



Report on Welfare Labelling

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**Farm Animal Welfare Council
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CHAIRMAN'S FOREWORD

I am very pleased to introduce this Report on labelling in relation to the welfare provenance of livestock products. FAWC has long recognized the principle that animal welfare considerations are an integral part of food consumption and must logically apply to all livestock-based food products. This Report concentrates on the purpose and nature of labelling and its justification, whether such labelling should be voluntary or mandatory, and how best to convey relevant information. The aim of labelling is to enable consumers and others who attach importance to animal welfare standards to exercise their preferences when purchasing livestock-based products. Farm assurance schemes are well placed to assist in any labelling scheme, given their role in providing assurance about livestock products, as described in our 2005 Report on the Welfare Implications of Farm Assurance Schemes.

Consumers are increasingly concerned about the characteristics of the products that they purchase and, in the context of farm animal welfare, increasing numbers are looking to buy those with a stated welfare provenance. Retailers, caterers and other suppliers should therefore provide information that satisfies the purchaser about these characteristics. A few livestock products, such as hens' eggs, are already provided with labels that indicate aspects of their welfare provenance and their use indicates that they are valued by the consumer. However, such products are the exception rather than the rule and the absence of a welfare label may lead to an uninformed or unintended choice by the concerned consumer.

Not all of this Report's recommendations are addressed solely to Government: consumers in the widest sense ultimately dictate the standards of welfare to which livestock are raised to provide their food and other products and the recommendations should be of general interest to many. Furthermore, several of the recommendations propose action within Europe. Food labelling is within the competence of the European Commission, which means that efforts to raise welfare standards by national legislation within Great Britain may be compromised by the absence of a mandatory or (widespread) voluntary system of welfare labelling. The lack of a welfare label on imports may allow food and other products to be sold legally within Great Britain, even though the animals may have been reared under conditions that are illegal here, e.g. production systems of pork in which sows are kept in stalls. Pending the introduction of an European-wide scheme, then the concerned consumer should demand labels at the point of purchase that denote welfare provenance.

I therefore hope that this Report will serve to promote greater adoption of welfare labelling among consumers and, by proxy, food retailers, who are so influential in determining the welfare standards of livestock products by virtue of their very considerable power in the market place.



Professor C. M. Wathes
June 2006

PART I: INTRODUCTION

1. The Farm Animal Welfare Council (FAWC) was established in 1979. Its terms of reference are to keep under review the welfare of farm animals on agricultural land, at market, in transit and at the place of slaughter; and to advise Great Britain's Rural Affairs Ministers of any legislative or other changes that may be necessary. The Council has the freedom to consider any topic falling within this remit.

2. In an economy based on markets and individual choice, people cannot make purchasing decisions which maximise the benefit they might derive from their expenditure if they are not provided with adequate information to make a rational choice. Indeed markets cannot function efficiently without such information being available to both buyers and sellers. The provision of appropriate information can therefore help improve market efficiency; help consumers make informed choices and improve customer satisfaction; and help producers to better understand the market and their customers and so potentially benefit the whole of society.

3. This report examines the case for the provision of animal welfare information to consumers to help improve the welfare of animals. If consumers are provided with adequate information to enable them to act on their animal welfare preferences and purchase the animal welfare attributes that they desire, producers will have a powerful incentive to produce welfare friendly products and retailers to source them. The market may then encourage producers to adopt higher welfare production practices, thus improving the welfare of farm animals. We include all relevant information within the term 'labelling'. Such information may be provided on actual labels affixed to food products, on supermarket shelves, menus and elsewhere close to where food is sold, in freely available leaflets and on web sites to which purchasers are directed, and so forth.

FAWC's philosophy of approach

4. Animals are kept for various purposes and in return their needs should be provided for. Farm animals are recognised as sentient beings in the Treaty of Amsterdam and the Treaty of Rome. We have a moral obligation to each individual animal that we use. This obligation includes never causing certain serious harms to farm animals and, when deciding on our actions, endeavouring to balance any other harms against benefits to humans and other animals.

5. The achievement of high standards of animal welfare requires awareness of animal needs and both caring and careful efforts by all who are involved in the supervision of farmed animals. It requires skilled and conscientious stockmanship, responsible, planned and effective management, appropriate living conditions, and considerate handling, transport and humane slaughter. General guidelines as to what those who use animals should provide in order to avoid suffering and other harms, are contained in the five freedoms:

Freedom from hunger and thirst, by ready access to fresh water and a diet to maintain health and vigour;

Freedom from discomfort, by providing an appropriate environment including shelter and a comfortable resting area;

Freedom from pain, injury and disease, by prevention or rapid diagnosis and treatment;

Freedom to express normal behaviour, by providing sufficient space, proper facilities and company of the animal's own kind;

Freedom from fear and distress, by ensuring conditions and treatment which avoid mental suffering.

6. When assessing any welfare problem, it is necessary to consider both the extent of poor welfare, the intensity of suffering and its duration. Welfare assessment concerns individual animals. However, where there are indications of poor welfare, we consider that the more animals that are affected, the more serious is the problem.

7. In order to offer useful advice about the welfare of farm animals, FAWC takes account of scientific knowledge and the practical experience of those involved in the agricultural industry. A broad-ranging approach, taking into account all relevant views and attempting to balance human benefit with a concern to ensure that the animal's interests remains to the fore, is used in the formulation of FAWC recommendations.

8. Knowledge based on scientific studies of the welfare of animals is increasing rapidly. The term 'animal welfare' is employed frequently in scientific and legal documents and in public statements. In our view, welfare encompasses the animal's health and general physical condition, its psychological state and its ability to cope with any adverse effects of the environment in which it is kept.

Provenance of the 'food we eat'

9. FAWC believes that the same welfare standards or equivalents should apply not only to farm animals produced within Great Britain but also to those produced in any other country which are then used as a food or ingredients source in Great Britain. Recognition that the welfare standards under which animals are produced effectively becoming a quality characteristic of the livestock products that we consume is central to the recommendations of this report.

Remit and methodology

10. In 2004 the Farm Animal Welfare Council established a Working Group to examine the possibility and desirability of welfare labelling of animal-based products.

11. The Group carried out a public consultation in June 2004 and written evidence was received from 29 organisations. In addition, oral evidence was taken from invited experts from the livestock industry, academic and research institutions, assurance scheme providers, retailers, consumers and animal protection organisations. We are grateful to all who participated in the study and gave their time and expertise.

PART II: BACKGROUND

12. Consumers make purchasing decisions based on the information they have about the attributes or characteristics of alternative products that they might buy. The satisfaction that consumers derive from a food product depends on its different attributes such as taste, nutritional value, appearance, convenience and animal welfare provenance. This must be set against the price of the product and the time and money spent by the consumer to purchase it. The better, and more informed, the purchasing decision, the greater the benefit derived from the purchase.

13. In the context of farm animal welfare, an increasing number of consumers are looking to purchase products with an ‘animal welfare friendly’ provenance and wish to know the animal welfare credentials of the products that they buy.¹ At the present time there is a scarcity of appropriate information for consumers concerning the animal welfare attributes of products and it is difficult for consumers to satisfy their preferences and choose products that contribute to better animal welfare in preference to those that do not. Indeed, there are examples of consumers being ill-informed about the welfare provenance of food products – for example, the case of table eggs labelled as ‘farm fresh’, which some consumers perceived to be synonymous with free range. In this example an EU Regulation (Article 10 1907/90) now requires the label ‘eggs from caged hens’ to help avoid confusion on the part of consumers. However, it remains the case that consumers wishing to purchase products with high animal welfare attributes face a difficult and time-consuming task in sourcing these products. Thus, the ‘transaction costs’ for such consumers are, in many cases, prohibitively high for them to locate and purchase the products that they would like.

14. For this reason, the true animal welfare preferences of consumers go largely unrecorded in the market place. This is despite the apparent concern that consumers have about animal welfare and their stated willingness to pay for products with high animal welfare attributes.² This means that the welfare of farm animals is undervalued not only in markets (since it is not adequately reflected either by consumer purchases or by prices) but also in society generally.

