

# Alternative Animal Welfare Responses: Options and Implications for Producers and Industry at Large

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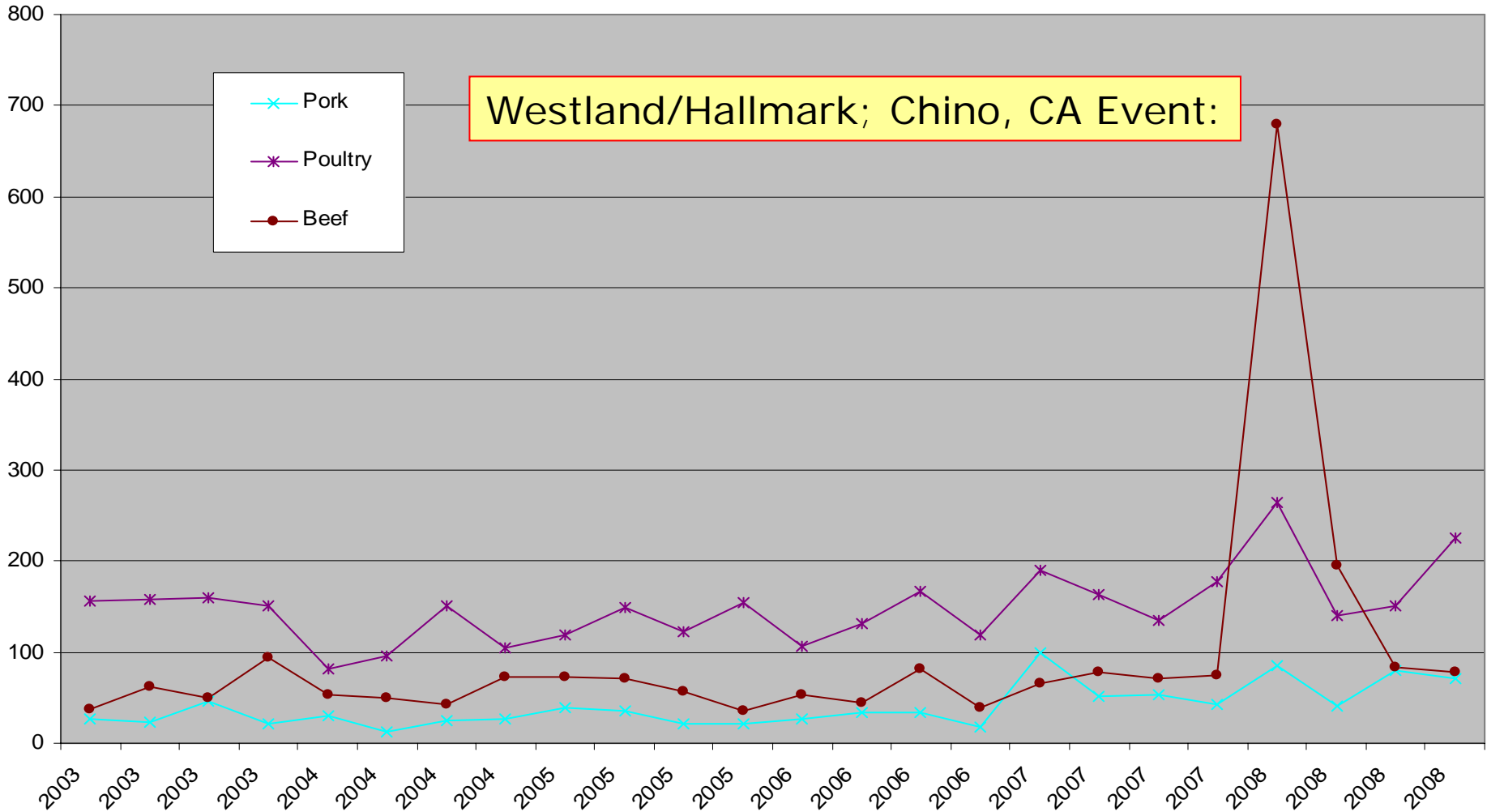
State-Wide Pork Industry Information Meetings  
March 23-26, 2009

