European Animal Welfare Platform
Progressing animal welfare
through the food chain

The Marketing and Communication of Animal Welfare: a review of existing tools, strategies and practice

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The **European Animal Welfare Platform** (EAWP) aims at improving farm animal welfare throughout the food chain. It does so by providing a discussion platform where stakeholders like farmers, processors, retailers, academics and a variety of NGOs can meet.

EAWP is a three year EC sponsored project under the Seventh Framework Programme for Research. It builds on and benefits from the results of Welfare Quality©, another EC-funded research project. The **EAWP aims to stimulate open debate** and to strive for consensus across the seemingly conflicting views of the various interest groups. This includes analysing and prioritising welfare risks in supply chains and facilitating exchanges of experience and knowledge on good practices.

Results of the EAWP forum should offer **win-win situations**: farmers will find that improving animal welfare is likely to increase cost-effectiveness and profitability; producers and retailers will highlight the high standards of their products and thereby improve public perception and image; consumers will be reassured about how their food is being produced.

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1. Selling Welfare

Advertising is based on one thing, happiness. And you know what happiness is? Happiness is the smell of a new car. It's freedom from fear. It's a billboard on the side of the road that screams reassurance that whatever you are doing is okay. You are okay. (Don Draper in '*Mad Men*' series 1 Episode 1).

Consumers, for a wide variety of often complex reasons, are concerned about the welfare of farm animals and are prepared to make food choices on the basis of that concern. **Food chain actors** believe that the welfare of farm animals can be an added value component of product quality and therefore a mechanism for either creating price gains, trade advantage or brand difference or for assuring customer fidelity. Finally, **producers**, more and more aware of both the aforementioned consumer concerns and retailer strategies, and yet also mindful of their own responsibility and professional status as stockpersons, are increasingly responding to the need to maintain and improve welfare standards through their incorporation into good practice. Animal welfare thus emerges in a number of different commercial guises as a component of:

- ethical concern
- product quality
- added value
- brand differentiation
- market access
- professional status
- pro-environmental practice
- regulatory conformity

These are the related but distinct drivers of the current attention being paid to farm animal welfare across Europe and beyond. While the legislative and regulatory base for farm animal welfare has substantially grown in many States within Europe and elsewhere over the last 20 years, the most dramatic developments have arguably been in the 'commodification' of farm animal welfare and its expanding role and place within food marketing and commercialisation strategies. It is clear from any review of recent gains in the welfare of farm animals across Europe that, in a number of countries (such as the UK and the Netherlands), the market has played a key role in selectively driving up standards, in many cases well beyond regulatory minima, as supply chain actors employ animal welfare criteria to create additional value on particular products. Beginning with 'quality' food products, defined by production standards and selling at a premium to a specifically concerned clientele, higher welfare production methods have, in certain sectors – such as, most notably, fresh eggs – become increasingly widespread to the extent that additional product value is no longer the only driving concern.

Producers are having to meet ever-higher welfare conditions merely to gain competitive access to retailer shelves while retailers themselves increasingly see farm animal welfare as a broader component of their own social and ethical responsibility and thereby client fidelity.

Although 'welfare labelling' as such is still relatively new, at least at a major international scale, the entry of farm animal welfare into commercial and marketing therefore goes a long way. It is gradually pervading an increasing number of general assurance schemes, themselves increasingly seen as a necessary element to commercial acceptability and penetration at all levels of the food chain (from farm to transport to slaughter and beyond); it is of growing importance in Corporate Social Responsibility (CSR) statements, it is seen as a major consideration in retailer buying strategies, it is increasingly written into marketing campaigns and so on. In this way, farm animal welfare is becoming both a component of more visible **differentiation** and an element of less visible **standardisation**; the former as different food chain actors seek to differentiate products arising from higher welfare production systems from more standard production, and thereby create either added value or greater recognition; the latter as welfare criteria and standards (mainly based upon legislative requirements) become more common-place throughout supply chains.

Not all European countries however, see the market as the principal means of providing higher welfare standards, preferring instead (as in, for example, Norway) to rely upon robust internal welfare legislation and a sense of 'national branding' through which domestic production systems are held to be more inherently welfare-friendly than those from which food is imported.