15. By consumers we mean the people who make purchasing decisions in product markets, whether on behalf of themselves or others. A consumer can therefore be a single person, a household, restaurant operator, the buyer for a supermarket or caterer, the purchasing executive for a public sector body, import agent, etc. They all require sufficient and accurate information to ensure they can identify and select products that will meet their needs, preferences and objectives and so maximise the benefits they gain from ‘consumption’.

Information and the theory of demand

16. The modern theory of demand holds that the benefit (pleasure, satisfaction) gained from consumption is not derived from the products per se but from their particular characteristics. Consumers seek to acquire the collection of characteristics that will give maximum benefit for the money spent; buying products because the characteristics we want are assembled together and embedded in these forms. Additionally, adequate and appropriate information on the characteristics that are included in any defined bundle (‘a product’) is essential if consumption choices are to be effective.

¹ European Commission, Special Eurobarometer 229 “Attitudes of consumers towards the welfare of farmed animals” June 2005.

² As above.

Accessing information

17. Consumers need quite a lot of information if they are to make informed choices in their purchasing decisions. They clearly need to know what they do and don't like, and to what extent. Much of this awareness comes from accumulated experience, but it also indicates a valid role for education, advertising and other forms of consumer information to enable people to discover, develop, refine and incorporate changes in their preferences over time. Secondly, they need to know the relevant characteristics of the products to obtain maximum benefit from their expenditure. And third, they obviously need to know the prices of the various products so they can balance the overall costs and benefits in making their consumption choices.

18. Product characteristics can be classified into three broad groups depending on how consumers get to know about them:

- **Search characteristics** are those that are largely self-evident, i.e. ones that the consumer can discover, verify and validate against personal preferences before purchase.
- **Experience characteristics** are mostly those that are not evident prior to purchase but are discovered during consumption. Information is then available to guide subsequent purchases.
- **Credence characteristics** cover animal welfare origin, production method, biological safety, best-before dates, etc. They can only form the basis of choice if labelling in some form is used.

These are not watertight categories but they are useful as they indicate the areas where quality assurance and product labelling are helpful, desirable or absolutely essential in the pursuit of efficient consumption.

19. Such quality characteristics of food as its environmental provenance, location of origin and the animal welfare standards under which it was produced fall into the class of credence characteristics. Although many consumers may be indifferent to these particular attributes, to others they are real and important elements. They figure strongly in their preferences, and as such are a fundamental component of the satisfaction gained from consumption. For these preferences to be met it is essential, therefore, that information about those characteristics is evident prior to purchase, specifically attached to the food product, and in a form that is accessible, understandable, meaningful, accurate, certified and dependable. The absence of such information creates uncertainty in the consumer's mind as to whether the product meets their preference.

PART III: THE CASE FOR WELFARE LABELLING

20. Individual consumers generally have no means of independently verifying claims made on food labels, or elsewhere, about food production methods. Consumers are increasingly aware of and concerned about many of the ethical issues associated with the welfare of food animals, but are at present unable to discern the welfare standard of the food they purchase. For example, in the case of non-food products, the “CE” mark stands for “Conformité Européenne” or “European Conformity”. It is the manufacturer’s declaration that the product carrying the mark complies with all the essential European requirements about health, safety and environmental protection, and means that the product may be legally placed on the European market.

21. We consider that consumers should receive better information about the animal welfare provenance of products through labelling supported by the use of leaflets, and help lines and through manufacturers’ and retailers’ websites. Failure to provide such information could be interpreted by consumers as a failure of those involved in the food supply chain to address the ethical implications of the food industry’s activities. While we are predominantly concerned with food products our arguments apply to all farm animal products, for example leather, feathers and the products of rendering.

European perspective

22. We note the European Commission (EC) has stated its intention to prepare a report on the possible introduction of a specific harmonised mandatory labelling regime at EU level for chicken meat, meat products and preparations based on compliance with animal welfare standards. The report will cover possible socio-economic implications, effects on the EU’s economic partners and compliance of such a labelling regime with World Trade Organisation (WTO) rules. Legislative proposals will also be prepared taking account of the experience gained by Member States in applying voluntary labelling schemes. This report is due to be submitted to the European Parliament and to the Council no later than two years from the date of adoption of the Broiler Directive. The Commission’s Action Plan on animal welfare, published in January 2006, provides clear indication that welfare labelling is on the European agenda.

23. The EU has progressively adopted a body of legislation on the protection of animals covering farming, transport and slaughter. Welfare standards have also been developed by international bodies such as the Council of Europe and the OIE (Office International des Epizooties or the World Organisation for Animal Health). Other countries have also developed legislation in this area. However, there is a growing concern that trade liberalisation will serve to undermine EU welfare objectives by increasing the influx of imports produced to lower welfare standards. A study carried out by the European Commission in 2002 looked at comparable animal welfare standards in third countries on the basis of existing welfare legislation in those countries. If the extent of welfare legislation is taken as a proxy for the country’s animal welfare level (without considering the content of the legislation, level of enforcement or the resultant level of welfare in those countries) the study broadly implied that the EU has higher standards than third countries.

24. The EC proposal on animal welfare and trade in agriculture (2000) viewed animal welfare as being at the crossroads of economic, ethical, animal health, public health, food production and legal issues. Whilst the existing WTO Agreements provide a basis on which some of the issues related to animal welfare can be discussed, the EU has pressed for animal welfare to be addressed globally in a consistent manner within the WTO framework.

25. Within this context appropriate labelling, compulsory or voluntary, could facilitate the wish of consumers to make an informed choice as regards the animal welfare provenance of food products, whether domestically produced or imported. This is provided for under Article 2.2 of the WTO's Agreement on Technical Barriers to Trade (TBT). Given the inter-relationship between animal welfare measures and the international trade in agriculture and food products of animal origin the EU considers that animal welfare is best addressed in the negotiation on agriculture within the framework of the TBT.

WTO rules

26. The coverage of the WTO's TBT agreement is limited to product characteristics and their related process and production methods (PPMs). Under internationally agreed rules, discrimination between imported products would be allowed in the case of product-related PPM requirements to fulfil legitimate environmental or health and safety objectives. The current position is that the WTO has not explicitly recognised animal welfare as a legitimate concern, i.e. a cause for restricting trade. The EC has placed the issue on the agenda for negotiation under the Doha Round of trade negotiations but there has been little recent discussion. The impact of labelling on WTO rules and principles has been analysed in a report by the Agricultural Economics Research Institute in the Netherlands.³ This analysis suggests that labelling can be seen as discriminating between different types of traded products, whether between meat produced in the EU and elsewhere, or meat produced in non-EU countries - and therefore subject to a challenge in the WTO's disputes settlement procedure. It is considered that the strongest defence against such a challenge would be that the measure is necessary to protect public morals and animal health, and so justified under Article XX of the General Agreement on Tariffs and Trade (GATT), which allows, under certain conditions, measures to deviate from the general principles of the GATT. It is also considered that labelling has less chance of leading to a challenge, as well as a significant chance of being upheld in a dispute settlement procedure.

The World Organisation for Animal Health (OIE)

27. The OIE is establishing guidelines on international welfare standards, which is a significant development that has been well received by EU member states, the EC, WTO officials, developing countries, producers and animal welfare groups. There is a strong consensus regarding the benefits of recognising high animal welfare standards and communicating them to consumers.

28. The OIE has been accepted under the WTO agreements as the body that sets guidelines on veterinary issues in global trade. At its plenary meeting in May 2005, the 167 members of the OIE adopted guidelines on sea and air transport of animals, on slaughter of animals for human consumption, and on killing animals for disease control. This represents an important achievement for animal welfare: an agreement on global animal transport and slaughter

³Product differentiation under the WTO. An analysis of labelling and tariff tax measures concerning farm animal welfare. June 2005. D.J.F Eaton, J. Bourgeois & T.J. Achterbosch.

standards. The provision of comprehensive global standards for the first time on animal welfare by OIE will have an immediate impact on WTO law. The more complex issues of livestock housing and management are next on the OIE priority list.