# Overview

- Quick overview of consumer research
- Outline of industry & producer options

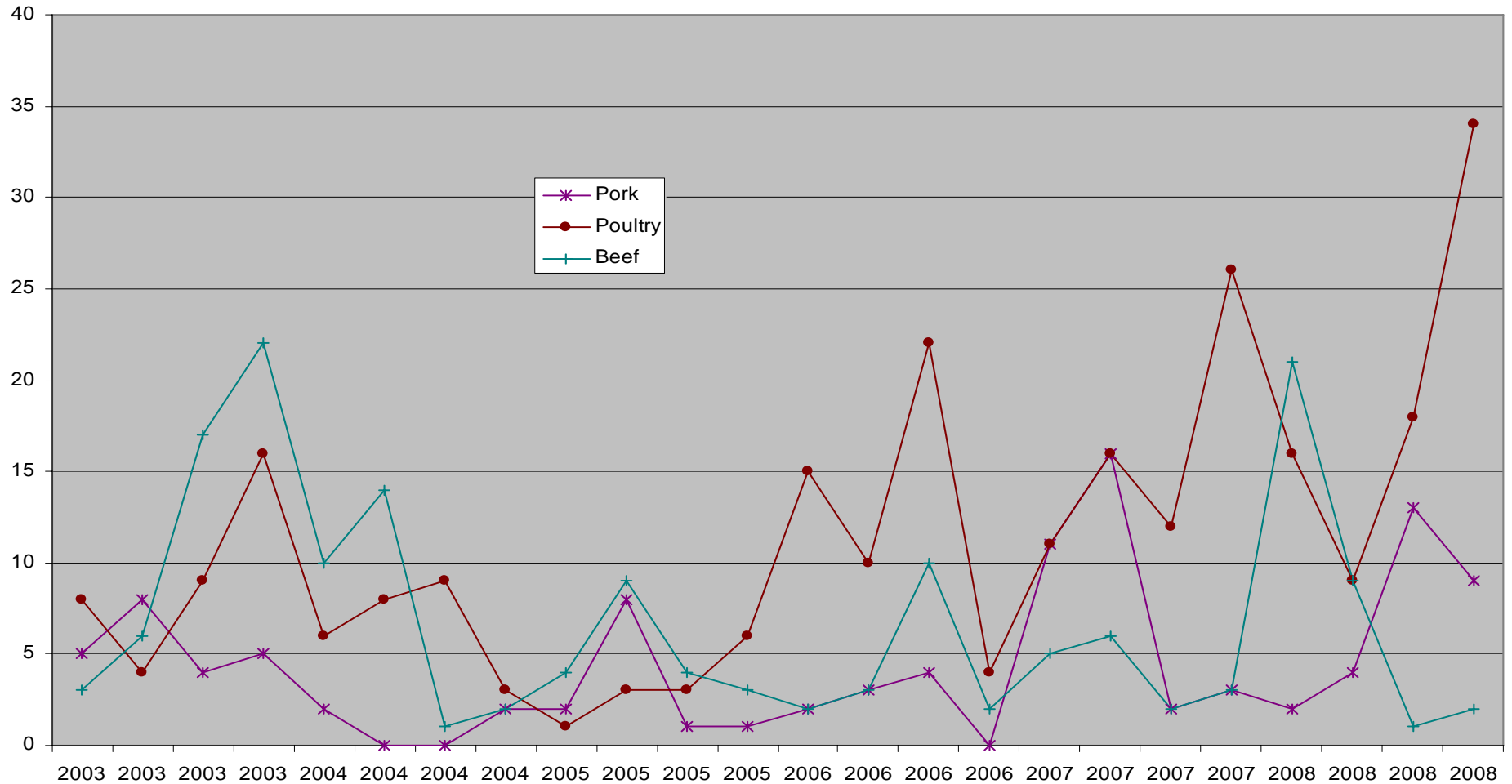
# Lexis-Nexis Media Indices: Consumer Group Sourced Articles