Finally, in certain States, or indeed in certain regions, where there is a longstanding and often institutionalised practice of explicitly linking particular agronomic and gastronomic food qualities to specific territorially embedded production systems, farm animal welfare is perceived, by both consumers and food chain actors, as an intrinsic component of traditional 'quality' production techniques.

These different strategies of farm animal welfare promotion evoke different responsibilities. Market strategies place the burden of both action and accountability primarily on the part of retailers, the dominant actors in contemporary food supply chains, and professional producer organisations. Regulatory strategies, which are common to all States but play different roles in actively stimulating welfare gains, are chiefly the responsibility of States and their agents. Quality strategies, by contrast, are often more closely associated with the territorial actors themselves; the producers and producer groups or, in certain instances, with retailers working closely with producers.

Yet, it is worth noting that despite obvious consumer and citizen concern, apart from a few very specific products or product ranges, farm animal welfare is rarely a stand-alone selling point for food. Indeed, retailers across Europe have consistently rejected the idea of developing any 'animal welfare' label on their food products, arguing that, on its own, animal welfare doesn't sell. The few specifically welfare assurance/labelling schemes that do exist are generally run and operated either by NGOs or by individual producer groups and even these are by no means always explicitly labelled as such by retailers. Nevertheless, welfare concerns and welfare standards are increasingly prevalent within supply chains. The paradox is that these concerns and standards are becoming less and less immediately discernable at point of sale[1].

This short paper offers a review of the various marketing strategies and tools adopted by different actors in the food supply chain, from farmers thrugh to retailers and NGOs, to promote farm animal welfare.

2. The market for welfare

Market forces are currently being fore-grounded as a panacea for the delivery of an increasing number of public goods, including farm animal welfare. At the risk of oversimplifying a highly complex area, market forces – as a mechanism for generating positive externalities - operate along two principal lines:

• Negative welfare costs
• Good welfare pays

Food sectors actors have actively pursued both of these lines, seeking on the one hand to assure and re-assure consumers that standards are met, while at they same time seeking competitive advantage from higher welfare products. Over the last 10 or so years, retailers and other food chain actors have been quick to pick up on (and in some cases, directly and overtly stimulate) consumer demand for higher welfare standards. In this way, welfare has become a viable component in product and brand segmentation. Products coming from higher welfare systems can be sold for higher prices, enabling retailers and food chain actors to compete on the basis of quality as well as on cost. This has been a lively and innovative competition with many retailers (and manufacturers) actively segmenting their product ranges to be able to compete at both levels simultaneously (for example selling cheap, lower welfare chickens in a 'value' range, while at the same time, selling chickens produced to a higher welfare standard in a 'quality' range). Perhaps the most effective segmentation has taken place in the field of eggs which, having anticipated EU legislation on battery systems, has now extended far beyond it with many retailers announcing a total ban on the sale of eggs from any form of caged system. This has been a good illustration of the ‘power’ of the retail sector and the market in driving welfare standards upwards. Although meeting higher welfare standards can involve a higher cost to producers and to retailers, the evidence suggests that this can be met by higher product costs. However, this is far from always the case and it is not certain that the higher prices obtained at point of sale will necessarily be shifted down the food chain. Conversely, in certain circumstances, retailers will themselves absorb the higher costs in order to promote brand allegiance amongst their customers.

The principle that ‘negative welfare costs’ has also been an increasingly prevalent and implicit component of food chains. Going beyond the punitive impact of legislative non-compliance, the chief mechanism for ensuring that negative welfare costs’ is through the gatekeepering of access to markets. Unless farmers, or farm systems, comply with welfare standards set by food chain actors (whether abattoirs, manufacturers, exporters, importers or retailers), through adherence to assurance schemes, they will not be able to sell their products, or will have to sell at a lower cost. With the dramatic increase in assurance schemes and minimal trading standards operated by food chain actors and NGOs, the message that ‘poor welfare costs’ (from producers to retailers) is a potentially strong one.