PART IV: EFFECTIVENESS OF LABELLING

29. The EU already has mandatory labelling systems for eggs under which EU table egg producers must label their production system. This has not been challenged by international trading partners as a trade restriction through the WTO. Labelling could be extended on a voluntary or mandatory basis to other animal products to support the EU's animal welfare objectives. The labelling of meat and other farm animal products complying with the EU minimum standards for production is likely to have some positive effect on the level of animal welfare in the processes and production methods (PPMs) of exporting countries. The same would be true for a regulated (supervised) labelling scheme. Such a scheme would underline the importance of animal welfare and have the potential to raise standards.

30. The effectiveness of welfare labelling in improving farm animal welfare will depend on consumer responses to a new labelling system and consumer demand for livestock products that embody differentiated levels of animal welfare standards. There is limited information regarding this demand at present, although, for example, an increase in sales of non-cage eggs has been reported following their labelling, whilst research on consumer attitudes in the Eurobarometer study (June 2005) and the European Commission consultation (December 2005) suggests that many consumers in Great Britain would welcome a welfare assurance labelling scheme

31. The Agricultural Economics Research Institute in the Netherlands concluded that labelling of meat products that distinguish between those that do and do not meet EU standards may be a logical starting point. It is also thought that labelling would offer opportunities for like-minded Member States to undertake their own initiatives, while perhaps negotiating a common approach across the EU. However, it is noted that subsequent harmonisation of labelling initiatives across countries could be tedious. The issues identified by the Institute for further analysis include the possibilities of labelling different standards as well as mechanisms necessary for controlling standards in exporting countries.

32. Welfare labelling could be further reinforced, and its effectiveness enhanced, by the use of financial measures. The aim of these measures would be to provide incentives for livestock producers to achieve higher levels of animal welfare. The Agricultural Economics Research Institute of the Netherlands has considered the use of differentiated tariffs and/or taxes for imported products. For example, products produced below EU welfare standards might pay a higher tariff whilst those produced above EU standards might pay a lower one. A differentiated tax could similarly be implemented - perhaps levied at the retail stage on all products on the domestic market. Various systems of financial measures are possible as complementary to a (arguably, mandatory) regulated welfare labelling system.

33. There is the potential for payments to domestic producers to compensate them for the additional costs of producing to high welfare standards. In principle, these monies could be made available under the Rural Development Regulation and might be considered by the WTO as being minimally trade distorting (and hence classified as 'Green Box' payments). In its submission to the WTO in 2000 the EC suggested that it may be necessary to consider the legitimacy of providing some compensation to contribute to additional costs of production which stem directly from higher animal welfare standards.

Animal welfare as a “process and production method” (PPM)

34. PPMs are defined as the ways in which products or services are manufactured, produced and/or processed or the way in which natural resources are extracted or harvested.⁴ Measures which affect product characteristics (product-related PPMs), such as maximum residue levels for pesticides or veterinary medicines, labelling of nutritional content and hygiene codes in food handling are dealt with effectively under WTO rules.

35. In Switzerland eggs have not been produced in battery cages since 1992, given the requirement of the Swiss Welfare Act. The transition to alternative systems was galvanised by the actions of the two dominant retailers, who gave notice in 1987 to their domestic suppliers that they would not purchase eggs from caged systems from 1989. However, the retailers continued to import eggs from caged systems. In January 2000 the Swiss authorities introduced a clear mandatory labelling system for eggs to be identified as based on product-related PPMs. The labelling scheme which requires imported eggs to be identified as “Produced in battery cages, which are not permitted in Switzerland” and was put in place to keep consumers aware of the difference between Swiss produced non-caged eggs and eggs imported from other countries which have been intensively reared. Since 1992 Swiss eggs have increased their market share of table eggs from 62 per cent to 74 per cent of the market, in the face of cheaper imported battery eggs. However, it is difficult to say if this increased market share can be directly related to the mandatory labelling scheme. The Swiss labelling scheme has not been disputed through the WTO.

Animal welfare requirements on imports of animal products into the EU

36. Animal welfare standards in farm production are generally taken to be higher in the EU than in countries that export livestock products to the EU, particularly those in developing countries. However, there is little information to assess the extent to which these PPMs differ.

37. Recent research under the EU Welfare Quality Programme indicates that animal welfare standards of livestock products in EU supermarkets are at the minimum regulatory level because supermarkets are mostly involved in price competition and only some retailers compete specifically on welfare quality traits.

38. Currently, there are two types of voluntary labelling in place:

(i) That characterised by the organic PPM standard where producers and wholesalers can choose to label their product but the process is not entirely voluntary or without government influence. The standards for organic production are set by EU regulations, but producers and their supply chain partners are responsible for organising a credible verification and certification process

(ii) Private initiatives to market fresh livestock products with both higher product quality and better animal welfare standards, where not only is labelling voluntary, but the producers and supply chain partners concerned also determine the standard.

⁴Processes and production methods (PPMs): conceptual framework and considerations on use of PPM-based trade measures, OECD, 1997.

Implementation of labelling

39. Two main ways of implementation were suggested by the Agricultural Economics Research Institute in the Netherlands:

(i) Labelling could be introduced to allow consumers to identify whether or not livestock products meet EU standards. Such labelling could be regulated and supervised by government authorities but left as a voluntary decision for them. Alternatively, such labelling could be made mandatory, the objective being to distinguish products produced to EU standards from imported products produced to different standards. This labelling could potentially be combined with country-of-origin labelling, highlighting the difference in standards between producing countries.

(ii) Government authorities could instigate a system whereby a higher level of welfare standard would qualify for more 'points' on a label (a policy option proposed in the Netherlands). This would also cover the possibility of 'positive' labelling (i.e. an officially approved label that could be made available for products meeting the required standard), or 'negative' labelling (a separate label could be made available for products not meeting the standard). Such labelling could be mandatory; for example, all products not complying with the EU minimum standard could be required to bear the 'negative' label.

40. Even if the decision to label is left to retailers, the form of the labelling can be determined by the government to ensure the provision of transparent and consistent information to consumers. It is reasonable to expect that, if labelling is voluntary, retailers will choose to label at the standard they have achieved, in order to differentiate their product from those of an inferior standard. Then all livestock products would be labelled, with the probable exception of those produced to the lowest PPM standard (i.e. imported products not complying with the EU standard). Yet at the same time, it would be clear to consumers which PPM class the products fall into, meaning that, in practice, there may not be much difference between mandatory labelling and voluntary labelling to mandated standards.

What animal welfare information should be provided?

41. Information for individual consumers comes in a variety of ways. These include point-of-sale information, in-store information and out-of-store information. Point-of-sale information includes that which is physically attached to the product itself as a 'label'. Information may be provided on an in-store board or display (often physically close to where the product is displayed) and in in-store information leaflets. Out-of-store information also includes leaflets, reports (e.g. available on request/sent by post to consumers' homes) and advertisements, information held on accessible websites (e.g. provided by the retailer or assurance body) and information accessible by telephone through retailer customer services, farm assurance or other body. The Food Standards Agency (FSA) Clear Labelling Task Force identified three main areas of difficulty for the consumer regarding product information: (i) finding information, (ii) reading it, and (iii) understanding it.

42. There is currently a plethora of product labels to be found on products in food stores providing information including ingredients, nutritional attributes, geographical area of

production, suitability for vegetarians and compliance with different standards (e.g. Red Tractor and other farm standards). A label clearly indicating the ‘animal welfare provenance’ of the product concerned would be in addition to these, providing the consumer with appropriate information concerning the welfare status of the animal used to produce the product. This information would need to be limited to relatively few words and/or symbols. Examples of this type of label include the RSPCA’s Freedom Food label denoting food produced from welfare systems according to RSPCA standards and those for organic produce (e.g. Soil Association). The former is the only known dedicated ‘animal welfare’ label currently used in the United Kingdom, although other labels may also be perceived by consumers to be associated with higher animal welfare (such as the labelling of products as ‘free range’). Some labels contain a grading associated with particular attributes such as the ‘traffic light’ (red = high, amber = medium and green = low) proposed by the FSA for nutritional/healthy eating information. In the context of animal welfare, it might also be possible to apply such a graded system. We consider that the arguments for and against a graded labelling system supported by both in-store and additional out-of-store information should be explored further.

