

October 2001

**SUBMISSION BY COMPASSION IN WORLD FARMING TO  
POLICY COMMISSION ON THE FUTURE OF FARMING AND FOOD**

**Introduction**

Compassion in World Farming (CIWF) believes that, in the wake of the FMD crisis, substantial reforms are needed to help prevent the crises which beset UK farming with some regularity and to introduce the sustainable, safe and humane agriculture which the public increasingly wants.

We should at the outset make it clear that in our view much of modern agriculture – both in the UK and the rest of the EU – imposes serious welfare problems on animals. Of particular concern are the long distance transport of live farm animals and the highly intensive methods which continue to dominate the pig and poultry industries.

CIWF's submission examines the desirability of change in the following areas:

1. An end to animals being transported long distances to slaughter within the UK.
2. A reduction in the use of livestock markets.
3. An end to the export of live farm animals for slaughter or further fattening. Moreover, the EU as a whole should adopt a major change of policy whereby the long distance transport of live farm animals is replaced by a trade in meat and carcasses.
4. The licensing of farmers.
5. An end to the industrial methods which are commonplace in the pig and poultry industries.

If as a society we want improved farming standards, we must:

6. Let go of the cheap food policy, which is what has fuelled factory farming. The cost of changing to better systems is often exaggerated. That said, humane food does in general cost a little more to produce.
7. As taxpayers, we should insist that part of the CAP budget is used to help farmers move away from industrial farming to a more humane and sustainable agriculture.
8. The WTO rules must be revised to end their detrimental impact on EU attempts to introduce a better agriculture.

Debate about the need to reform modern agriculture is not confined to the UK, but is common in much of the EU. For example, in the Netherlands in May 2001, the Wijffels report was published. This advised that Dutch farmers should move away from the present practice of producing as much meat as possible at the lowest possible costs. Instead they should create added value by producing in an animal- and environmentally-friendly way.

The Wijffels report referred to the factory farming of animals as “immoral” and concluded that in future animals’ natural requirements should be respected, e.g. that “pigs should be able to root, hens should be able to scratch and that cows belong outdoors, in the meadow”. The Committee also recommended that the long distance transport of live farm animals should be abandoned.

The significance of the Wijffels report lies not just in its content, but even more in the composition of the Committee that produced it. The Committee included no representatives from animal welfare or environmental organisations. It was chaired by Mr Wijffels, a former bank director, who was responsible for the financing of Dutch intensive farming in his former job as Chairman of the Dutch Rabobank (the former ‘farmersbank’). Two directors of big meat-producing companies (Dumeco and Alpuro) were members of the Committee, as well as a number of senior Agriculture Ministry officials. The report was welcomed by the biggest Dutch farmers’ union and by the Minister of Agriculture, who committed himself to implementing the report’s recommendations.

CIWF’s detailed thinking is as follows:

1. **Ending long journeys to slaughter within the UK**

The last few years have seen an increasing tendency for animals to be transported long distances to slaughter within the UK. This is partly due to

the substantial reduction in the network of local abattoirs, but also to some farmers/dealers being willing to ignore relatively nearby abattoirs and instead transporting animals to distant abattoirs if the latter are paying slightly higher prices.

These long journeys involve greater welfare problems than shorter journeys and can also play a part in the spread of animal diseases.

CIWF believes that a number of steps need to be taken if animals are to be slaughtered reasonably near to the farm:

- a) There needs to be a concerted attempt by government and the abattoir sector to forestall the closure of any more local abattoirs and then to try and secure the reopening of such abattoirs. Government should carefully examine ways of giving financial assistance to this development, possibly under the CAP's Rural Development Regulation or the EU Structural Funds.
- b) The government must enter into negotiations with our EU partners to secure a revision of EU meat hygiene legislation designed to provide a proper balance between the need to achieve good hygiene standards and the economic viability of small abattoirs.
- c) Farmers and others selling animals for slaughter should be encouraged to use a reasonably nearby abattoir rather than sending animals to a distant abattoir.
- d) Some supermarkets insist on only sourcing their meat from a few large abattoirs. This policy inevitably means that animals have to be transported long distances to those abattoirs. Supermarkets must be persuaded to alter this policy; they should be willing, despite any inconvenience to them, to source their meat from local abattoirs up and down the country. Indeed, there would be little point in re-establishing a network of local abattoirs if the supermarkets declined to use them. If supermarkets wish to be regarded as a responsible sector of society, they should be prepared to facilitate a return to local slaughter which will bring benefits both in terms of animal welfare and disease control.

2. **The use of livestock markets should be reduced and multiple journeys ended**

Diseases can clearly be spread at markets. It takes only a few infected animals at market to spread the disease to many of the other animals at the market,

who in turn will pass on the infection to other animals with which they come into contact at their destination.

Markets also have serious welfare implications. The principal welfare problems encountered include:

a) **Rough handling is commonplace**

Animals are sometimes jabbed and poked with sticks, hit and even kicked. Recent surveys show a significant number of cattle being bruised at markets due to excessive use of sticks. *McNally & Warriss (1996)* found that animals from live auctions had more bruising and more meat rejected for bruising than animals from dealers and farms. In a 1997 paper the same authors pointed out that this is in agreement with similar findings for sheep. As well as more bruising, the 1996 paper reported that cattle sold through markets produced carcasses with significantly more evidence of the animals having been hit with sticks than cattle obtained from farms. The first survey reported in the 1996 paper involved 15,518 carcasses. Of these, over 1,000 were recorded as either down-graded or a potential 'opportunity' loss because of bruising, and 273 because of stick-marking. The authors state that nationally this may represent over 180,000 cattle down-graded for bruising and 49,000 for stick-marking. *McNally & Warriss (1997)* point out that: "Higher levels of stick-marking imply people hitting animals more."

*Jarvis et al (1995)* examined cattle carcasses at two commercial slaughterhouses. They reported that over 97% of carcasses observed were bruised and that cattle from markets had more bruises than cattle transported to slaughter direct from farms.

b) **Overcrowding**

Sheep are often crammed into pens so overcrowded that they cannot lie down; they are then left standing - sometimes for hours on end - in all weathers.

c) **Lack of water**

This is a major problem. Animals are often deprived of water throughout their time at market. On hot summer days this can lead to real distress, even dehydration.

Dr Toby Knowles of the Division of Food Animal Science of the University of Bristol has told me that in his view water must be available for animals at markets. He confirmed that sheep, cattle and pigs can all suffer from

dehydration. Some people try to argue that sheep and cattle do not need water at market. Dr Knowles, however, said that it is not that sheep and cattle do not need water, but that they will tend to be reluctant to drink from something new and unfamiliar or if they are disturbed. In such circumstances they will not go to the water straight away, and when they do drink it may only be for brief periods. He stressed that nonetheless, water must be made available at markets for sheep and cattle.

Dr Knowles added that, of course, water must also be available for pigs, a species which is less nervous about drinking than sheep and cattle.

d) **Injured animals**

Injured animals are sometimes given no veterinary care; in some cases they are left for hours before being taken off to slaughter.

