

Consumer & Resident Perceptions and Demand for Animal Welfare & Handling

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3 Surveys Conducted

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- Nov. 2007; 1,000 surveys in MI
 - 205 completes available for analysis
- June 2008; 1,001 surveys across U.S.
 - Focused on pork; gestation crate use
- Oct./Nov. 2008; 2,000 surveys across U.S.
 - Focused on gestation crates, laying hen cages, dairy pasture access

Please rank the following animal industry segments and production stages in order of animal welfare/handling concerns (where 1 indicates your highest level of concern):

	Mean rankings
■ Farmer	2.74
■ Transportation	2.66
■ Auction Markets	2.83
■ Processors	1.77
• Westland Hallmark – Chico, CA (143 mil lb beef recall; school lunches)	

Please rank the following species in order of concern you have regarding current animal welfare/handling practices (1 being most concerned):

	Mean rankings
■ Beef cattle	2.47
■ Dairy cattle	3.01
■ Swine/hogs	3.28
■ Broilers	2.99
■ Laying hens	3.25

- Beef cattle have highest mean concern (Chico perceptions may underlie this...)
- Interesting difference from ballot initiatives...

How much do you agree that the following practices seriously reduce the welfare of farm animals?

- Castration, Tail Docking, Cages/Crates, Indoor Confinement
- Swine, Dairy Cattle, Beef Cattle, Laying Hens
 - Responses are grouped by production practice rather than species.
 - Suggests 'no industry is immune' and that concerns are global across species

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
- 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

Are bans on gestation crates a 'slippery slope' issue?

- 69% of those FOR a g.c. ban would also support a lactation crate (*crates housing an animal for approximately 3 weeks during the birthing and nursing stages of production*) ban
 - Equates to a total of 48% FOR, 52% AGAINST a lactation crate ban

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).
 - 1st 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 g.c. 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%	

Source: Survey of 1,001 U.S. residents

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%
- *all eggs that were produced by farms using laying hen cages?*
 - 62% YES
 - CA: 65%; IA: 44%; MI: 65%
- COMPARE WITH COOL DISCUSSIONS
- LABELING IS ALTERNATIVE TO PRODUCTION BANS
 - But it does have trade (NAFTA, WTO,...) implications (as does COOL)

Demand for Mandatory G.C. Labeling

- WTP = 19.24% (15.57%, 22.81%)
- Higher for:
 - Females, farm visitors, more pets,
 - those believing:
 - consumer groups provide accurate AW information
- Lower for:
 - Older, more kids, higher pork consumption,
 - those believing:
 - industry provides accurate AW information
- Pork Consuming Sub-Sample:
 - WTP = 15.23%
 - 20.84% lower than entire population estimate

Consumer Pork Preferences

Simulated Purchasing Analysis

- Pork chop attributes:
 - Production Practice:
 - Typical, Labeled Gestation Crate-Free, Gestation Crate Ban
- Test if $WTP_{G.C. Ban} > WTP_{Labeled G.Crate-Free}$
 - Necessary to economically justify ban
 - Test if public good benefits (beyond personal consumption/valuation benefits) outweigh private option loss

MI Consumer Pork Preferences

- 4 Segments – Highly heterogeneous
- Consumers associate farm size with gestation crate use
- Wide support for “gestation crate-free” pork
- HOWEVER:
 - 20% have preferences ‘justifying a gestation crate ban’
 - 80% “could be appeased” by voluntary production of g.c.-free pork
 - So consumers may be valuing producer autonomy

National Consumer Pork Preferences

- Consumers infer food safety and pork quality from gestation crate use.
 - Common perception is that g.c use reduces food safety and pork quality.
- Supporting evidence:
 - Valuations of gestation crate-free pork are lower when food safety & quality claims are present on pork chop labels.

Summary Points: Consumers

- Consumer /resident desires regularly initiate change
 - Perception 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???

Alternative Industry Paths

■ Do Nothing

- Minimize current investment & wait for more information; but limits nearly all ability to have influence

■ Proactive options:

- Negotiate with concerned groups
 - Adjustment time and requirements may (or not) be improved
- Seek additional MI legislation
 - Ag. may have more influence than reacting to ballot initiatives
 - But be careful what you ask for ...
- Support additional labeling of practices
 - 'Swing vote concept' on ballot initiatives;
 - Different from demand enhancing motives; (think in terms of "minimize maximum loss" rather than "maximize expected profit")
 - Tonsor opinion: costs would likely be lower than COOL (at least for typical practices like cage/crate use)
 - Multiple trade impacts with severe consequences
- Support 'phase-out' as old buildings come out of production
 - May align with timetables in prior ballot initiatives & reduce adjustment costs

QUESTIONS

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