43. Labels may also contain signposting information indicating where the consumer can get more information about particular aspects of the product and its production. For example, this might direct the consumer to a customer helpline or information line, a website or other sources of further information and advice.

44. It is clear that the precise nature of the information provided to consumers concerning the animal welfare provenance of the products that they purchase requires further research and consultation. Indeed, as part of the EU-funded Welfare Quality research programme, research is being undertaken concerning consumer, producer and retailer attitudes to welfare labelling.

45. Ideally a system of labelling should be based on welfare outcomes (i.e. the measurable welfare status of the animals involved in producing the product) and not solely on other indicators such as production system (as currently used as an indicator of welfare in the case of the labelling of hens’ eggs). In practice, inputs are more easily verifiable in audits. The two areas, inputs and outcomes, should be co-related as each should inform the other; indeed, inputs should translate directly into welfare outcomes otherwise their value as welfare standards becomes questionable. Practicalities (e.g. the cost of repeated inspections) may dictate that indicators such as the production system are in fact used but this practice should be seen as providing proxy information.

46. There is a strong argument for a form of labelling of animal-based food products which conveys an effective message about the welfare standards to which they are produced (including on farm, in transport, at market and at the point of slaughter). It is worth noting that most national farm assurance schemes meet the assurance requirements from birth to slaughter. However, Eurepgap, which represents a global partnership between retailers, processors and producers provides assurance of local standards largely at farm level. Welfare standards that apply over the lifetime of the animal become an integral part of the livestock product and should be conveyed clearly and concisely to the consumer. Such information should be available for all livestock products whether domestically produced or imported, whether fresh or processed.

Voluntary or mandatory labelling

47. The issue of voluntary or mandatory labelling is an important one. FAWC would like to see the animal welfare provenance of all livestock products clearly labelled (ideally on the products themselves), since this is likely to result in the greatest positive impact on farm animal welfare. Voluntary labelling would leave individual producers or producer groups to decide whether they use the welfare labelling system outlined above and label their products accordingly. In contrast, mandatory labelling would require all products sold within a country (including imports) to be labelled according to the adopted system. This would require agreement at EU level (the European Commission is currently considering the issue of animal welfare labelling). However, without agreement also at the wider international level (for example through OIE), a mandatory labelling system that includes imports may be challenged through WTO as a non-tariff barrier to international trade.

48. It is worth noting that the egg labelling scheme that divided production methods in presumed welfare outcomes, i.e. caged, barn or free range, was originally voluntary (in 1995), but after only a short time it was widely adopted by the industry and became mandatory within the EU in 2002. This shows that welfare labelling can be adopted relatively quickly given the right circumstances and these may, at present, be being provided by the proposed EU Animal Welfare Action Plan. The other interesting point is that the mere fact of labelling the eggs became itself a way of providing information to the public about welfare concerns. Perhaps this contributed to the scheme changing from being voluntary to mandatory?

49. Appendix 1 to this report provides a summary of the EU Eco-labelling (the flower symbol) which is a voluntary scheme launched in 1992 to establish a recognisable environmental label across all countries in the EU. Its aims are to promote the design, production, marketing and use of products which have a reduced environmental impact during their entire life cycle and to provide consumers with better information to give them the ability to recognise and choose products which have been made with consideration of the environment. The Eco-labelling criteria are determined on the basis of life cycle assessment of the product group and have been agreed by the member states. These criteria are intended to allow up to 30% of the current market share to qualify for the Eco-label. The International Standards Organisation (ISO) has developed a classification system for environmental labels and claims.

50. The EU Eco-labelling scheme provides an interesting precedent of a scheme which is voluntary in terms of take up but where the administration of the scheme is compulsory in all EU member states. It recognises that the widely used term “environmentally friendly” has no real meaning unless it is linked to a labelling scheme which has coherence across the member states and has independent third party verification. The parallel situation with the term “welfare friendly” and the lack of an equivalent EU-wide scheme which is designed to promote the production and consumption of livestock products produced to a given welfare standard makes this lack a notable omission.

51. We are particularly pleased, therefore, that the EU Commission has addressed this gap in the EU Action Plan adopted in January 2006 (see Appendix 2). An EU label devoted to animal welfare would effectively raise the welfare profile across the EU and beyond; provide a basis for distinguishing between basic mandatory welfare standards and higher standards; provide consumers with livestock products which clearly identify their welfare status; and provide a possible basis for compensating EU producers for costs incurred on higher welfare production systems.

52. Thus, in the short term FAWC recommends that a voluntary welfare labelling system is initially adopted whilst discussion both within the EU and with the wider international community continues. Moreover, initially, a welfare labelling system may prove difficult to apply to processed products where only a small proportion of the ingredients are of animal origin. There may be a similar difficulty applied to livestock products used in catering.

53. The implementation of a labelling system in a complex range of husbandry systems, as well as the great variety of meat products (such as pies, sausages, ready-to-eat meals), is complicated and may require a staged approach. It may be easier, in the first instance, to label whole carcasses (poultry, fish) and certain meat cuts (pork, lamb and beef). Sometime later other processed products that contain meat and other livestock products can follow. We recognise that there will be difficulties in labelling certain processed products on animal welfare grounds (e.g. those products that contain a large number of different ingredients, some in very small amounts) but decisions about such issues as threshold levels for welfare labelling are not different in principle from the same issues in relation to, for example, vegetarian and non - GM foods. In any event there is likely to be a need for some lead-in time for producers and processors.

54. Potentially, a voluntary system of welfare labelling could be effective in: (i) increasing consumer information and choice; (ii) enabling producers to differentiate their product and gain a price premium; and (iii) improve the welfare of farm animals. This would be particularly true if welfare labelling was incorporated into farm assurance schemes and if major food retailers decided to require welfare labelling as part of their customer assurance. For example, it could be that some retailers might decide to only sell 'higher' welfare livestock products, such as those products currently recognised by the Freedom Food labelling scheme. There is even the argument that some retailers might, rather than employing specific labelling of products, be able to attract customers convinced that they were sufficiently trustworthy and that their products were of the highest animal welfare standard on the basis of their name alone.

The costs of labelling and of supplying information to consumers

55. The main costs associated with the above are likely to relate to the administration of the accreditation system, including the cost of animal welfare inspection and assessment. We accept that these costs may well not be trivial but it may be that some of these costs can be reduced by shared activities with other accreditation and assurance bodies. The costs of labels and supply of information through leaflets etc. incur the usual costs associated with

product marketing. It is important that an accreditation system be devised with costs that do not prohibit adoption of the welfare-labelling scheme by producers and retailers. Having a national or EU mandatory labelling system could increase the costs of domestic/EU products, but those products may then be able to command a price premium.

PART V: BENEFITS OF WELFARE LABELLING

Labelling for the benefit of the consumer

56. Consumer research on voluntary food labelling commissioned by the National Consumer Council (2003) found that the consumers often felt overwhelmed by the information on food labels and found it difficult to distinguish between competing claims, endorsements or assurances. The consensus that emerged from this research was that consumers would like a short-cut to decision making based on kite marks or logos which represented a clear message with well defined claims that were transparent and trustworthy.

57. The Co-op survey on consumer attitudes to the ethics of the food industry (2004) with a sample size of 29,000 consumers concluded that 51% put animal welfare and animal testing in their top three priorities whilst 21% said that it was their top priority. 98% supported the humane treatment of animals and 71% said it was very important that retailers buy from producers who treated their animals well. However, other surveys have concluded that consumers place a lower emphasis on animal welfare.