Consumer Group - LN-Media Indices (2003-2008)



# Lexis-Nexis Media Indices: Industry Sourced Articles

Industry Source (2003-2008)



# Perceived Animal Welfare Information Accuracy (1=Very Inaccurate, ..., 7=Very Accurate)

The Humane Society of the U.S. (HSUS)	4.93
University Scientists/Researchers	4.47
People for the Ethical Treatment of Animals (PETA)	4.22
National Milk Producers Federation (NMPPF)	4.20
U.S. Poultry & Egg Association	4.18
National Cattlemen's Beef Association (NCBA)	4.11
United Egg Producers (UEP)	4.10
National Pork Producers Council (NPPC)	4.07
State Governmental Agencies	4.00
Federal Governmental Agencies	4.00

# Perceived Ability to Influence and Assure Animal Welfare (1=Very Low Ability, ..., 7=Very High Ability)

Famer/Grower	5.33
Government Inspectors/Regulators	5.16
The Humane Society of the U.S. (HSUS)	5.00
Meat or Milk Processor	4.68
Animal Industry Representative Groups	4.58
People for the Ethical Treatment of Animals (PETA)	4.44
Consumer – Food Purchaser	4.38
Retail Grocer	3.71
Food Service Restaurant	3.59

## *CA's Proposition 2 Question:*

*Law would require farmers nationally to confine calves raised for veal, egg-laying hens, and pregnant pigs only in ways that allow these animals to lie down, stand up, fully extend their limbs, and turn around freely.*

- CA actual vote: 63% FOR
- Survey national question:
  - National support: 70% FOR
  - CA residents: 70% FOR
  - MI residents: 69% FOR
  - IA residents: 57% FOR
  - Weakest support in SD: 33% FOR

*“... three states have passed either ballot initiatives (AZ and FL) or state legislature (OR) that will ban the use of gestation crates by swine operations in their respective states at different points in the future. ... Would you vote **FOR** or **AGAINST** the ban?”*

- 69% nationally (omitting FL, AZ, OR, CO) would vote FOR the ban
  - FL: 55% FOR to 45% AGAINST (Nov. 02')
  - AZ: 62% FOR to 38% AGAINST (Nov. 06')



# Labeling Impacts on G.C. Ballot Support (69% FOR initially)

- 18% of ban supporters would change vote if:
  - 'all pork products in the US included more complete labeling information accurately depicting if gestation crates were used...'
    - Net count would be 56.5% FOR the ban
    - Suggests additional transparency is desired
- 23% of ban supporters would change vote if:
  - 'all pork products raised using gestation crates were labeled as such and certified to have passed additional food safety inspections...'
    - Net count would be 53.6% FOR the ban
    - Suggests gestation crates are associated with lower food safety

# Determinants of voting response in crate ban questions:

- Determinants of voting response:
  - Observable demographics are *NOT* drivers
  - State of residence and pork industry prevalence are *NOT* drivers
  - Perceptions *ARE* highly influential
    - Those associating g.c use with more food safety risk, lower pork quality, larger farm size, or corporate ownership are more likely to support the ban.

# Ballot Voting Implications

- Targeting residents is difficult (latent perceptions drive voting)
- Residents were insensitive to # years for producers to comply (6-8 is common).
  - 1<sup>st</sup> or most heard voice may set adjustment timetable
  - Substantial costs of not being active or sending mixed signals
  - Industry may have opportunity to pursue longer implementation timetable

# Perceived price impacts of ban:

	Entire Pop.	
	Raw %	"Know" %s
Fall by 11% or more	4%	7%
Fall by 6-10%	3%	5%
Fall by 1-5%	2%	3%
Change by less than 1%	5%	8%
Increase by 1-5%	7%	12%
Increase by 6-10%	12%	20%
Increase by 11% or more	26%	44%
Don't Know	42%	

