofarming.com>.



McDonald's is considered the world's leading global foodservice retailer, serving over 60 million customers each day in more than 32,000 locations, with 1.7 million employees in 117 countries. It has a history of being criticized for its poor animal welfare practices and, as a result, has worked to become an example of best practices. The company created an Animal Welfare Council composed of leading academic animal welfare experts to help establish best practices and guiding principles, and is now taking a leadership role in the industry. In November 2010, McDonald's joined the World Wildlife Fund U.S. as a lead sponsor of the first Global Conference on Sustainable Beef. The goal was to raise awareness of sustainable beef production issues, present current research, case studies and best management practices, and to build consensus around the key global environmental impacts of beef production as the foundation for a sustainable beef work plan. Some key McDonald's standards relevant to Canadian producers are as follows:

- ▶ All Canadian egg-laying hen suppliers have complied with McDonald's global policy of increasing the size of each bird's cage to a minimum of 72 square inches per bird, exceeding the guidelines laid out by the Canadian Food Inspection Agency's (CFIA) 'Recommended Code of Practice' for poultry.
- ▶ McDonald's Canada prohibits the use of downer cattle in raw materials specifications.
- ▶ McDonald's Canada does not support the improperly controlled practice of beak trimming.
- ▶ McDonald's Canada does not support the practice of withdrawing food or water to induce molting in egg-laying hens.
- ▶ McDonald's Canada works with chicken handlers to reduce the incidence of broken bones in the birds.
- ▶ On June 19, 2003, McDonald's implemented its Global Policy on Antibiotic Use, calling for its suppliers to phase-out the use of growth promotion antibiotics in its meat supply.

For more information, visit www.mcdonalds.ca.

▶ WHERE THEY STAND



Many associations and companies are actively assuring their customers that their products are responsibly developed within their own stringent animal care guidelines. Those interested in supplying their products to the processing, retailing, and/or food sectors in any part of the world, must be prepared to meet these private protocols and standards regarding farm animal welfare for continued access to that market. The following examples are excerpts taken from corporate websites.



We encourage our suppliers to participate in initiatives to define good animal welfare practices and improvement programs in the countries and/or regions where they are sourcing, processing and marketing products from animal origin. Good animal welfare practices should address issues such as housing, hygiene, feeding and feed, health management and the management of antibiotics, water supply, mutilations, transport, slaughtering practices and traceability. We will ensure that our suppliers comply with legal requirements and accepted industry standards with respect to animal welfare. We will develop animal welfare criteria in our sustainable sourcing program, building on our experience in the sustainable agriculture program and taking into account the different regional perceptions and adequate supply. Programs for the implementation of good animal welfare practices may be based on voluntary standards agreed to by the industry and/or may be developed by third-party certification organizations. Unilever will be transparent on which specific standard the animal welfare criteria of its products will be based.

For more information, visit <http://www.unilever.com/sustainability/consumer/welfare/>.

We require humane animal handling at Cargill facilities and insist that our partners and suppliers do the same, through policies such as purchasing hogs in the United States only from farms certified by the National Pork Producers quality assurance program. Our animal welfare practices are designed to ensure that the livestock and poultry under our care are raised in an environment that satisfies their physical, nutritional and health requirements, and that they are cared for in a manner that minimizes distress. Our U.S. employees working with beef cattle are trained and certified in humane animal handling.



For more information, visit <http://www.cargill.com/>.



Sysco is a global leader in selling, marketing and distributing food products to restaurants, healthcare and educational facilities, lodging establishments and other customers who prepare meals away from home. Sysco works closely with its suppliers to be sure animals are treated in a humane manner. To achieve this, internal and third-party auditors are used to assess meat, poultry and egg suppliers against a set of science-based standards that include raising and handling practices, access to feed and water, facility design, environmental conditions, employee training, transportation practices, animal handling practices at the harvest facility and, for specified programs, handling practices on the farm.

For more information, visit <http://www.sysco.com/>.

- The Food Marketing Institute (FMI) believes animal welfare issues, including animal husbandry practices and humane processing are issues of importance to all of its members.
- FMI believes animals can and should be raised, transported and processed using procedures that are clean, safe, and free from cruelty and abuse.
- FMI will work cooperatively with its counterparts in the food industry to promote production “best practices” for each species that will strengthen food quality and safety and ensure animal well-being at every step of the production process.
- FMI will consult regularly with experts in animal husbandry, veterinary medicine and agricultural production to obtain objective, measurable indices of desirable practices in the growing, handling and processing of animals in food production.
- FMI will continue to urge the appropriate state and federal government agencies to strictly enforce animal protection laws.
- FMI will work with suppliers to communicate examples of best practices in order to maintain consumer confidence in the safety of the food supply.



For more information, visit <http://www.fmi.org>.

► **WHERE THEY STAND (continued)**



Kraft Foods recognizes that animal welfare is a societal concern, especially in the U.S. and the E.U. where we source most of our ingredients of animal origin. We require our facilities and our direct suppliers' facilities in the U.S. and E.U. that manage live animals, to meet industry standards and government regulations on animal welfare. These standards cover the handling, housing, transportation and slaughter relevant to each operation. Suppliers in the U.S. must demonstrate compliance with the respective animal welfare standards by having audits conducted annually by a third party. In the E.U., our direct suppliers have to comply with the established animal welfare regulations, and those exporting to the E.U. are required to meet those standards as a legal condition of export.