Assurance schemes emerge as a critically important mechanism for both the ‘good welfare pays’ and the ‘poor welfare costs’ approaches. They provide retail actors, producers, levy boards, manufacturers and NGOs with a means of ‘guaranteeing’ quality to those consumers (or other food chain actors) ready to pay a higher price for high welfare products, or ready to continue shopping in a retail outlet that they associate with such products. They provide producers with ‘evidence’ of their own good husbandry practice. Their current proliferation and the different ways they can be valorised with the retail chain are, nonetheless, areas of possible confusion and limitation. In terms of poor welfare costing, assurance schemes clearly act to deny producers with poor standards of welfare access to retail shelves.

It is here that the tandem of market forces and regulation comes into play, with regulation ensuring longer-term objectives and building in a cumulative fashion upon individual gains. Additionally, regulation is able to govern those aspects of the production process for which the market cannot gain any degree of competitive advantage. Yet, if regulation (or moral concern) achieves a totally level playing field, the capacity for market forces to segment, create competitive advantage and thus drive up standards is potentially diminished. Regulation should not inhibit acceptable levels of differentiation (which are conventionally position above the level of a desired universal minimum).

3. Strategies for the commercialisation of higher welfare products

The commercial strategies of retailers, food manufactures, farmers' groups and other food chain actors are absolutely critical in promulgating farm animal welfare as a means of gaining higher prices, a means of gaining competitive advantage or as a means of demonstrating corporate ethical responsibility (and through it consumer fidelity)[2].

Validation: With increasingly consumer protection legislation and the duty placed upon food chain actors to show 'due diligence' in procurement, processing and labelling, welfare conditions are generally used within commercial strategies to ***validate*** the claims made by food chain actors about the quality of their products. Such validation is largely achieved through auditing and traceability procedures. The choice of which aspects of animal welfare are to be validated, and the mechanisms of auditing employed will be driven by the commercial reasoning behind specific claims. If a food chain actor decides that a particular welfare issue (say, for example, lameness in dairy cattle) is one that they want to draw consumer (or other food chain actors) attention too, then it is this commercial decision that will inform the welfare assessment put into place. In other words, the welfare conditions are, from the outset, framed by their potential to be validated within commercial strategies.

Creating Markets: It would be wrong to assume that retailers, in particular, are merely passive actors responding to consumer demand. Retailers, and other food chain actors, actively 'create' demand and edit consumer choice – though this latter strategy is more often the result of prescient analysis of consumer demand potential and brand positioning, rather than active ethical proselytisation (though of course, this is exactly how more specialist ethical traders operate). Retailers decide which qualities of any given food product should be enrolled into a commercial strategy and which mechanisms might be employed to explicitly validate any claims made. Animal welfare thus becomes one component in the wider toolbox of 'quality' or 'ethical' values that retailers and other food chain actors can draw upon in the 'invention' of product characteristics and thereby of consumer demand. As a result, such actors will draw upon different aspects of farm animal welfare in different ways, some having greater potential to 'create' markets than others. Moreover, other aspects of farm animal welfare, such as those relating to conditions of transport, slaughter and so on, may well be deliberately obscured from commercial strategies. Finally, welfare itself is generally 'bundled' up with a range of other product qualities (taste, environmental conditions and so on – with this 'bundling' displaying significant national variations), meaning that food chain actors can be highly creative in developing the broader quality and ethical profiles of their products (and the validation procedures that lie behind them).

Segmentation: Critically, farm animal welfare is a component of product segmentation. As argued above, segmentation and differential category management is the cornerstone of (retail) commercial strategy. Animal welfare is being increasingly used by food chain actors (and particularly retailers) to differentiate products and to segment product ranges.

"Our strategy has been to propose a segmentation based upon two types of meat: a standard (low cost) beef derived from ex-dairy cows and a high quality beef product coming from identified groups of producers from a particular area with a particular breed". (French retailer, Beef Category Manager)[3].

As an ethical concern, animal welfare has become generic, only at the base level of mandatory conformity to national (and European legislation). From this, relatively low base, food chain actors have constructed a highly variable topography of welfare claims and products, with high welfare products, in some cases being specifically labelled as such, being sold as part of quality product ranges, or – in other cases- becoming incorporated in broader supermarket brands.