**Video and electronic auctions and direct selling**

CIWF believes that, wherever practicable, the use of auction markets should be reduced. Markets are not a *necessary* part of the way in which animals are sent from farm to slaughter or from breeding farm to finishing farm. There is no reason why animals should not be transported *directly* from farm to abattoir or from breeding to finishing farm. Additionally, a wider use of video or electronic auctions should be encouraged.

Video and electronic auctions offer significant savings as farmers do not have to incur transport and staff costs in taking animals to market. Other benefits from such auctions include improved bio-security, animal welfare and traceability. For those who believe that markets have an important role in setting prices, video and electronic auctions continue to perform that role. Moreover, the former fulfil a similar social function for farmers as traditional markets as they still go to the physical market to bid for animals which are seen on video.

Traditionally sheep and cattle farmers have been opposed to direct sales, believing that they get a higher price at market. CIWF, however, believes that the role of markets as a price-setter has been exaggerated. Selling direct to an abattoir does not mean that the farmer has to be vulnerable to the abattoir unilaterally setting the price. In practice, there will often be more than one abattoir within the locality/region to which the farmer can sell and he will simply go to the one offering the best price. Attempts by abattoirs to act in concert to keep prices down would be in breach of competition law.

Moreover, certainly in Scotland, some breeding farms sell their animals directly to finishers, in some cases supplying stock to the same farmers year after year.

One advantage of such direct sales is that the finisher – and in the case of slaughter stock, the abattoir – knows where the animals have come from and so can achieve more effective quality control. When animals of low quality are supplied, the finisher or abattoir can readily take this problem up with the supplier.

In addition, direct sales offer similar benefits to video and electronic auctions as regards reduced staff and transport costs for farmers who do not have to take their animals to market, and improved bio-security, welfare and traceability.

One example of direct selling can be found in the case of Glendale Livestock Limited, which operates in Northumberland. The Directors have many years experience of livestock marketing, having operated at several auction marts in the region. The company values the animals on-farm and handles the negotiations and administration side. It arranges for prime cattle and sheep to go direct to the slaughterhouse and for store animals to be sold on to another farm. In each case the transaction needs only one journey, resulting in less stress for the animals and, significantly, a lower cost for the farmer. At a time when marketing and distribution costs have risen sharply, a more cost-effective approach to selling is indeed welcome.

### **Multiple journeys**

At the outset of the FMD crisis, it became clear that many sheep are moved several times in quick succession in and out of markets and other premises as dealers try to make rapid, small profits on the animals. These multiple journeys played a major role in the rapid spread of FMD, and lead to poor welfare as animals are subjected to frequent loading and unloading and mixing with unfamiliar animals.

Ways must be found of preventing animals being taken on these multiple journeys, which are not a *necessary* part of farming. Journeys undertaken by dealers who are simply trading animals as commodities rather than adding value to them in a genuine farming operation, should be stopped.

One welcome step would be for the government to implement the proposal of the Livestock Auctioneers Association that after being exposed for sale at a market, an animal could not be exposed for sale again at that or any other

market for 20 days. In order to be able to enforce controls on movement, sheep (like cattle) would have to be individually identified; in our view, this must be done electronically, not by ear-tagging, which causes serious welfare problems in sheep.

### **3. An end to live animal exports**

Until the FMD crisis, the UK was exporting around 800,000 lambs and sheep a year for slaughter abroad. Farmers have made it clear that they want to resume these exports at the earliest opportunity. Many of these animals are sent on extremely long journeys to Italy, Greece and Spain. Journeys to Italy last over 40 hours and those to Greece can take 70 hours or more.

Some people query the opposition to live exports, asking what problems are posed by a 21-mile Channel crossing. There can indeed be problems with the crossing (e.g. rough seas and poor ventilation), but the core problem are the long journeys down to southern Europe which all too often follow the Channel crossing.

Packed into overcrowded trucks, often without water or proper ventilation, the animals suffer greatly during these long journeys. They become increasingly exhausted, dehydrated and stressed. Some get injured, while others collapse on to the floor of the truck where they risk being trampled by their companions. In the worst cases, many die.

A succession of European Commission reports have stressed that in many Member States EU laws on the welfare of animals during transport are routinely ignored by transporters, and that enforcement is extremely poor in many Member States. However, even if the laws were observed and enforced, this trade should not be permitted; taking animals all the way from the UK to Italy, Greece and Spain is simply not consistent with good welfare.

The live export trade is not only cruel, but also risks spreading disease across Europe. Indeed, it is the UK live export trade which transmitted FMD to France and Ireland and, in conjunction with Irish calf exports, to the Netherlands. Irish calves were shipped to northern France, where they stopped at the same resting place as some UK sheep, which later turned out to have FMD. The Irish calves contracted the disease from the UK sheep and were then sent to the Netherlands, so taking the disease into that country.

Much of the suffering and disease transmission risks involved in the live trade could be ended if animals were slaughtered here in the UK, with our exports being in meat form. UK farmers argue that continental consumers only want

our live animals and not our meat. This is not borne out by the facts. For many years, Ministry of Agriculture figures have shown that 85-90% of our sheep exports are already in meat form. With vigorous marketing on the continent, it should be possible to convert the whole of our exports into a meat trade.

Indeed, the UK economy as a whole would benefit from an end to live exports. If, instead of being sent for slaughter abroad, animals were slaughtered in this country, new jobs and extra profits would be created in UK abattoirs and allied industries.

A significant component of UK live exports are the light lambs which are reared on the uplands and hills. Traditionally there has only been a limited market for these light lambs in the UK, while they have been welcomed by importers in southern Europe. However, the notion that these light lambs cannot be marketed in the UK has now been shown to be erroneous. In order to relieve the pressure on farmers who cannot export animals during the FMD crisis, a number of supermarkets have been marketing light lambs here in the UK with considerable success. CIWF would like to see a long-term marketing strategy for the light lambs being established in the UK so that once exports are permitted again, there will be no perceived need to export these animals live as there will be a UK market for them.

Another important consideration is that the UK is a major importer of sheepmeat. It seems anomalous that the UK should export live lambs and sheep, while at the same time importing sheepmeat.

In 2000, for example, the UK imported 118,000 tonnes of sheepmeat. In the same year we exported 96,600 tonnes and 762,000 live sheep, the latter being equivalent to about 11,000 tonnes. Adding meat and live sheep exports together, the UK exports around 107,000 tonnes while importing 118,000 tonnes.

We appreciate that imported sheepmeat (mainly from New Zealand) and exported live sheep are of different quality and seasonality and may be serving different markets. Nonetheless, CIWF believes that serious consideration should be given to ways of persuading UK consumers to substitute domestic for imported sheepmeat, which would allow animals formerly exported live to be consumed domestically.

In conclusion, UK farmers need not suffer from an end to live exports if a combination of two strategies is employed:

- ?? persuading the UK public to consume domestic rather than imported sheepmeat, which means that animals previously exported live would be consumed in the UK, and
- ?? persuading continental importers to take UK meat rather than our live animals; this should not be impossible as 85-90% of our sheep exports are already in meat form.

Crucially, we believe that the sheep industry must not seek to resume live exports once the FMD crisis is over. If all the sheep produced in the UK cannot be marketed either domestically or as meat overseas, then farmers must reduce the number that are reared.