For more information, visit <http://www.kraftfoodscompany.com>.



As a major purchaser of food products, Yum! (A&W, KFC, Taco Bell, Long John Silver, Pizza Hut and Wing Street) has the opportunity and responsibility to influence the way animals supplied to us are treated. We take that responsibility very seriously and monitor our suppliers on an ongoing basis to determine whether our suppliers are using appropriate procedures to care for and handle the animals they supply to us. As a consequence, it is our goal to only deal with suppliers who promise to maintain our standards and share our commitment to animal welfare. Yum! Restaurants International (YRI) has established the Global Animal Welfare Program based in science and best practice with input from the U.S., U.K. and our Animal Welfare Advisory Council, which will allow for adjustments to cover local needs and regulations. This global program will enable a consultancy approach that drives better understanding of our objectives and animal welfare in general, especially with respect to developing countries. Our collaborative approach with suppliers to date has fostered a trusting partnership, to the point that we are asked to provide input when challenges arise. We also encourage our suppliers to invest in research and development that leads to improvements in welfare, and include successes that are supported by science in our program scope. Over the next 2 years, YRI expects to have an established, sustainable Animal Welfare Program that governs itself even between audits. Long term, we will establish additional welfare programs for our beef, pork, and dairy supply building off of the foundation established by our Animal Welfare Program.

For more information, visit <http://www.yum.com/>.

GLOBALG.A.P. is a private sector body that sets voluntary standards for the certification of agricultural products around the globe, to ensure the production of safe food while respecting worker health, safety and welfare, as well as environmental and animal welfare considerations. The aim is to ensure the integrity, transparency and harmonization of global agricultural standards by establishing one standard of Good Agricultural Practice (GAP) with different product applications. It is a pre-farm-gate standard that covers the process of the certified product from farm inputs like feed or seedlings, and through all activities until the product leaves the farm. GLOBALG.A.P. certification is supported by an increasing number of international retailers and foodservice providers who recognize the emerging patterns within international trade. Existing national or regional farm assurance schemes can be recognized as equivalents to GLOBALG.A.P. Retail members are pictured at right.



For more information, visit <http://www.globalgap.org>



► CONCLUSION

Farm animal welfare, as a consumer issue, is complex. Public opinion research demonstrates that shoppers across the globe are becoming more socially conscious when making food and beverage purchases, and that farm animal welfare may be part of their decision making process. Research has also shown that actual purchase behaviour does not always match consumer responses to public opinion surveys. Farm animal welfare, from a food system perspective, is also complex. The private sector has taken the lead in responding in the marketplace, while governments and international associations are working through the intricacies of harmonizing animal welfare definitions, measurements, production standards and established legislation on national and international levels. Animal welfare science and producer associations are using the best available information to continually establish best practices that both improve animal care and economic viability. In this environment, it is important for those linked to the livestock sector to maintain their knowledge of animal welfare from the perspectives of science, consumer trends, market access, standards and legislation, and supplier requirements.

► FURTHER READING

Animal Welfare in Canada

The Canadian Food Inspection Agency

<http://www.inspection.gc.ca/english/anima/trans/infrae.shtml>

Animal Welfare Initiatives in Europe - Technical Report on Grouping Method for Animal Welfare Standards and Initiatives

Research Institute of Organic Agriculture

http://www.econwelfare.eu/publications/EconWelfareD1.1-final_updateOct2010.pdf

EconWelfare: Socio Economic Aspects of Farm Animal Welfare

<http://www.econwelfare.eu/>

EUROPA: Food Safety from the Farm to the Fork

http://ec.europa.eu/food/animal/welfare/index_en.htm

International & Foreign Animal Law Research Guide, The Georgetown Law Library

<http://www.ll.georgetown.edu/guides/internationalanimallaw.cfm>

International Animal Law

<http://www.animal-law.biz/>

Legislative and Regulatory Options for Animal Welfare, 2010

Food and Agriculture Organization of the United Nations

<http://www.fao.org/docrep/013/i1907e/i1907e01.pdf>

Overview of Animal Welfare Standards and Initiatives in Selected EU and Third Countries 2010

Research Institute of Organic Agriculture

http://www.econwelfare.eu/publications/EconWelfareD1.2Report_update_Nov2010.pdf

Sustaining Animal Agriculture: Balancing Bioethical, Economic and Social Issues.

Proceedings from CAST Food-Animal Agriculture Symposium, 2010

<http://www.nal.usda.gov/awic/pubs/CASTSymposium10Jun08.pdf>

Welfare Quality: Science and Society Improving Animal Welfare in the Food Quality Chain

<http://www.welfarequality.net/everyone>

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The Government of Canada has prepared this report based on primary and secondary sources of information. Although every effort has been made to ensure that the information is accurate, Agriculture and Agri-Food Canada assumes no liability for any actions taken based on the information contained herein.

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