58. The welfare provenance of all livestock products should be made available to consumers in a form that can be easily identified, readily understood and is capable of standing up to scrutiny. Consumers will differ as to the value they place on animal welfare as a quality characteristic and only a small proportion of consumers may be willing to pay a premium for high animal welfare. (Eurobarometer 2005 found that 57% of EU (25) and 65% of UK citizens state that they would pay a price premium for eggs from animal welfare friendly production systems.) The provision of information on the animal welfare provenance of a livestock product is a pre-requisite for an informed choice which satisfies the personal preferences of individuals.

59. A significant advantage of meeting consumer demands for enhanced welfare standards is that others in the food supply chain and the food service sector will promote better animal welfare standards in order to try to meet the demands. A large majority of people (over 85%) indicated by the response to the EU on-line consultation on the welfare of farm animals in December 2005 that animals should be treated much better in production systems. 87% of the 45,000 who participated in the survey across Europe felt that food retailers do not provide enough information on welfare conditions. 89% felt that livestock production methods should be labelled more clearly to indicate animal welfare conditions.

60. The pressure on retailers to offer competitive prices can often conflict with moves to improve animal welfare. Consumers are therefore typically unaware of the standards to which products are produced. If retailers were required to label clearly the welfare status of all livestock products, including those imported products that do not meet UK welfare legislation, it is possible that a significant switch by consumers to products produced to higher animal welfare standards would result.

Labelling for the benefit of farm animals

61. Labelling is usually understood, as discussed above, as benefiting those consumers who wish to exercise choices based on the information carried by the labels. In addition,

there is a second argument in favour of labelling, namely that such labelling can be for the benefit of farm animals. This argument rests on the premise that it should not be assumed that all consumers are interested only in benefits to themselves and their immediate family and friends. For example, in considering benefits to humans some consumers choose to purchase foods under the various Fair Trade labels, even if such foods cost more or have other immediate disadvantages, on the grounds that the purchase of such foods benefits farmers and other people in developing countries.

62. Similarly, the growth in Freedom Food and other labels shows that some consumers choose preferentially to purchase such foods on animal welfare grounds – though some would hold that there could be other advantages too (e.g. taste). Logically, a valid system of welfare labelling requires (a) that there exists significant variation between farm animals with regard to their welfare; (b) that such variation can, at least to a certain extent, be communicated meaningfully to interested consumers; (c) that there exists significant variation between consumers with regard to the extent to which such labels would affect their purchasing decisions.

63. Labelling for the benefit of farm animals is of particular value when its introduction increases the welfare of at least some farm animals above the minimum considered acceptable by societal consensus as laid down in law.

64. A separate point about labelling for the benefit of farm animals is that it serves not only to inform but also to educate and raise awareness and dispel inaccurate perceptions about the welfare of farm animals. In the longer term, therefore, such labelling may shift consumer preferences. This can feed back to farmers and others involved in the production and slaughter of farm animals, with potential benefits to the animals.

65. There is a strong moral argument for saying in principle that whether welfare labelling should be mandatory or voluntary should depend on which alternative would significantly benefit farm animals to the greatest extent. Given the numbers of farm animals that live and die in the UK (in excess of 900 million each year), let alone those imported here from overseas, and given the undoubted potential for labelling to improve their welfare we have little doubt that farm animals would derive significant benefit from mandatory labelling.

Implications from the consumer's standpoint

66. In a food secure, affluent society, with a highly diverse range of consumer goods, the range of choices available makes decision making difficult in the absence of salient information about food products. If animal welfare is considered to be fairly high on peoples' list of priorities such information is essential for the consumer to make a more considered and informed choice about the purchase of livestock products. For those people with no animal welfare preferences the information can be ignored. In addition it gives purchasers confidence in making their selections and provides some prior assurance that the product meets their requirements.

67. Welfare labelling is of benefit to non-consumers of livestock products who have ethical

concerns over the appropriate treatment of farm animals and who wish to feel assured that society's food supply is responsive to those concerns. To meet the consumer's requirements it implies further that information must be uniform across all types of livestock products – i.e. not relating just to acknowledged 'welfare sensitive' products such as chicken or eggs. Logically, the information should be available for all products whether fresh, recognisably animal-derived or substantially processed, and for all food products with a livestock constituent. Similarly, the information should be available independent of the geographic location where the animal was farmed or its product was processed. To meet consumer needs the information must be available to the extent desired, in a clear and informative manner, and in a form that will dependably confer the assurance that the purchaser seeks.

68. Given the differing interests among consumers, this further implies that a range of information media must be accessible, possibly from a simple 'welfare assured' label affixed to the product through additional explanation of what that means (leafleting, for example) to a detailed specification of the welfare standards and how they are assured.

Implications from the food supplier's standpoint

69. To be able to meet consumer information needs, suppliers must have in place robust and credible assurance schemes, in their supply chains, working to clearly defined animal welfare standards, providing unambiguous traceability to farm of origin, with rigid enforcement and explicit rejection procedures. Without such demonstrable rigour and transparency the information claims cannot be regarded as sufficient for purpose.

70. There is no presumption that there exists a single vector of animal welfare standards on which all 'labelling' should be based. Clearly, information that the product meets minimum (legal) standards provides the baseline. Suppliers must decide whether they wish to identify enhanced standards in some contexts and how to differentiate and label their products accordingly. (The compulsory imposition of welfare labelling may, or may not, lead to suppliers' standards settling uniformly on the minimum, with enhanced 'welfare quality' branding forming a distinctly minority line.)

71. Detailed enquiry needs to be undertaken – via consumer surveys, etc – to ascertain in what form and how detailed the welfare information on 'the label' needs to be to best meet the requirements.

72. One possibility is that a simple 'welfare tick mark' ("Pick the Tick" in Australia and New Zealand) could be sufficient for most purposes (backed by availability of further information on request) as long as the meaning of that mark can be interpreted by the typical consumer and certification is credible. Many people do not need, or wish, to be instructed in the details of livestock farming.

73. Provision of welfare information will add some cost, but this is likely to be small in relation to final product price. Studies should be undertaken to test this proposition. From 1st June 2006 the health status of animals in the food chain will be available at EU abattoirs with feedback being provided to producers.

74. Provision of welfare information adds value to those consumers who want the information since it either affirms or enhances consumer satisfaction. However, to those for whom animal welfare characteristics do not figure in their preferences this value will be zero, although they will still pay some of the cost of its provision.

75. Information about animal welfare for labelling purposes should be available at farm level and all purchasers should acquire this information as an integral part of the product, which stays with it and is passed along the food marketing/processing chain. In this way, and analogously with food safety considerations, all purchasers (not just final food consuming individuals) for whom animal welfare standards are a relevant characteristic in the product they deal with can gain the information they require.

76. Labelling might also make it possible for producers of farm animals reared to higher welfare standards to recover some or all of their increased production costs or even increase their profits through gaining a price premium.

77. Several prominent national animal welfare organisations (notably RSPCA, CIWF, UFAW) are established in the UK. These organisations have an increasing influence on both consumers and retailers with regard to animal welfare matters, often through the use of targeted campaigns on particular issues or the publication of league tables (e.g. CIWF's Supermarkets and Farm Animal Welfare "Raising the Standard" 2006 and previously). In the UK, consumer perceptions about animal welfare now constitutes an aspect of competition between the major retailers with an increasing number projecting themselves as welfare friendly to gain a marketing edge.

78. It is clear the major retailers are becoming key players in the formulation and implementation of any schemes that aim to raise welfare standards. With the largest four now responsible for nearly 65% of meat sales in the UK it is increasingly them and not the farmers whom consumers are seeing as being responsible for current animal welfare standards and potential future improvements.

Implications for trade in animal products

79. Concerns among producers concerning 'level playing fields' have led to the view that the labelling of products according to their background welfare provenance could distort fair and efficient inter-country trade. The logic of this view – as compared to its political force – is untenable, and fails to recognise the established distinction in economic theory between trade diversion and trade distortion.