### **The need to find a proper use for male dairy calves**

Over the years a number of ways of dealing with the male calves born to dairy cows have been used, all of which CIWF believes to be ethically unacceptable. These include: the export of calves to continental veal crates, a system so cruel its use is illegal in the UK (this export trade stopped in 1996 due to BSE); the Calf Processing Aid Scheme, under which farmers were paid out of taxpayers' money to have young calves slaughtered, on condition that their meat did not go into the food chain, not because it is unhealthy, but to remove 'surplus' meat from the market; and the shooting of calves on-farm at or near birth.

The last of these – shooting calves at birth – apparently remains commonplace with dairy farmers. And yet, in contrast to this, over the years – and again presently – the farming press often reports that UK beef finishers are short of animals to fatten and are eager to use the male dairy calves for this purpose. CIWF believes that the different segments of the cattle industry must co-operate to find ways in which to marry dairy farmers' need to find a productive use for their male calves with the demand from the beef sector for more animals to fatten. Dairy farmers should, of course, produce male calves more suitable for rearing for beef by using more beef/dairy crosses in their breeding rather than pure dairy animals.

Moreover, the UK is far from self-sufficient in beef; we import a significant amount of beef. Surely it would be economically – and ethically – beneficial to reduce the volume of imports by rearing UK male dairy calves for beef, albeit 'second quality' beef. To many it seems absurd that we import large amounts of beef, while at the same time killing calves at birth as being 'surplus to requirements'.

The industry may well say that the imported beef and the beef from male dairy calves is different in quality and fulfils different market demands. Nonetheless, CIWF believes that, if the will is there, a proper use for the male dairy calves could be found in a nation that is a substantial importer of beef.

We must emphasise that both the cattle and sheep industries must move away from their reluctance to contemplate change and instead find solutions to the issues of male dairy calves and live sheep exports. The public will not remain patient for much longer with the spectacle of live sheep being exported while we import large quantities of New Zealand sheepmeat and of young calves being killed at birth while we continue to import beef to make up our domestic shortfall.

#### **4. The licensing of farmers**

Licensing of farmers should, in CIWF's view, be introduced both for the benefit of being able:

- a) to require new entrants to the industry to demonstrate their competence, and
- b) to suspend or withdraw the licence of existing farmers who show themselves to be unable to achieve minimum welfare requirements.

We believe that some farming bodies would welcome licensing as a way of being able to remove inept farmers from the industry.

The obligation to hold a licence could be linked with a requirement for training or the assessment of competence.

#### **5. Industrial farming methods in the pig and poultry industries should be ended**

CIWF does not claim that the outbreak of FMD was caused by industrial agriculture. Nonetheless, if we want to break the cycle of the periodic crises faced by UK agriculture and introduce an ethically sustainable husbandry, we need to end the industrial methods which dominate the pig and poultry industries in the UK and the rest of Europe. These methods are cruel and in our view make animals more susceptible to disease.

When animals are packed into overcrowded, often unhygienic sheds, it is hardly surprising that they are unhealthy and harbour disease. The overcrowded, barren conditions, together with the fact that the animals are

unable to carry out most of their natural behaviour, means that they are highly stressed; this leads to their immune systems being compromised, so making them more vulnerable to disease. Moreover, once disease enters an overcrowded shed, it is likely to spread very rapidly.

CIWF is deeply concerned about the very poor welfare conditions on many pig and poultry farms. Scientific research shows that in natural conditions pigs spend 75% of their daylight hours in activities – rooting, foraging and exploring. No such activities are possible for most of the pigs fattened for meat as the majority are factory farmed. They are kept in barren, overcrowded and sometimes unhygienic indoor pens. Often they are given no straw; instead they are kept on bare concrete or slatted floors. Often they are kept in old, damp, poorly ventilated, poorly insulated buildings – a perfect recipe for respiratory disease.

Unable to perform their natural behaviours, the pigs sometimes turn to the only other ‘thing’ in their world: the tails of other pigs. Out of boredom and frustration, they begin to bite those tails. The science shows that the right way to prevent tail-biting is to keep the pigs in good conditions. What factory farmers do is slice off part of the tail with pliers or a hot docking iron, even though such routine tail-docking is illegal.

Most broilers – the chickens reared for their meat – are pushed to grow so quickly that their legs often buckle under the strain of supporting their bodies and, as a result, millions a year suffer from painful leg deformities. Their lungs and heart also fail to keep pace with the rapid body growth. This leads to millions dying each year of heart failure. Most egg-laying hens are still kept in battery cages which are so tiny that they cannot even spread their wings.

CIWF’s concerns about intensive pig and poultry farming are fully supported by extensive scientific literature and in particular, by the 1997 report of the European Commission’s Scientific Veterinary Committee (SVC) on pigs and its 1996 report on laying hens (*SVC, 1997; SVC, 1996*). The SVC has been renamed as the Scientific Committee on Animal Health and Animal Welfare (SCAHAW). In a 2000 report SCAHAW was highly critical of the broiler industry, particularly as regards leg disorders, heart failure, overcrowding and restrictive feeding regimes for broiler breeders (*SCAHAW, 2000*).

The UK industry often claims to have the highest welfare standards in the world. We suspect that this claim is inaccurate. Sweden, for example, has higher standards in its pig farms, Switzerland already has in force a ban on the battery cage for laying hens and a much greater proportion of the French broiler flock is kept in free-range systems than is the case in the UK.

Moreover, even if it is true that the UK has higher welfare standards than many, the fact remains that in much of the pig and poultry industries those standards are very poor. CIWF believes that on ethical/welfare grounds, far-reaching reforms to the intensive pig and poultry industries are needed. (The economic implications of these changes are examined in section 6 below).

CIWF believes that, in place of industrial agriculture, we need to introduce a farming which pays full regard to animals' physiological, behavioural and social needs. Animals should be kept either free-range or in good indoor systems where animals are provided with plenty of space, fresh air and daylight and an ample supply of bedding, preferably straw. The following practices have in our view no proper place in good farming:

- a) the rearing of animals which, as a result of selective breeding for enhanced productivity, experience physiological disorders, impaired health, disease or pain; and
- b) the mutilation of farm animals.

As regards the egg industry, we are dismayed that they are giving serious consideration to replacing the traditional battery cage (which under EU law is banned from 2012) with the 'enriched' cage instead of moving over to good perchery or free-range systems. The 'enriched' cage offers no significant welfare benefits to hens as compared with conventional cages. It would be much more sensible for the industry to move over to systems which the public supports, rather than to the 'enriched' cage which will attract just as much opposition from welfare organisations and the public as the traditional cage. It makes no sense to invest large sums of money in replacing a widely condemned system with another one which will be equally disliked.

Turning to the broiler industry, we are concerned that while claiming to take the issue of leg problems seriously, the industry continues to select, as one of its key priorities, for even more rapid growth, the very factor widely acknowledged as being a key cause of lameness. Indeed, the industry has stated that it hopes that by 2005, broilers will be significantly heavier at slaughter age of 41 days than now. This will almost inevitably lead to an increased incidence of lameness.

We believe that the broiler industry should halt the process of selecting for ever faster growth and greater feed conversion efficiency. Having done that, they should reverse the process and select for slower growth and improved leg strength and walking ability.