Labelling and Assurance: The most visible element of the use and marketing of animal welfare criteria in product or brand differentiation is found in labelling schemes. These operate at a number of different levels ranging from the highly specific, combining a distinct welfare-focused assurance scheme, assessment protocol and distinctive independent product label visible at point of sale (for example the English '*Freedom Food*' label supported by the Royal Society for the Protection of Cruelty to Animals or the number of 'Organic' labels operating within the EU), to more generic labels, representing more general assurance procedures covering a wide range of production practices (including welfare) and displayed through a logo that may or may not be visible at point of sale but which is used within supply chains as guarantor of standards being met (such as the UK's '*Red Tractor*' label operated by the industry body Assured Food Standards and emerging as a generic standard for many food chain actors, including many retailers). Individual retailers, or specific outlets – such as organic shops – may operate their own 'quality' or organic range labels which include generic or specific welfare standards generally set higher than for conventional ranges (for example the '*Peters Farm*' label operated by Albert Heijn in the Netherlands) and often employing slight variations on existing assurance and audit mechanisms. Producer groups and food manufacturers may use the template of a recognised national quality label to formulate additional animal welfare criteria under their own product or brand labelling (for example, the many products sold under the French '*Label Rouge*' label). Alternatively, they might draw specific attention to animal welfare in the product descriptors available at retail points of sale.
Duchy Back Bacon (UK) product information: "...made from organic pigs reared outdoors as part of the traditional cycle of mixed farming, helping to build and sustain the natural fertility of the soil. The pigs enjoy an organic diet, the highest welfare standards and a healthy,

outdoor lifestyle on organic land. They have warm shelters with straw bedding and cooling mud baths in the summer. Naturally reared and naturally fed. The pigs are reared without the routine use of drugs or antibiotics"[4].

Branding: Although there is a growing number of product labelling schemes and assurance schemes that incorporate higher levels of farm animal welfare as a necessary condition for entry or validation, there is a concomitant decline in the explicit use of these labels and assurance schemes in product display. Hence, although farm animal welfare is becoming increasingly visible as a major area of societal and legislative concern, is also becoming less visible as an explicit element of product differentiation. This has necessitated occasionally ingenious mechanisms of product differentiation. Speaking of a recent poster campaign in retail outlets, the production manager of a well-known French milk manufacturer revealed the following strategy.

"The idea was to show that the cows are well treated and that production conditions were good, leading to a good product. Of course, everyone knows that not all dairy farmers are out there in the fields stroking their cows every morning. However, the perception was that 'He looks after his cow, he is looking after her well'. It's an exaggeration but that is what publicity is. It's not an audit. An audit, that's 3 hours and 15 pages of text. But we have only 2% of our clients who actually read the label, which is only 50 words. There is therefore a significant distance between, on the one hand, we would like to explain to people [all that is in the audit] and what the producers want to say about their work and, on the other hand, what you can put on a label[5].

Rather retail and other food chain actors are incorporating higher welfare conditions into their broader generic 'brand' image. It might be suggested then that welfare, having recently emerged as a societal concern at the retail end of the chain through consumer interest, is gradually moving down the chain as its mode of governance shifts from individual consumer choice to brand validity.

Social Responsibility: The idea that corporate actors are socially and ethically accountable to, not only to their immediate stakeholders, but also to the wider society in which they operate, has achieved greater prominence in recent years as issues of environmental sustainability, social sustainability, fair trade and animal welfare, come to the fore[6]. In addition to being merely accountable, some corporations, including certain food retailers and manufacturers, have sought a more direct and pro-active role in promoting ethical and social gains while at the same time gaining consumer trust and fidelity. For many food chain actors, corporate social responsibility statements have become the principal instruments of displaying their ethical and social commitment[7]. However, such statements can also serve as benchmarks against which NGOs and consumers can assess and judge company performance in such domains as farm animal welfare. The greater the profile of the brand and the CSR, the greater the implications of valid criticism of company failures in, for example, farm animal welfare.