80. In a demand-driven global economy the purpose of trade is to better satisfy consumer demands and preferences. The act of purchasing requires essential information in order to illuminate available choice and guide product selection. Informative labelling may divert purchases from what they might otherwise have been in their uninformed state, but this is entirely appropriate and defensible if it is the expression of genuine consumer preferences based on relevant information. The distortion of trade implies affecting its pattern in an

inappropriate, unjustified or arbitrary manner (such as by supporting the interests of domestic farmers against overseas farmers).

81. Product labelling can distort trade if it is biased, incomplete or inaccurate, so as to mislead consumer choice. In a perfect world valid labelling cannot do that. Products that meet the standards indicated by a clear welfare label can be selected on price, benefiting both the consumer and the efficient producer wherever that production is located.

82. The argument that animal welfare is an 'affluent' requirement and therefore discriminates against poor countries is erroneous. It does not mean that only affluent ('developed') country producers can meet the specified quality requirements of the affluent consumer. Poorer countries may well have certain inherent competitive advantages in terms of labour costs, climate, resource quality, etc. The growth of contemporary trade in Asian-produced industrial and consumer products demonstrates this point.

83. It is possible that labelling can discriminate by inference against non-labelled products, implying erroneously that the latter are inferior simply because their provenance is not declared. The above logic has yet to feature in discussions in the WTO (and to some extent the EU). The arbitrary prevention of information requirements being met that would benefit possibly well-off consumers, ostensibly on the grounds of protecting poor overseas producers, cannot be sustained indefinitely. The inconsistency in allowing trade conditions to be imposed to meet a society's preferences for healthy plants and animals, but not its preferences for contented animals, is stark. Like animal or plant health, animal welfare is a legitimate scientific concern which needs to be taken into account in WTO rules.

PART VI: PRACTICALITIES OF LABELLING

Legal basis for labelling (the current national and international legislative position)

84. There are presently no statutory requirements relating to the welfare provenance of animal-based food products. In respect of food labelling this is currently within the competence of the European Commission and any new food related legislation is a matter for discussion between the 25 Member States. In the United Kingdom the Food Safety Act 1990 sets out the fundamental principles of food law. Secondary legislation made under the Act mainly implements EU law providing detail on matters such as the chemical or microbiological safety of food, food quality, food labelling and advertising, etc.

85. The WTO is concerned with the rules of trade between nations and does not deal with food information as such. The main international forum that has relevance to international food trade is the Codex Alimentarius Commission, created in 1963 by the United Nations Food and Agriculture Organisation / World Health Organisation to develop food standards, guidelines and related texts (codes of practice). Codex has produced a wide range of food standards which are used in the WTO's disputes procedures.

86. Codex has recognised the importance of taking into account "other legitimate factors" (OLFs) relevant for the health protection of consumers and for the promotion of fair practices in the food trade" but these are determined on a case-by-case basis. We would argue that animal welfare should be considered as an OLF.

87. The European Commission has initiated the Welfare Quality project – its remit is the "Integration of animal welfare in the food quality chain: from public concern to improved welfare and transparent quality". Thirty-nine institutes and universities (representing thirteen European countries) with specialist expertise are participating in this research project which started in May 2004. It is possible that EU legislation relating to animal welfare and the labelling of livestock products will be drawn up as a result of the project's conclusions. However, it will take five years to complete.

88. The project aims to accommodate societal concerns and market demands, to develop reliable on-farm monitoring systems, product information systems, and practical species-specific strategies to improve animal welfare. Effort is focused on three main species and their products: cattle (beef and dairy), pigs and poultry (broiler chickens and laying hens).

89. The research program is designed to develop European standards for on-farm welfare assessment and product information systems, as well as practical strategies for improving animal welfare. The standards for on-farm welfare assessment and information systems will be based upon consumer demands, the marketing requirements of retailers and stringent scientific validation. The key is to link informed animal product consumption to animal husbandry practices on the farm. The project therefore adopts a 'fork to farm' rather than the traditional 'farm to fork' approach.

90. “Acceptable welfare” tends to evolve with time within a society with standards of welfare leading incrementally to the attainment of higher welfare. Without a system of welfare labelling the distinctions between “unacceptable”, “acceptable” and “higher” welfare cannot be drawn. It is accepted that in the absence of a system of measuring or even ranking welfare across different animal species and production systems, it would be very difficult to demarcate these welfare states particularly the demarcation between “acceptable” and “higher” welfare. “Unacceptable” welfare however is defined as falling below the “minimum welfare standard” enshrined in law.

Role of UK Government departments

91. In relation to legislation for food, The Food Standards Agency has lead responsibility in Government for developing general labelling rules and for product-specific legislation on a number of specific foods. Defra leads on marketing standards, which often contain labelling measures, as well as rules on country-of-origin labelling for beef. The Department of Trade and Industry is the lead Department for labelling rules on the net quantity of pre-packed foods. This legislation is enforced by local authorities, usually Trading Standards Officers or Environmental Health Officers.

92. People cannot make maximising decisions if they are poorly informed (or deceived) about the things that they are buying. Indeed, markets cannot function efficiently unless there is adequate information available to both buyers and sellers. The provision of appropriate information can therefore help markets to function better, help consumers and improve their welfare, help producers to better understand the market and their customers (and help them to better produce the goods that the market wants) and so help society generally. Moreover, information is often a ‘public good’ which can be consumed by, and potentially benefit, everyone. Given the importance of information in this context, and the costs of inadequate information and benefits of appropriate information, there is a clear role for government to intervene in the provision of information where it is lacking. Government can do this in a number of ways including (i) providing information itself, (ii) paying for others to provide information, (iii) encouraging others to supply information through education programmes, and (iv) requiring others to supply information through regulation.

Practical problems of product labelling

93. The main practical problem of supplying information (including labelling) relates to the ability to provide sound and scientifically based information on the welfare status of animals used to supply particular products. This relates to the whole issue of welfare measurement and the importance of welfare outcomes. Unless we can measure welfare in some reasonably valid way it will not be possible to communicate meaningfully to consumers. For example, information about production systems (e.g. free range) does not necessarily equate to good, better or bad welfare. To give a valid rating to a product would require traceability and welfare audit/measurement of the animals concerned throughout their lives.

94. Food companies often claim that there is not enough room on the label to provide all the information that people want. While this has some validity for very small packages, a

cursory glance at food packaging will demonstrate that non-essential marketing material takes up the majority of space. However, there is a genuine issue in regard to the provision of information about the increasing proportion of our food that is eaten outside the home, particularly from catering outlets.

95. One practical problem with any assurance scheme, and so potentially a problem with a welfare labelling scheme, is that of equivalence, especially if the system is voluntary and a range of schemes becomes available. How would amber grading in one scheme match up with a bronze, silver or gold grading in another scheme, or, more difficult still, with a 1 to 5 star system? This is already a problem with farm assurance schemes as each scheme may not only have differing standards and concentrate on different criteria of welfare (e.g. disease free vs ability to carry out natural behaviours), but also cover different areas in addition to welfare (e.g. biosecurity, biodiversity, environmental protection and human safety).

Off-label information

96. Food retailers are expert communicators, in touch with millions of consumers every day through point-of-sale information, in house magazines, leaflets and websites. In addition, retailers communicate with their customers through a range of other channels, including portal labels, roadshows, customer care helplines and educational packs for schools. The concept of portal labels, which provide a blanket assurance that all food products in store meet a stipulated standard, is gaining credence. Developments in technology may increase the ability of retailers to provide off-label information, although there are cost implications. Such off-label information would enable concerned consumers to inform themselves about the industry's overall approach. For customers who require more detailed information, retail outlets could hold a copy of a livestock or contract specification manual covering provenance and food production systems.

97. In practical terms voluntary labelling to a standard scheme may be the best option at present. Mandatory labelling for products from outside of the UK would probably have to be agreed at WTO level. This is where the food retailers could play a particularly powerful role and where consumers could vote with their money and seek only to purchase products with an appropriate welfare 'label'.