As regards pigs, we believe that significant improvements are needed in the way that many fattening pigs are reared (by “fattening pigs”, we are referring to all pigs reared for their meat):

- a) **Overcrowding** The law still allows fattening pigs to be kept in conditions which we believe can fairly be described as overcrowded. In their 1997 report, the SVC produced a formula for calculating space allowances which indicates that most space allowances laid down in EU and UK law should be increased by about 50% (the law gives different space allowances for different weight categories of fattening pigs). The SVC’s formula is designed to ensure that pigs have sufficient space to enable all to lie down at the same time in lateral recumbency.
- b) **Provision of straw** In their report, the SVC stressed the importance of straw for providing:
  - i) Physical and thermal comfort,
  - ii) Dietary fibre, and
  - iii) An outlet for rooting and chewing behaviours; the SVC reported that damaging behaviours, like tail-biting, are reduced when straw is provided.

CIWF believes that all pigs – sows, boars and fattening pigs – should be given *a sufficient quantity* of straw or some other suitable material to provide physical and thermal comfort and to enable them *properly* to perform exploratory, rooting and chewing behaviours.

- c) **A prohibition on routine tail-docking** As indicated earlier, in order to prevent tail-biting, most farmers dock their piglets’ tails. In their report, the SVC stressed that docking is likely to be painful when carried out and sometimes leads “*to prolonged pain*”. The SVC concluded that the proper way to prevent tail-biting is not to dock the piglets’ tails, but to keep the animals in good conditions. They stressed that:

*“The problems of injury following tail biting should be solved by improved management rather than by tail docking”.*

The SVC made it clear that tail-biting can largely be prevented by keeping pigs at a stocking density which is not too high, and by providing straw or other manipulable materials.

## **Health problems arising from the use of selective breeding for enhanced productivity**

The problems of factory farming are not limited to keeping animals in cages and narrow stalls or in overcrowded, barren sheds. Selective breeding for enhanced productivity has caused serious health problems. As indicated above, broilers have been pushed to such rapid growth rates that many suffer from leg disorders and heart failure. Turkeys, bred to produce a maximum quantity of breastmeat, have become so misshapen that they can no longer breed naturally and many adult males suffer from painful degenerative hip disorders.

The selection of dairy cows for ever higher milk yields has led to a number of health problems, which arise as a direct consequence of the intensity and duration of the metabolic demands involved in high levels of lactation. The main problems for high yielding cows include: metabolic hunger, lameness, mastitis, metabolic diseases such as ketosis, milk fever and grass staggers, and, eventually, severe loss of body condition and chronic exhaustion.

## **STEPS THAT MUST BE TAKEN IF WE WANT AN IMPROVED AGRICULTURE**

If as a society we want a better agriculture:

- \* we must as consumers be willing to pay a little more for our food;
- \* whereas as taxpayers we must insist on a re-direction of CAP funds to promote a move away from industrial farming; and
- \* as voters we must insist on reform of the WTO rules to end their damaging impact on EU attempts to introduce an improved agriculture.

### **6. Challenging the cheap food policy**

If we want change, we have to let go of the cheap food policy, which is what has fuelled industrial agriculture. The cost of changing to better systems is often exaggerated. As will be shown below, changing to higher welfare systems often adds relatively little to on-farm production costs. Indeed in some cases, as will also be shown below, improving welfare sometimes reduces costs and increases productivity. However, in cases where extra costs, albeit small ones, are involved, it is essential that farmers are not left to bear

the burden of these increased costs alone, but instead we as consumers must be prepared to pay the little extra needed for our food.

CIWF believes that as responsible consumers we should be willing to pay the little extra needed so that animals can be kept in kinder and healthier systems. We are, in general, a reasonably wealthy society. We can afford the lottery, holidays abroad, a range of luxuries. Are we really saying that we cannot afford decent standards of farm animal welfare?

Indeed the drive to produce cheap food has arisen, not because most of us are so poor that we could not feed ourselves without factory farmed food, but because we wish to save money on essentials so that we can afford even more luxuries.

That said, there are some people for whom every penny counts. The answer to their situation is not to continue with factory farming, but to adopt social policies designed to ensure that everyone can afford food which is safe, nutritious and humane. Indeed, it is worth pointing out that people may well have a healthier diet if they were to replace some of their meat consumption with fruit and vegetables.

Today we spend only 17% - or even less - of our income on food, whereas around 50 years ago it was over 30%. So, the suggestion that we spend a little more on our food comes at a time when food is costing us less, as a proportion of overall expenditure, than ever before. The dramatic fall in the proportion of our income spent on food has in part been achieved by the use of husbandry systems with very poor welfare. If we were willing to slightly increase the proportion of our income spent on food, we could easily afford to introduce humane production methods.

### **Production cost differences as between factory farming and higher welfare systems**

The widely-held assumption that factory farming is inherently much cheaper than more humane systems proves in many cases to be false. For some products the on-farm production costs - as opposed to the price charged by retailers - are only slightly higher for improved welfare systems as compared with factory farming. In other cases a more humane system can actually result in lower production costs.

### **Economics of the ban on sow stalls**

In their report published in January 2001, the European Commission pointed out that, as regards investment, some forms of group housing are cheaper than sow stalls (*European Commission, 2001*). The Commission added that overall pig production costs (i.e. including both building and running costs) are also lower in some group housing systems than with sow stalls.

Figures from other studies also show that group housing can involve lower capital costs than sow stalls. In their 1997 report the SVC calculated that capital costs are lower for group housing than for sow stalls if the electronic sow feeder (ESF) system is used (*SVC, 1997*).

A study at the Dutch Research Institute for Pig Husbandry (Rosmalen) found that housing investment is 2% less for the ESF system than for sow stalls (*Rosmalen, 1997*). The French Institut Technique du Porc has reported that group housing in strawed buildings involves lower investment costs as compared with both sow stalls and group housing with slatted floors (*ITP, 1998*). Similarly, the Centre for European Agricultural Studies has calculated that group housing reduces building investment costs by £2.74 per sow place (*CEAS, 2000*).

Turning to the overall impact of capital and running costs, figures from France (Institut Technique du Porc), the Netherlands (Rosmalen Institute) and the UK (MLC and CEAS) show that even in the better group housing systems – ones giving reasonable space and ample straw – a kg. of pigmeat costs less than 2p. more to produce than in sow stalls (*ITP, 1998; Rosmalen, 1997; MLC, 1999; CEAS, 2000*).

In France, the ITP's calculations show that the overall cost of changing from sow stalls to group housing is less than 2 pence per kg. of pig carcass, even if the sows are given straw. The extra cost is 0.029 ECU (1.8 pence) per kg. of pig carcass if the sows are kept in strawed buildings and 0.006 Ecu (0.4 pence) per kg. of pig carcass if they are kept in slatted buildings (*ITP, 1998*).

In a comparative study of pig farming costs in various European countries, the Meat & Livestock Commission (MLC) estimated the cost of a change from sow stalls to group housing in Denmark to add 1.5 pence to the cost of producing 1kg. of pigmeat (*MLC, 1999*). The MLC found that in the UK, moving from sow stalls to group housing added 1.6 pence to the cost of producing 1 kg. of pigmeat (*MLC, 1999*).