External Recognition: Many would argue that the role of non-governmental organisations (NGOs) and pressure groups have been critical, not only in representing public opinion and galvanising public concern through individual campaigns but increasingly too as actors within the food chain itself. Across Europe, animal welfare NGOs have initiated assurance and labelling schemes that specifically champion higher welfare production methods, often selling their labelled products through conventional outlets. However, a number of NGOs across Europe have also initiated schemes that recognise good farm animal welfare performance on the part of retailers ad other food chain actors. Examples might include the Ethical Company Organisation's *Ethical Accreditation* scheme or Compassion in World Farming's *Good Egg Awards* given to companies who adopt 'cage-free' supply chains.

Exclusivity: For the most part, commercial strategies emphasising the welfare of farm animals tend to encourage exclusivity rather than inclusivity. They are founded upon segmentation and differentiation rather than similitude and comparability. They promote competitiveness. For one actor to achieve a competitive advantage from higher welfare standards requires others to have lower welfare standards and to be identifiable as such. Although there is substantial evidence to show that those higher standards can effectively prompt positive market response as other food chain actors seek to reduce the differential between them (visible in numerous examples of competitive ethical labelling or in different retailers following broadly similar 'high end' categories), this is not always the case. If you cannot compete on quality, you compete on price thereby creating even greater polarisation. In short, commercial strategies, which employ farm animal welfare as a criterion of product quality (or of the ethical commitment of food chain actors) are about differentiation.

4. Conclusions

Farm animal welfare is an increasingly important consideration within market-driven food supply chains. Inversely, the market is taking a greater and greater role not only in creating value but also in providing for societal needs and responding to societal concerns. In doing so, key market actors, such as retailers, are introducing their own mechanisms for regulation and governance notably through practices like assurance, accreditation and certification without which producers, unable to demonstrate compliance to welfare standards and assurance scheme standards find it increasingly difficult to gain access to markets. Nevertheless, evidence suggests that the market has been effective in raising welfare standards within certain contexts and for certain animal-based products through product differentiation strategies and market positioning. Research undertaken under the Welfare Quality project also demonstrated that where farm animal welfare is employed as a component of product quality, it is often bundled with and linked to other quality aspects and that these vary considerably from country to country. Consumer knowledge of animal welfare is therefore carefully constructed through the way it is presented by retailers and manufacturers.

However, to return to an earlier statement in this report, the market is not necessarily a universal panacea for improving welfare standards. The market is ultimately dependent upon consumers willingness and ability to pay. It is essentially hedonistic and non-cumulative while its avoidance of non-market-friendly aspects of the production process, its selective use of scientific evidence, its differential capacity to create added value and its ability to all suggest that it can respond more easily to some aspects of farm animal welfare than to others.

In reality, only certain cuts of meat and certain animal products are open to differentiation and market segmentation on the basis of welfare. Many animal products, for example, produced to high welfare standards enter the non-specialist or non-premium sector. Inversely, the consumer driven growth in free range and organic eggs has had far less impact upon the powdered egg market. While it can be argued that the higher prices obtained through 'quality' segmentation drive an increase in standards across the board, specific aspects of farm animal welfare are accorded different and competitive levels of visibility within supply chains. Hock burns on broiler chickens or lameness in dairy cattle might evoked by some retailers but not others, while few refer explicitly to conditions of slaughter. The difficulty for the retail sector is that farm animal welfare is a highly complex affair that can call into question husbandry practices that have become almost standardized in contemporary food supply chains. Now that the Pandora's Box of animal welfare has been opened, consumer and NGO scrutiny becomes focused upon some of the more messier and (in some sense) inherent welfare problems of the meat and dairy industry. As supply chain captains, in a very competitive retail sector, the larger retail interests are vulnerable to criticism of poor or inconsistent welfare standards and need to control, and be seen to regulate, an increasingly wide range of welfare issues - even those that are not directly related to the products they seek to sell (one thinks here, for example, of the issue of male calves born to dairy cows). Within their own dedicated supply chains, a number of retailers (as well as other food chain actors) are now looking at these wider concerns – investing, for example, in the development of more suitable breeds, in the use of animal-based means of assessing welfare, in new housing systems, in associated marketing pathways for these formerly disposable farm animals and so on.