Welfare of animals from birth to point of slaughter

98. A welfare label whether it is a simple kite mark or logo on livestock product should, at the very least, be a reliable indicator that the welfare of the animal was acceptable at every stage of the food chain, including pre-birth, on-farm, in transit, at market and at slaughter. The legislation and codes of practice set the parameters for acceptable welfare. Defra has just published its Animal Welfare Bill (as has SEERAD) which brings together and modernises legislation relating to farmed and non-farmed animals, some of which dates from 1911. Compliance with the legislation is a duty for all animal keepers and the new legislation will increase the effectiveness of law enforcement for animal welfare offences.

Verification of information

99. A clear, consistent, objective and appropriate system for third party welfare audit, traceability, assurance and accreditation needs to be devised in consultation with stakeholders. This will ensure that products with welfare labels do indeed have their animal welfare provenance indicated.

Role of Farm Assurance

100. The FAWC report on the Welfare Implications of Farm Assurance Schemes (2005) concluded that farm assurance schemes have not yet delivered all the benefits they could in terms of acceptable animal welfare, to a large extent because the food retailing and food service sectors have not sufficiently embraced their aims or applied their procedures wholeheartedly across their product range. It was felt that a number of requirements still needed to be met for farm assurance schemes to reach their full potential in delivering welfare benefits. Some of the requirements most pertinent in this context such as: the acceptance in ethical terms for acceptable welfare; acceptance in negotiations that the treatment of animals cannot be separated from the food products that they supply; and the need for the household consumer to have relevant information to exercise a preference for welfare friendly livestock products have been further explored in this report.

101. The need for development of better methods of assessing animal welfare that are consistent with the nature and time constraints of farm inspections is also central to the question of welfare labelling. Research on practically based welfare assessment is still at an early stage of development with much of the research still in the process of collecting data.

102. The validity and reliability of welfare indicators are a critical element in effective welfare assessment. Current initiatives to incorporate more animal based measures into assessment schemes, which are quick and efficient to use, should lead to improvement in the quality of welfare assessment and farm assurance schemes. Suppliers should have robust and credible assurance schemes, working to clearly defined animal welfare standards producing unambiguous traceability to farm origin with clear enforcement procedures.

103. There are now a significant number of countries around the world exporting fresh, frozen and processed meat based products into the UK. The general consensus amongst consumers would be that these products are produced from livestock reared to significantly lower welfare standards than UK sourced. However, this is not necessarily always the case and it is equally possible for imported products to be produced to higher welfare standards than practised in the UK.

104. There is also a widespread view amongst consumers that free range and organic production standards ensure the best in animal welfare, in excess of other farm standards and legislation. This, again, is not always the case. If organic producers wish their livestock products to be marked with the Red Tractor, they must comply with the additional requirements laid down by Assured Food Standards before they can display the logo.

PART VII: THE WAY FORWARD

105. Labelling on animal welfare grounds has the potential to benefit both consumers and farm animals. Whilst we are strongly supportive of labelling farm animal products we acknowledge that there are a number of unresolved issues that would need significant further attention before any such scheme could be widely implemented, including the following:

- (i) Whether international law will permit mandatory rather than voluntary labelling.
- (ii) If voluntary, whether member states should be required to implement an EU welfare scheme (with criteria based on standardised welfare outcome indicators).
- (iii) The extent to which labelling based solely on welfare outcome measures at farm level is practicable.
- (iv) How labelling can aggregate across the different stages of an animal's lifetime (e.g. to what extent does an instance of poor transport to slaughter negate a good experience on the farm?).
- (v) A variety of labelling schemes can be envisaged. One possibility, along the lines of the present Freedom Food Scheme, is simply to have a stamp of approval indicating high welfare standards. A second approach is to use a tiered system. Such a system might utilise a Bronze, Silver, Gold or a Red, Amber, Green or a 1-5 Star approach. A separate issue is whether a labelling scheme should focus only on animal welfare or be combined with other schemes (Annex 1). A possible advantage of combining welfare labelling with broader considerations, into an overarching assurance scheme, is that consumers would be faced with just a single such label rather than the plethora that are currently developing. However, it may prove difficult to get agreement on such a labelling scheme and the information it contains will necessarily be less precise than that possible if separate schemes continue. Moreover, the issue of equivalence (see para 95) would have to be resolved in some way.
- (vi) What body should be responsible for administering a welfare labelling scheme? The public may be most trusting of a respected charity even if the scheme is to have government backing.
- (vii) Whether a welfare labelling scheme would significantly increase the price of animal-based products.

PART VIII: RECOMMENDATIONS

1. The Government should support the EU Action Plan proposal for an EU welfare label and the development of standardised welfare indicators that allow mandatory and higher welfare standards to be distinguished.
2. The Government should press at EU level for a single, accredited, mandatory labelling system on animal welfare grounds to be agreed by stakeholders and used for all animal-based products.
3. In the meantime, the Government should clearly define best practice guidance for all those involved in the food industry and the animal welfare community to stimulate the implementation of welfare labelling of animal-based products, in a clear and consistent manner, as a means of satisfying consumer preferences, enhancing animal welfare and informing the general public.
4. Welfare labelling should take into account the welfare of individual animals over the entire course of their lives (including pre-birth, on-farm, during transport, at markets and at slaughter). It should be based predominantly on welfare outcomes (i.e. the measurable welfare status of the animals involved in producing the product) rather than on other indicators such as the production system.
5. Any welfare labelling scheme should be kept as simple as possible both for those who administer it and for those who will use it. Further work should be undertaken to ascertain in what form and how detailed the welfare information provided to consumers should be.
6. Any welfare-labelling scheme should apply equally to animal-based products produced within the UK and to imported products.
7. The Government should promote the public procurement of animal-based products which at least meet the UK minimum welfare standards by ensuring that appropriate specifications are included in public procurement training manuals.
8. Suppliers and buyers should be required to have in place robust and credible assurance schemes, working to clearly defined animal welfare standards, producing unambiguous traceability to farm of origin, with clear enforcement procedures.
9. The Government should press the WTO to recognise and accept OIE welfare standards and to use them in its disputes procedures.

APPENDIX I

EXAMPLES OF EXISTING LABELLING SCHEMES

European Eco-label

1. The European Eco-label (flower symbol) was launched in 1992 and provides a good example of an initiative which is voluntary in terms of participation by businesses but is compulsory in terms of administration by member states. The European Eco-labelling Regulations require member states to set up Competent Bodies to administer the scheme, which applies to goods and services (excluding food, drink and pharmaceuticals) that achieve high environmental standards. These criteria, developed in consultation with industry and other interested parties, apply to every stage of the product's life, from manufacture through to disposal, and must be approved by the member states and the European Commission before the label can be used on a product.

2. The Eco-label is subject to independent certification and operates in the 25 member states as well as in Norway, Iceland and Lichtenstein – a potential consumer base of more than 450 million people. The UK was the first country to issue the 'flower label' for a product and has invested over £5million in running and promoting the scheme. Defra is the Competent Body for administering the scheme in the UK.

3. The term 'green label' is now being used to apply to labels or logos with a recognisable environmental or sustainability strand ranging from protection of natural resources, biodiversity and habitat to policies on packaging, waste management and recycling. The International Standards Organisation (ISO) has developed a classification system for environmental product claims and labels. In August 2005 the Global Eco-labelling Network approved the concept of developing an International Co-ordinated Eco-labelling system and proposals include the development of 12 harmonised or core criteria.

Organic Labelling

4. The rules that govern the labelling of organic foods are set out in Regulation EC 2092/91. Organic farming is characterised by the emphasis placed on the farming system as well as the legal framework of production standards and inspection.

5. The word "organic" can be used on food products only if they are produced according to regulations, and any operator who produces, prepares, stores or imports from outside the EU must be certified by an approved organisation. Currently there are 10 Organic Certification bodies in the UK. An organic product should contain 100% organic agricultural ingredients. In processed food products where an ingredient is not available in organic form up to 5% of certain non-organic food ingredients can be included following authorisation by Defra or where these are authorised by the Compendium of UK Organic Standards. There are similar requirements for foods which contain 70-95% of organic ingredients; however the word organic appears only in the ingredients list and as a description on the front label to

show the percentage of ingredients which are organic. There is no requirement to display a logo, but the certification number must be used in the labelling of certified organic products (eg “Organic Certification: UK 4”).