As EU consumers each eat on average 42 kg. of pigmeat a year, the recently agreed EU ban on sow stalls will add less than £1 a year to each person's food bill. As UK consumers each eat on average only 21.3 kg. of pigmeat a year, the

move from sow stalls to group housing should be costing consumers less than 50p. each per annum. As indicated earlier, CIWF wishes to emphasise that if we want improved welfare standards, they must be paid for by consumers not by eroding farmers' profit margins.

### Battery cage ban

Data published by the National Farmers Union in 2001 shows that the production costs of a dozen battery eggs amount to 44.8p. The production costs for a dozen barn eggs come to 53.3p. and for a dozen free-range eggs to 62.2p (*NFU, 2001*). The NFU adds that free-range egg production is subject to additional costs ranging from 0.5 – 1.5p. per dozen; we have averaged this additional figure out at 1p. per dozen, which means that the cost of a dozen free-range eggs is 63.2p.

If these per dozen figures are transcribed to production costs per egg, they show that the production costs of one battery egg amount to 3.73p., while the production costs of one barn and one free-range egg are 4.44p. and 5.27p. respectively.

This means that a free-range egg costs just 1.54p. more to produce than a battery egg, whereas a barn egg costs just 0.71p. more to produce than a battery egg.

UK consumers eat 163 eggs per person per year; this figure includes the eggs used in processed foods, etc. (*Poultry World, 2001*). As a free-range egg costs just 1.54p. more to produce than a battery egg, we could change from battery to free-range eggs for just £2.51 per person per year, provided that retailers charged no more extra for free-range eggs than is justified to cover their extra production costs.

As a barn egg costs only 0.71p. more to produce than a battery egg, changing from battery to barn eggs would add just £1.16 to each person's annual expenditure on eggs, subject to the proviso in the previous paragraph about retailers' prices.

### **Improved welfare can lead to reduced production costs**

In better welfare systems, animals will tend to be healthier. This can lead to savings in terms of reduced expenditure on veterinary medicines, and lower mortality rates. Healthier animals also can produce economic benefits in terms of lower feed conversion ratios and higher growth rates.

*Ruiterkamp (1987)* found that high levels of penmate-directed behaviour in barren rearing environments have a negative effect on the productivity of pigs due to disturbances in feeding patterns. *Morgan et al (1998)* also found lower growth rates among pigs in barren rather than enriched environments and suggested this was due to increased energy requirements for heat maintenance in the absence of sub-strates.

*Beattie et al (2000)* compared the rearing of fattening pigs in either barren or enriched environments. The latter incorporated extra space and an area which contained peat and straw in a rack. During the finishing period (15 – 21 weeks) mean daily food intakes were higher and food conversion ratios were better for pigs in enriched environments compared with those in barren environments. Growth rates were also higher for the pigs in enriched environments during this period, and this resulted in heavier carcass weights. The authors report that environmental enrichment also had a small but significant effect on meat quality, with pork from pigs reared in barren environments being less tender and having greater cooking losses than pork from pigs reared in enriched environments.

A range of studies have produced substantial evidence that increasing the available floor area will benefit the growth rate of finishing pigs (*Edwards et al, 1988; Brumm et al, 1996; Meunier-Salaun et al, 1987; Gonyou & Stricklin, 1997; Pearce et al, 1992*).

A major Swedish study by *Jonasson & Andersson, (1997)* also concluded that giving more space to fattening pigs led to higher growth rates, better feed efficiency and improved health which in turn led to fewer veterinary treatments, lower death rates and less rejections at slaughter. The Swedish study also found that the economic benefits of providing straw for slaughter pigs outweigh the costs of the straw and the associated additional labour costs. The study also shows that group housing sows rather than keeping them in close confinement leads to economic gains as a result of having a healthier animal.

The Federation of Swedish Farmers reports that the advantages of group housing sows (rather than using stalls) are improved health and fertility in the sows, including improved longevity, fewer leg problems, easier farrowing, few piglets born dead and less mastitis and agalactia (*FSF, 2000*). These health improvements will presumably be reflected in lower veterinary costs and improved economic performance.

A Danish study has analysed housing systems for slaughter pigs and shows that the straw-flow system has better profitability than traditional systems

with fully or partially slatted flooring (*Norgaard & Olsen, 1995*). The study reports that the straw-flow system requires 20% less capital and that these lower capital costs outweigh the higher labour input and the straw consumption of the straw-flow system.

The Danish study also looked at a variety of systems for housing sows, including close confinement systems with fully or partially slatted floors, indoor group housing systems and outdoor systems. They found that the indoor group housing systems had a lower capital requirement than the close confinement systems, and that the outdoor systems had a significantly lower capital requirement than any of the indoor systems. The Danish study concludes that, while the outdoor systems have a lower gross margin and a higher labour input, these are fully compensated for by lower capital costs. The most significant difference between the systems is the rate of return on the total capital invested, this being around 24% for the outdoor systems and about 5-8% less for the indoor systems.

*Maw et al (2001)* studied 23 pig farms in Scotland. Data were collected on management practices, genotype, feed and housing characteristics. Sixteen attributes of bacon samples were assessed describing appearance, texture, taste and aroma. The main differences were found to be due to housing conditions, floor type and breed type, with pigs reared in straw courts giving rise to bacon of superior eating quality compared to those kept on concrete or slatted floors.

### **Non-welfare factors have greater impact on costs and prices than welfare**

The Meat & Livestock Commission (MLC) reported in 1999 that the cost of feed varied between the major pig producing countries of Europe by 14 pence per kg. of pig produced and the environmental costs varied by 8 pence per kg. (*MLC, 1999*). These factors have much more impact on pig production costs than which sow housing system is used; as seen earlier, even the better group housing systems add less than 2 pence to the cost of producing a kg. of pigmeat as compared with sow stalls.

Moreover, in a letter to MPs, Grampian Country Foods stated that a range of factors had added a total of 44p. per kg. to the production cost of UK pigmeat by the end of 1999 as compared with costs on the continent, but the sow stall ban had contributed only 2p/kg. to this, whereas the strength of Sterling had contributed 22p/kg.

It is, moreover, important to note that any increase in on-farm production costs arising from the use of a higher welfare system will have a

proportionately smaller impact on the retail price. For example, a 10% rise in on-farm production costs will lead to a significantly lower than 10% increase in the retail price. This is because on-farm production costs are only one of a range of factors which determine the retail price. Distribution and marketing are also significant components of the final price. For example, a rise in the price of petrol may well have more impact on the retail price of pork than whether sows are kept in stalls or groups.

Thus, for example, in their 2000 report on broilers, the European Commission's Scientific Committee on Animal Health & Animal Welfare (SCAHAW) stated that simulation models indicate that reducing maximum stocking density from 38 to 30 kg/m<sup>2</sup> and increasing growing time (i.e. reducing growth rate) by 10 days would each cause an increase in total production costs of about 5%. (Both of these would be welcome welfare improvements). SCAHAW adds that reducing stocking density from 38 to 25 and 20 kg/m<sup>2</sup> would cause increases in total production cost of about 10% and 15%, respectively. However, crucially, SCAHAW goes on to stress that such cost increases may be expected to increase final consumer prices by significantly lower percentages, i.e. by about 2.5% to 7.5% or less in processed products. This clearly illustrates the fact that a particular percentage increase in on-farm production costs should lead to a significantly smaller percentage increase in the retail price as the on-farm costs are only one component in the overall cost of producing food.