As the welfare agenda progresses, a tension develops between, on the one hand, product differentiation, and thereby the visibility of welfare in commercial strategies, and, on the other hand, standardisation and thereby the relative 'invisibility' of welfare. As we have said elsewhere[8], writing on consumer knowledge, and an implicit assumption of much of the European Commission's own engagement with the issue of welfare labelling has been that consumers will make improved and informed ethical choices if provided with the information needed to make such choices. Raising the visibility of welfare as a criteria of choice will, it is assumed, respond to acknowledged and identified consumer interest and lead to greater demand; this in itself, on the one hand, promoting supply chain actors to increase the amount of food generated from higher welfare systems and, on the other hand, through the stimulus of competitive advantage, drive welfare standards upwards.

However, an alternative scenario might equally be envisaged. First, as the *Welfare Quality* project research has shown, retail actors have been clear and relatively unanimous in their belief that welfare, as a single criterion, is unlikely to sell products (other than to a small minority of single-issue consumers). Second, many people believe that farm animal welfare is something that should be governed by regulatory means (either juridical or through internal governance mechanisms such as conformity to assured standards), with food chain actors assuring that animal products on sale should come from systems that conform to welfare standards. Thirdly, in some countries, recent years have seen a decline is the use of welfare criteria in direct product labelling (whether it be through information on packaging or through the use of specific welfare schemes) while welfare conditions grow as a key part of supply chain assurance and retailer branding. Finally, increasing consumer research evidence from outside the Welfare Quality project reveals a growing confusion on the part of consumers with regard to labelling information. Taken together, these elements suggest that raising the 'visibility' of farm animal welfare as an identifiable production condition for consumers may not necessarily be the most advantageous way forward. Rather the focus might increasingly be on establishing the validity and effectiveness of animal welfare conditions and improvements within supply chains themselves rather than at point-of-sale.

What is important is that, as welfare becomes both more widespread as a component of food chain management (even if it is not always immediately visible as a distinctive product criteria at point of sale), there is a commonality in both our understanding of welfare and a transparency in our methods of assessing it. While the use of welfare, will – like other components of a product's quality – always be an component of segmentation (of products, of brands, of retailers), and thereby an element of exclusivity, it can only legitimately do so if there are agreed procedures for its evaluation. Competition over how much welfare is in a given system is valid, but competition over the definition and the parameters of welfare assessment is likely to confuse rather than reassure consumers, producers and other food chain actors. For this reason, it is important that a common and wide-ranging assessment procedure is used across the different sectors.

Notes

1 ‘What can we tell consumers and retailers?’, Buller, H. (2009) Paper to the Welfare Quality Final Conference, Uppsala, Sweden, November 2009

2 ‘Marketing Animal Welfare’. Buller, H. and Roe, E. (2008) Welfare Quality Factsheet No 5. Welfare Quality, Wageningen, NL.

3 Source: from the French Report, Retailing Animal Welfare in Food Products in France. Buller, H. and Cesar, C. (2006) Welfare Quality Project deliverable 1.2.3.

4 Source: from the UK Report ‘Retailers and other market actors perspective on the current and potential market for welfare-friendly foodstuffs’, by Roe, E. and Higgin, M. (2006) Welfare Quality Project deliverable 1.2.3.

5 Source: from the French Report, Retailing Animal Welfare in Food Products in France. Buller, H. and Cesar, C. (2006) Welfare Quality Project deliverable 1.2.3.

6 Maloni, M. J. and M. E. Brown (2006) Corporate Social Responsibility in the Supply Chain: An Application in the Food Industry Journal of Business Ethics, 68, pp. 35–52

7 Piacentini, M., L. MacFadyen and D. Eadie (2000) Corporate social responsibility in food retailing. International Journal of Retail and Distribution Management 28 (11) pp. 459-469.

8 Strategies for the Implementation of the Welfare Quality Project Output’. Buller, H. (2009). Annex to the Final Report of SP1. Welfare Quality Project, Wageningen, NL.

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