	FOR a G.C. Ban		AGAINST a Ban	
	Raw %	"Know" %s	Raw %	"Know" %s
Fall by 11% or more	3%	5%	5%	8%
Fall by 6-10%	3%	5%	2%	3%
Fall by 1-5%	3%	5%	0%	0%
Change by less than 1%	6%	11%	2%	3%
Increase by 1-5%	9%	16%	2%	3%
Increase by 6-10%	14%	25%	7%	12%
Increase by 11% or more	19%	33%	42%	70%
Don't Know	44%		40%	

# *Would you be in favor of mandatory labeling of:*

- *all pork that was produced by farms using gestation crates/stalls?*
  - 62% YES
    - CA: 66%; IA: 44%; MI: 59%
  - COMPARE WITH COOL DISCUSSIONS
  - LABELING IS ALTERNATIVE TO PRODUCTION BANS
    - But it does have trade (NAFTA, WTO,...) implications (as does COOL)

# Summary Points: Consumers

- Consumer/resident desires regularly initiate change
  - Perception (i.e., farm size, food safety, quality) drives decisions
  - “Accurate knowledge” and familiarity is NOT necessary to be influential
- Ballot voting behavior & regulation impacts all residents & consumers
  - Pork product choice set for all is impacted
- Little is known about true desires
  - Is group indoor housing sufficient or outdoor pasture necessary???
  - Would ‘site unseen’ meat from other countries be accepted if U.S. production costs accelerate???

# Other Critical Points

- “My state passing a ballot initiative” isn’t likely necessary to cause change:
  - Cost of segregation may cause packers to switch at some critical volume
- Example: cash- to lean- pricing of market hogs
  - Wasn’t mandated, but market increasingly encouraged transition
    - Implication: “Fighting ballot initiatives at all costs” may not be optimal

# Alternative Industry Paths

## ■ “Do Nothing:”

### • Benefits:

- Minimize current investment
- Wait for more information, hope to improve decision

### • Cons:

- Limits nearly all ability to have influence
  - Ballot support insensitive to producer adoption time
- Fails to leverage perception that farmers/growers have most influence
  - Public may perceive the industry as not caring



# Alternative Industry Paths

- “Proactive options:”
  - Negotiate with concerned groups
    - Colorado approach (currently ongoing in Ohio)
    - Adjustment time and requirements may (or not) be improved
  - Seek additional MI legislation
    - Agriculture may have more influence than reacting to ballot initiatives
    - Note that “heading off ballot initiatives” doesn’t mean the market won’t drive change
    - But be careful what you ask for ... “there is no free lunch”

# Alternative Industry Paths

- “Proactive options:”
  - Support additional labeling of practices
    - ‘swing vote concept’ on ballot initiatives; critical to note difference from demand enhancing motives ...
    - Tonsor opinion: costs would likely be lower than COOL, but notable trade impacts (both)
  - Support ‘phase-out’ as old buildings come out of production
    - May align with “facility age” timetables
    - Reduce adjustment costs & improve exits

# Alternative Industry Paths

- “Proactive options:”
  - “Accept ballot initiatives” and focus on terms (adjustment time table, specifics on enforcement, identify preferred alternative(s), etc.)
  - “Invest in public image” – Center for Food Integrity
    - Longer-run investment, reconnect (not necessarily defend) with public
    - May not be sufficient for short-run issues, but likely necessary for future survival

# Points for Individual Producers

- Investments (remodels, expansion, etc.):
  - Note all welfare/handling discussions
  - Consider related issues of scale economies, environmental regulation, etc.
  - Think about proactive monitoring (e.g., processors are increasingly using camcorders)
- Beyond housing, note general handling, transportation, and other concerns
- Need to be engaged and current on industry trends is notable
  - Be engaged with MPPC & NPPC to shape industry response
  - Consider Operation Mainstreet

# QUESTIONS

- Tonsor's website (includes presentation):
  - <http://www.msu.edu/user/gtonsor/>