### **An alternative approach to the economics of farming**

Over the last 40 years high input/high output farming has been the norm in Europe. A recent Dutch article, however, by *van der Ploeg (2000)* examines an alternative approach which he terms "farming economically" and which he refers to as "low-external-input agriculture". Here the strategy is to contain monetary costs on investments, loans and expenditure on external inputs. Central to this farming style is the use and development of internal resources.

*van der Ploeg* takes as an example of farming economically a Dutch dairy farm run by Mr Hoeksma and his two sons. The author argues that farming economically provides family farmers with a way of addressing the increasingly threatening situation of limited milk production quotas, decreasing prices, the high cost of land and milk quotas and the obligation to farm in an environmentally sound way. *van der Ploeg* compares Hoeksma's farm with a reference group of around 80 dairy farms.

Veterinary costs are low on Hoeksma's farm – Euro 38 per cow per year compared to Euro 67 for the reference farms. These low costs are related to a

lower milk yield – 6,449 kg. compared to 7,526 kg. per cow – and higher labour input, which means that more care is given to the animals. The lower milk yield reflects the fact that less industrial feed is used. Remarkably, high grassland production – 8,453 compared to 7,224 kVEM – is achieved despite the relatively restricted use of fertiliser (217 kg. of nitrogen per hectare compared to 300 kg.). This indicates high levels of technical efficiency. The costs of hired labour are also low due to the high labour input of Hoeksma and his sons.

In short, savings result from lower veterinary costs and reduced use of industrial feed, nitrogen fertiliser and hired labour. There are also significant differences as regards benefits. Because of the lower milk yield and the composition of feed and fodder, the fat and protein content of the milk produced on the Hoeksma farm is higher. Combined with a particular distribution of production over the year (winter milk gets a better price), this leads to a higher milk price. When the revenues from the sale of heifers and cows are also added, the total revenue on Hoeksma's farm comes to Euro 39.41 per 100 kg. of milk compared to Euro 34.42 for the reference group. The surplus, after deducting all costs except those associated with labour, is Euro 11.12 compared to Euro 5.23. Clearly this low-external-input approach can lead to significant savings and economic benefits.

### **Environmental and health costs**

So far we have looked at on-farm production costs and have pointed out that in some cases improving welfare leads to only a small increase in production costs and in others it actually results in savings. It would, however, be erroneous to assume that we only pay for our food as consumers at the shop. When we also look at what we pay as taxpayers in CAP subsidies (of which more later) and in a variety of ways to clean up the environmental pollution and deal with the health problems associated with modern farming, we find that industrial agriculture is much more expensive than we think.

A recent study by *Pretty et al (2000)* calculates the total external environmental and health costs of modern agriculture in the UK to be £2,343 million per annum. The authors state that they believe their figures are a conservative estimate of the true costs. This study estimates two types of damage costs:

- i) the treatment or prevention costs; those incurred to clean up the environment and restore human health, and
- ii) administration and monitoring costs; those incurred by public authorities and agencies for monitoring environmental, food and health

parameters.

### Damage to water

*Pretty et al (2000)* point out that pesticides, nutrients (nitrogen and phosphorus), soil, farm wastes and micro-organisms escape from farms to pollute ground and surface water. Costs are incurred by the water delivery companies in cleaning up this pollution. *Pretty et al* estimate the total pesticide costs arising from farming to be £119.6 million per year.

They point out that nitrate enters drinking water sources from a variety of avenues including fertilisers and livestock wastes. They estimate that 80% of nitrogen is from agricultural sources, putting the annual expenditure by water companies on nitrate removal from agricultural sources at £16.4 million per year.

Phosphate also contaminates water, with some 43% estimated to come from agriculture: 29% from livestock and 14% from fertilisers. *Pretty et al* estimate the cost of dealing with phosphate contamination of water caused by agriculture and soil removal to be £52.3 million per annum.

Water companies have to remove some 50 zoonoses derived from livestock, wild animals and human sewage. *Pretty et al* point out that the most important agricultural contaminant is cryptosporidium; they estimate that the annual costs of removing cryptosporidium due to agriculture to be £22.5 million.

*Pretty et al* go on to point out that farm wastes further disrupt water systems: cattle and pig slurry, silage effluent, and dairy wastes cause eutrophication and toxic wastes (such as sheep dips) kill aquatic life. The authors estimate the cost of such water pollution arising from agriculture to be £1.14 - £2.35 million per year. There are no national data on the costs of eutrophication, although the remedial costs in reservoirs alone have been estimated to be £4 million per year.

### Damage to air

Agriculture contributes to atmospheric pollution through the emission of four gases: methane from livestock, nitrous oxide from fertilisers, ammonia from livestock wastes and some fertilisers, and carbon dioxide from energy/fossil fuel consumption and loss of soil carbon. These gases contribute to atmospheric warming, ozone loss in the stratosphere, acidification of soils and

water and eutrophication. *Pretty et al* estimate the annual external costs of these gases arising from UK agriculture to be £1,113 million.

### Damage to soil

Modern farming has accelerated erosion due to a number of factors including overgrazing of animals on grasslands.

### Damage to biodiversity and landscape

Modern farming has led to significant losses of wildlife (flora and fauna) and habitats.

### **Human health**

Modern farming has a serious impact on human health and, in the case of BSE and FMD, also on animal health. Public Health Laboratory Service data show that food poisoning incidents rose to 94,000 per year in 1997, a 10-fold increase since the 1950's. Moreover, notified cases represent only a small proportion of the total cases of food poisoning as only 1 in 30 cases is notified.

Food poisoning entails costs in terms of lost production due to time off work and medical treatment. The total costs for food poisoning are estimated by *Pretty et al* to be £677 million per year. The authors conservatively assume that only 25% of food poisoning cases arise directly from UK farming.

### Antibiotic resistance

Antibiotics are routinely used in industrial farming both as growth promoters and prophylactically to forestall the infectious diseases which would otherwise spread rapidly in the overcrowded, often unhygienic conditions of factory farming. The overuse of antibiotics on-farm has contributed to the development of bacteria which are resistant, not only to certain antibiotics used on-farm, but also to some used to treat serious human disease. The WHO has reported that antibiotic use on-farm has resulted in the emergence of resistant salmonella, campylobacter, enterococci and E.Coli types.

### BSE and FMD

It is generally accepted that BSE arose from the intensive farming practice of feeding the remains of cattle and sheep to cattle, animals which are natural herbivores. This was a typical example of what we would term the “factory farming mentality” – feeding natural herbivores with the cheapest possible

protein in order to increase yield/growth, whilst ignoring the inherently unnatural nature of the feed. The costs of dealing with BSE are estimated to be £4.4 billion. The total resulting cost to humans from nvCJD is as yet unknown.

