Study on animal welfare labelling

Animal Health Advisory Committee

7 June 2022

European Commission

Context of the study

Farm to Fork strategy in May 2020

« The Commission will also consider options for animal welfare labelling to better transmit value through the food chain»

The study

- Consumer <u>awareness</u> and information needs

- Consumer <u>willingness to pay</u>

- <u>Preferred features</u> of labelling schemes

- <u>Current issues</u> with animal welfare labelling schemes

- Extent to which current schemes:

  - Respond to the consumer demand

  - Add value to the food chain

  - Improve the welfare of animals

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Methodology

- <u>Mapping of 51 schemes</u> with animal welfare claims

- <u>Consumer survey</u> in 27 Member States

- Targeted survey of industry bodies

- Survey of members of 8 animal welfare schemes

- Desk research of publications between 2010-2020

- <u>8 in-depth case studies</u> of schemes in 6 Member States

Consumer awareness and needs

- Concerned on animal welfare, but <u>not well informed</u> on farming conditions

- <u>TV, radio and newspaper</u> are the main sources of information

- <u>North-West Europe</u> shows higher levels of awareness, but no significant differences by socio-economic characteristics.

- Demand for information fairly <u>evenly distributed across the EU</u>.

- Also interest in <u>other sustainability issues</u> such as antibiotics, fair pay, biodiversity and carbon footprint

Preferred features

- <u>Text or a logo</u> covering multiple species, production systems and the whole life

- Better trust of schemes managed by <u>NGOs and EU</u> than national authorities and private actors

- <u>Evaluative labels</u> more effective than descriptive [**Green** colour]

- <u>Graded labels</u> perform better than positive (endorsement) or negative (warning)

- Risks of <u>information overload</u> when multiple labels on a single product

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Current issues

- Distortion of competition

  - <u>Access to other market difficult</u> because segment does not exist or label unknown

  - Competition at home from non-scheme members selling products more cheaply

  - <u>Standards differ</u> in severity and implementation costs

- Consumer confusion

  - Labels visually similar and <u>difficult to compare</u>

  - Variations in welfare requirements

- Renationalisation of the market

  - Often associated with <u>national origin claims</u>, with national symbols or colours.

  - <u>Administrative challenges</u> limiting operations to national supply chains.

Consumer demand satisfied?

- Existing schemes overall in line with consumer demand

- But 16 Member States with no dedicated animal welfare schemes

- Unclear how other schemes address this gap

- Schemes frequently include wider sustainability claims, but the specific standards vary making it difficult for consumers to interpret them

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Added value to the food chain?

- Products <u>more expensive</u> with premiums from 18% to 94%

- Price differentials linked to <u>higher investment and operating costs</u>

- <u>Farmers get compensated</u> for higher costs but not always and unclear if they make better profit

- Incentives include <u>market access, financial rewards and/or stable income</u>, improved brand image/reputation and improved animal health.

- Challenges to adhering varies from label to label and from species to species within the same label.

Better welfare for animals?

- Evidence is limited

- Many schemes <u>cover the whole life</u>

- Most schemes <u>go beyond national and EU legislation</u>

- Most schemes with <u>third party auditors</u>

- No evidence of <u>baseline data</u> to evaluate impact over time

- <u>Multi-tier schemes marginally above</u> legislation for the lowest level where most adherents are