Freedom Food Scheme

6. The Freedom Food Scheme was set up by the RSPCA in 1994 as an independent farm assurance and food labelling scheme with explicit focus on animal welfare. Scheme members are required to implement the RSPCA’s species-specific welfare standards which apply to both indoor and outdoor systems. Freedom Food Standards are integrated across the food chain from birth to the point of slaughter. The Freedom Food certification mark can only be used on products that have been produced through a supply chain that has been approved by Freedom Food.

Marine Stewardship Council (MSC)

7. The MSC is an independent, global, non-profit organisation which was set up to find a solution to the problem of overfishing. It is dedicated to wild seafood sustainability and is not a welfare organisation. It was first established by Unilever and WWF, the international conservation organisation, in 1997. In 1999 MSC became fully independent from both organisations and is currently funded by a wide range of organisations including charitable foundations and corporate organisations around the world.

8. The MSC has set an internationally recognised environmental standard for sustainable and well-managed fisheries. It is based on healthy fish stocks, a thriving marine environment and effective management. The MSC logo appears on seafood in supermarkets and restaurants in 25 countries.

LEAF

9. LEAF (Linking Environment and Farming) is a small national charity, set up in 1991, to develop an environmentally sensitive system of farming, which is realistic and achievable for the majority of farmers. LEAF is the primary organisations responsible for promoting Integrated Farm Management through its network of demonstration farms and the provision of management tools to assist in delivering sustainable farming.

10. The LEAF Marque is a certification standard for farmers and growers. Those farmers who are certified have been independently inspected by food certification organisations licensed by the United Kingdom Accreditation Service (UKAS). The LEAF Marque provides the consumer with the assurance that the producer operates their business and production processes to the LEAF Integrated Farm Management principles and to high environmental standards.

Fairtrade

11. The fairtrade label applies mainly to imported products and targets consumers in developed countries and producers in developing countries. The criteria and requirements for

the fair trade label are set by the Fair Trade Labelling organisations (FLOs). FLO International, the world-wide fair-trade standard-setting and certification organisation of 17 national labelling organisations national initiatives, was set up in 1997 to co-ordinate national fair-trade initiatives, develop international criteria for each product and monitor producer and trader compliance with fair-trade criteria. At present these criteria do not cover livestock products. In order to use the label, each link in the fair-trade chain has to be approved by the FLO or its national counterpart. FLO works with a network of independent inspectors who check on compliance with the criteria. The need for a single logo has been identified in the interest of clarity and transparency and FLO has started harmonising the different labels into one fair-trade certification mark which will be replacing existing labels in different countries on a demand-led basis.

The Red Tractor mark

12. The Red Tractor mark is an industry owned mark which is used at retail level to indicate food that has been produced in accordance with standards laid down in qualifying British food assurance schemes or equivalent. The scheme covers output for beef, lamb, pork, chicken, dairy, cereals, fruit and vegetables. Its use is administered by Assured Food Standards – a private company that was set up for that purpose. Food assurance schemes are private initiatives which seek to assure buyers in the food chain, and consumers, that certain standards of food safety, hygiene, and animal welfare, and to a lesser extent environmental protection have been observed during the production process. Membership of assurance schemes is voluntary and require participants to be audited by independent inspectors every twelve to eighteen months.

APPENDIX II

RECENT DEVELOPMENTS ON LABELLING WITHIN THE EUROPEAN UNION

1. The sustainable trade action plan (STAP) adopted by the European Commission in 2004 aims to promote sustainable and fair trade and to increase consumer knowledge of and confidence in products labelled as being sustainable trade, fair trade or ethical trade. In its new consumer policy strategy, the Commission has indicated that it will examine existing private labelling schemes such as organic labelling, fair-trade and corporate social responsibility measures to assess their effectiveness and the need for further measures in achieving the objectives of transparency and information for consumers.

2. The Commission has also stated that:

- Social labelling schemes should be objective, transparent and non-discriminatory
- Procedures to obtain labels should be fair, proportional and not unnecessarily resource demanding so as to not to exclude producers in developing countries
- The EU and member states should help developing countries to make use of social labelling schemes.

3. The EU Action Plan on the protection and welfare of animals, adopted by the European Commission in January 2006, aims to clarify existing EU legislation on animal welfare and provide proposals for areas where action is currently lacking. Amongst other things the Action Plan envisages the following:

- Current minimum welfare standards are upgraded across the EU in line with the latest scientific information and public demand.
- A classification system is introduced to differentiate between minimum welfare standards and higher standards so that production systems with higher standards get due recognition.
- The option of an EU label for animal welfare is put forward, to promote products obtained in line with certain welfare standards.
- An EU label for animal welfare would allow for the better promotion of products which have been produced in line with animal welfare requirements, and a differentiation between those obtained with basic mandatory animal welfare standards and those with higher standards. It would also compensate to some extent for the competitive pressures faced by EU producers in the

increasingly globalised agricultural market, where animal welfare obligations are extremely divergent.

- A clear label identifying the level of welfare applied could prove an effective marketing tool, and improve the information available to consumers in the EU and internationally when making purchase choices. The recently published 2005 Eurobarometer survey showed that 74% of consumers believe they can improve animal welfare through their shopping choices, and over half of all consumers surveyed stated that they would be willing to pay more for animal welfare-friendly food products. However, the poll also revealed that consumers found such products difficult to identify. An EU animal welfare label would help to address this problem.
- The possible establishment of a European Centre for the protection and welfare of animals which could be involved in the setting of new animal welfare indicators and an EU label for animal welfare.
- International initiatives to raise awareness of animal welfare continue to be initiated and supported whilst pressing for greater acceptance of animal welfare policies at WTO level.

APPENDIX III

THOSE WHO GAVE EVIDENCE AND ASSISTANCE

Advocates for Animals
Assured British Meat
Assured Food Standards
Asda
Animal Welfare Science Ethics & Law
Veterinary Association
Mr M Bird
Bristol University
British Cattle Veterinary Association
British Egg Industry Council
British Institute of Agricultural Consultants
British Poultry Council
British Retail Consortium
Bristol University
Cardiff University
City University, London
Compassion in World Farming
Co-operative Group (CWS) Ltd
Farm Animal Welfare Network
Foodaware
Food Standards Agency
Freedom Food
International League for the Protection of
Horses
Local Authorities Coordinators of
Regulatory Services
Meat and Livestock Commission
Morrisons
National Consumer Council
National Council of Women
National Pig Association
National Secular Society
Peel Holroyd
Provision Trade Federation (PTF)
Oxford University
Royal Society for the Prevention of Cruelty
to Animals
Quality Meat Scotland
Scottish Association of Meat Wholesalers
Shechita UK
Soil Association
Somerfields
Sustain
Tesco
University of Wales
Universities Federation for Animal Welfare
Vegetarians International Voice for Animals
Waitrose
Welfare Quality (EU Project)
Which

APPENDIX IV

MEMBERSHIP OF THE FARM ANIMAL WELFARE COUNCIL (MAY 2006)

Professor Christopher Wathes – Chairman

Mr Robin Anderson

Mr Ian Baker

Professor Richard Bennett

Mrs Rosemary Berry

Mr Huw Davies

Professor Sandra Edwards

Professor Peter English

Mr Graham Godbold

Mr David Henderson

Mr George Hogarth

Professor Alistair Lawrence

Mrs Ruth Layton

Mr Stephen Lister

Dr David Main

Mr Richard Maunder

Professor David Morton

Mr Andrew Nicholson

Miss Miriam Parker

Reverend Professor Michael Reiss

Mrs Barbara Smith

Mr Mike Vaughan

Ms Alison Ward

Mrs Meryl Ward

APPENDIX V

CONTACT DETAILS

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