It remains unknown as to how FMD entered the UK. It is, however, widely accepted that the modern practices of transporting animals long distances to slaughter and moving sheep several times in quick succession in and out of markets and other premises led to the very rapid spread of FMD. In August 2001, government figures indicated that FMD had to date cost the taxpayer £2 billion. In addition, severe losses have been imposed by FMD on the tourist trade and other rural businesses.

As indicated earlier, when the environmental pollution and detrimental health impacts on humans and animals associated with industrial agriculture are taken into account, that agriculture is revealed as being expensive. That said, we must address the fact that in some cases food from better welfare systems will cost more in the shops.

### **Need for changed approach by consumers and supermarkets**

Clearly the challenge is to persuade consumers to pay the little extra needed so that animals can be kept in good systems. To some extent, people are already willing to do so; for example, the proportion of barn and free-range eggs has risen from around 10% of all eggs produced a few years ago to the present level of 21.5%. Much more, however, needs to be done by the industry, government and retailers to educate the public into understanding that our cheap food has come at a very high price in terms of animal suffering. CIWF believes that if consumers knew the true facts of modern farming – were aware of the tiny cages for hens and that many slaughter pigs are kept on slatted or concrete floors and knew of the serious health problems imposed on dairy cows and broilers by the drive to increase productivity – they would be willing to pay the small extra sums needed for improved welfare.

Unfortunately, the farming industry, government and retailers have all chosen to keep the public largely unaware of the state of modern animal farming. Much greater honesty needs to be followed by a broad public debate in which we as a society must decide whether or not we wish to move towards a better agriculture. CIWF hopes that we will decide to make changes, that we will accept that a responsible society should not treat animals as something placed in this world for our convenience, for us to use in whatever way we wish, but instead that we will accept that we have an ethical obligation to ensure that the animals we rear for food are treated humanely. Our well-being should not be founded on the suffering of other creatures. We hope the public will

commit itself to ending the suffering that is systematically imposed on millions of animals in the name of cheap food.

Supermarkets and the providers of fast food must be encouraged to act more responsibly. In their bid to make food ever cheaper, supermarkets have in effect driven farmers to use low welfare systems. Supermarkets must now adopt new policies designed to encourage farmers to improve welfare. We welcome the decision by Marks & Spencers and Waitrose not to sell battery eggs (indeed Marks & Spencers only sell free-range eggs) and McDonalds' policy of only using free-range eggs. If all supermarkets and providers of fast food were to follow these leads – and indeed to adopt such policies across the board and not just for eggs – a major beneficial change in modern agriculture could be achieved.

Certainly it will be difficult for farmers to change without:

- i) Major changes of policy from supermarkets, the providers of fast food (see above) and indeed, the catering and food processing trades.
- ii) A change in the situation in which for every pound we spend in the shop now on food and drink, just 9p gets back to farmers and rural communities, whereas 50 years ago that figure was 50-60p in the pound (*Pretty, 2001*). While the profits of supermarkets continue to rise (the profits of the big 4 supermarkets rose 38% in the 4 years to 1999 (*Pretty, 2001*)), at the same time less and less money goes to farmers. This trend must be reversed if farmers are to be in a position to introduce better systems.
- iii) Reform of the CAP and WTO, which brings us on to the next sections of CIWF's comments.

## **7. Reform of the Common Agricultural Policy**

CIWF believes that the CAP must be completely overhauled so that taxpayers' money is no longer used to support undesirable farming methods, but instead to promote the sustainable, humane and safe agriculture that the public increasingly wants.

To achieve this, we must move away from the inefficient, outdated mechanisms of the CAP's Pillar I (i.e. the production subsidies of market support and direct payments to farmers) and replace them with Pillar II rural development measures which encourage environmentally sensitive

production, high standards of animal welfare and an increase in farm employment.

The obligation to promote good animal welfare arises both from the duty to respond to public concerns when spending large sums of taxpayers' money and from the legally binding Protocol on Improved Protection and Respect for the Welfare of Animals, which is annexed to the Treaty of Amsterdam. The Protocol recognises animals as sentient beings and provides that, in formulating and implementing the Community's agriculture policy, the Community and the Member States shall pay full regard to the welfare requirements of animals.

Accordingly, the CAP must ensure that it does not inadvertently promote the use of low welfare systems and practices, but must instead strive to encourage high welfare standards.

In particular, CIWF believes the CAP should play a key role in:

- a) fostering a move away from (i) the industrial systems which dominate the pig and poultry sectors, (ii) feedlots for beef cattle and (iii) zero-grazing systems for dairy cows (such feedlots and zero-grazing systems are common in parts of southern Europe), and
- b) helping replace the long distance transport of live farm animals with local slaughter and fattening.

In order to promote improved welfare, CIWF advocates:

1. The introduction of **Animal Welfare Impact Assessments**. No new CAP policy or subsidy should be implemented until it has been properly assessed to ensure that it will not have a detrimental impact on animal welfare.
2. The introduction, alongside the agri-environment measures, of a new **Farm Animal Welfare Scheme**, to offer financial support to farmers who wish to change from factory farming to extensive husbandry systems.

Under the Scheme, farmers would be helped with the capital costs of change and possibly also for a transitional period of, say, four years, with the additional running costs. It is the transitional period which is the most vulnerable for any business which embarks on fundamental change.

The existing EU Regulation on Rural Development already includes the preservation and improvement of animal welfare standards among the objectives of financial support for “investments in agricultural holdings”. However few, if any, Member States give any financial support under this provision. The new Farm Animal Welfare Scheme would have to be framed in such a way as to ensure that the Community and Member States give a certain level of support for welfare improvements.

3. The use of **Land Management Contracts (LMCs)**. Whole-farm LMCs have been pioneered in France and are also now to be developed in Scotland.

LMCs replace production-based subsidies with support for environmental and social benefits. CIWF urges that animal welfare requirements should be included in LMCs as well as the environment, land use and employment terms which appear in French LMCs.

For example, a requirement in the LMC for a dairy farmer could be that s/he implements a health plan, drawn up in conjunction with a veterinarian, designed to keep to a minimum the incidence of lameness and mastitis and to promote a high health and welfare status in the herd. LMCs could also require the use of slower growing breeds or more appropriate breeds, e.g. beef/dairy cross cattle. LMCs could also include requirements such as provision of bedding for cattle and pigs.

Similarly, stocking density requirements would be included in the LMC both to prevent adverse environmental impacts and in the interests of good welfare.

4. **The targeting of support so as to discourage the long distance transport of live farm animals for slaughter or further fattening.** For much of the public, it is completely unacceptable that CAP support should be given in respect of animals which have been, or are likely to be, transported over long distances. CIWF believes that all CAP subsidies, whether direct payments under the cattle and sheep regimes or under LMCs, should be subject to the condition that no payment can be made in respect of animals in cases where the animal – or its young – have been, or are likely to be, transported for more than a certain distance for slaughter or further fattening. This would encourage farmers to ensure that animals are slaughtered near to the farm of

rearing and indeed are fattened as near as possible to the farm where they have been reared for the first part of their lives.

## **8. Reform of the WTO rules**

The WTO rules act as a major impediment to EU attempts to introduce higher standards of farm animal welfare. Under the WTO rules, the EU can prohibit a cruel rearing system in its own territory. It cannot, however, restrict the *import* of meat and eggs coming from animals reared in that system in third countries. This acts as a major deterrent to the EU pressing ahead with its own welfare reforms as its farmers risk being undermined by low welfare imports.

The problems are highlighted by the 1999 EU Hens Directive which prohibits the use of the battery cage as from 2012. This decision was firmly based on a report by the European Commission's Scientific Veterinary Committee. However, the Hens Directive provides that in 2005 (i.e. before the cage ban comes into force) the Directive is to be reviewed in the light of, among other things, the outcome of the WTO negotiations. This is a clear indication that if the WTO rules are not amended to allow the EU to protect its farmers from imported battery eggs, the EU may decide not to proceed with its own prohibition on the cage.

CIWF believes that the WTO rules must be adjusted so that legitimate policy considerations such as animal protection and high farming standards are not regularly undermined by trade liberalisation.

When it establishes certain animal welfare standards in its own territory, the EU must be able to require imported produce to achieve those or equivalent standards.

We welcome the fact that the need to find an appropriate balance between trade and animal protection is included in the EU's negotiating brief for the WTO negotiations. In particular, the EU has proposed:

- a) The inclusion in the 'Green Box' of payments designed to assist livestock farmers who wish to introduce improved husbandry systems. The inclusion of such payments in the Green Box means that the EU would not be subject to commitments under the WTO Agreement on Agriculture to reduce the level of such payments.

- b) That the consistency of labelling schemes with the WTO rules should be recognised, and
- c) That a multi-lateral agreement on animal protection should be negotiated.

Whilst these suggestions are welcome, CIWF fears that they do not, on their own, go far enough. At the core of the problem is the WTO's restrictive attitude to process and production methods (PPMs) being taken into account. As currently interpreted, the WTO rules prevent a WTO member's marketing or import regulations from distinguishing between products on the basis of *the way in which* they are produced, if that distinction applies to imported as well as to domestic products.

This is a major problem as nearly all attempts to improve animal welfare are concerned with *the way in which* animals are reared or treated.

At the heart of the WTO rules is the requirement that imported products must be treated no less favourably than like domestic products. At first sight this causes no problems. The WTO, however, has interpreted this rule quite perversely: in determining whether products are "like" one another a country may not look at *the way in which* they are produced. An egg is an egg, whether it is battery or free range. Thus if a country prohibits the marketing of domestically produced battery eggs, it cannot extend that ban to *imported* battery eggs as, as far as the WTO is concerned, a battery egg is 'like' a free-range egg and so imported battery eggs cannot be treated differently from free-range eggs.

This leads to the absurdity that, starting off from a rule that prevents imported products being discriminated against, we arrive at the position where imported products must be treated *more* favourably than domestic ones. For example, a WTO member can prohibit the marketing of domestically produced stall and tether-pigmeat, but cannot extend that ban to imported pigmeat.

CIWF believes that WTO members should be permitted to make PPM distinctions, subject to rules designed to prevent abuse. We suggest that such rules could provide that PPM distinctions must:

- a) Be transparent, non-discriminatory and proportionate.

- b) Be science-based, i.e. there must be a body of science which shows that the distinction being made is legitimate in pursuit of the policy objective trying to be achieved.
- c) Be supported by a significant proportion of the population of the country making the distinction.
- d) Be concerned with a matter of substance rather than an insignificant point.

Other areas in which progress is essential are:

?? **Preferential tariff rates**

We urge the EU to press for the revised WTO Agreement on Agriculture to permit WTO members to encourage good welfare by offering reduced tariff rates for imports derived from animals reared to high welfare standards. For example, the EU's position could be that it is willing to agree no or only a modest reduction in tariff rates for meat and eggs in general, while agreeing a much greater reduction for meat and eggs coming from animals reared to reasonable welfare standards.

This approach would produce a classic *win-win* situation. Trade would be promoted by reduced tariffs, while at the same time exporting countries would be encouraged to adopt improved standards of welfare.

\* **Labelling**

It is absurd that the WTO, which believes in the primacy of the free market and market mechanisms, stands in the way of mandatory labelling schemes designed to ensure that consumers have the information they need to make informed purchasing decisions. Certainly the EU takes the view that mandatory labelling schemes are inconsistent with WTO rules; the EU's recent regulation on egg labelling requires eggs produced in the EU to be labelled as to farming method, but applies a much weaker labelling regime to imported eggs.

In addition to seeking a relaxation of the WTO rules, the EU should also take a bolder view as to which trade measures are already permitted by the WTO rules. A number of recent developments indicate that more can be done to safeguard animal welfare than previously thought. In particular:

- a) The US has recently passed the Dog and Cat Fur Act. This bans the import, export, manufacture and sale of dog and cat fur. If challenged, the US would presumably defend this Act under the GATT Article XX Exceptions. These provide exceptions for, among other things, measures to protect (i) public morality and (ii) the health of animals. There is a growing feeling that the “health” of animals includes their “welfare”.
- b) Recently France successfully defended a challenge against the ban it had introduced – in order to protect the health of workers and consumers – on the manufacture, import and sale of all varieties of asbestos fibres.
- c) In the third – very recent – ruling by the WTO in the *shrimp-turtle* case, a WTO Panel ruled that the US ban on the import of shrimp from countries which do not take effective measures to prevent sea-turtles being drowned in shrimp nets could be justified under the Article XX Exceptions. The US had lost the first two rounds of this case, but won on the latest occasion because the Panel ruled that the US had now altered the way it applied its import ban so that it was no longer guilty of “unjustifiable discrimination”. The Panel seemed to be at pains to find a more helpful approach than that normally shown by the WTO to trade measures relating to conservation/animal protection.

In CIWF’s view, the EU should be much more willing to implement trade measures – in a fair, transparent, non-discriminatory, proportionate way – designed to protect animals, and then to defend those measures at the WTO if they are challenged.

## **CONCLUSION**

It is likely that the report from the Commission on Farming and Food will be a highly significant document in establishing the way forward for modern agriculture.

It is CIWF’s hope that this major opportunity for reform is entered into boldly. In fact, it is our view that the Commission’s report should have a real vision for agriculture – a vision which encompasses a better future for all agriculture’s ‘stakeholders’:

- ?? Farmers (including small-scale farmers and farm workers)
- ?? The animals we farm for food

- ?? The environment, both on and near farm, as well as in general (air, water, associated fuel emissions etc.)
- ?? Wildlife
- ?? Consumers (including low income)
- ?? Citizens in general, both as taxpayers, and as residents of the shared environment.

A major call for reform is, by inference, an admission that all is not well. That is true. Our current intensive farm animal systems and practices are inflicting totally unacceptable levels of suffering on millions of sentient creatures every year. This is ethically unacceptable – and, as this CIWF submission shows, quite unnecessary. Sweep away those out of date economic justifications for the intensive broiler, laying hen, dairy cow and pig industries and you are left with nothing more than an inherently conservative farming establishment, reluctant to embrace change.

It is CIWF's view that, as society becomes more aware of the well-shielded reality of the factory farm, people will demand radical reform. The demand has already begun. The Commission's challenge is to lead the reform process – not to follow it in a half-hearted way. The public deserves no less.

CIWF wishes the Commission well in meeting this challenge.

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