Deliverable 1.8

Cross-country comparative report of sub-deliverables 1.2.2.1 and 1.2.2.2

Analysis of the retail survey of products that carry welfare-claims and of non-retailer led assurance schemes whose logos accompany welfare-claims.

Work Package 1.2

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Contents

Chapter 1. Introduction

This report serves two aims. Firstly, this report contains analysis of the retail audit (sub-deliverable 1.2.2.1) of welfare-friendly food products in the 6 study countries. The report gives the results of an emerging comparative analysis of the 'market' for welfare-friendly food products in the 6 study countries. It also outlines 'non-retailer' led schemes[1] whose products occurred in the study. In this way, an emerging picture of the actual product ranges, that make claims about welfare-friendliness, will be drawn based on fieldwork carried out from November 2004 until April 2005. Also, the report explores how the different legislative and voluntary standards on animal welfare compare across different countries and how these actively advertise their welfare-friendlier component to consumers through food packaging.

The report is a summary of the work carried out in sub-deliverables 1.2.2.1 and 1.2.2.2. The aim of which was to survey, categorise and assess selected products of identified retailers as part of a 'retail audit'. Previous studies discuss the types of welfare-friendly schemes that UK retailers have previously adopted (e.g. Harper and Henson, 2000; Compassion in World Farming, 2002). In such studies, 'best practice' examples are highlighted which show that some supermarkets are:

- adopting corporate animal welfare policies;
- selling high numbers of eggs from non-caged birds;
- selling extensive amounts of organic chicken, meat and milk;
- selling products from systems where bedding is routinely used for animals;
- setting limits on transportation times;

These studies also considered farm assurance and other welfare schemes used by retailers and show that such schemes generally aim to improve welfare standards by working with retailers, farmers and others involved in the food industry. The standards usually cover the production of meat, poultry, eggs and dairy products

[1] A non-retailer led scheme is a category of quality assurance schemes, there are also retailer led schemes which will be discussed in future work. The term 'quality assurance scheme' is the public face of the 'farm assurance scheme' or group of 'farm assurance schemes'. The name of the farm assurance scheme is often not known by the general public. But in other cases where it is a small quality assurance scheme then the farm assurance scheme and the quality assurance scheme may have the same name.

through the processes of rearing, transport and slaughter. To take just one instance, the Freedom Foods approach established by the RSPCA in the UK in 1994 works to standards that ensure 'five freedoms':

1 -freedom from hunger and thirst

2 -freedom from discomfort

3 -freedom from pain, injury or disease

4 -freedom to express normal behaviour

5 -freedom from fear and distress.

This approach plays a key role in regulating the welfare-friendly food chain in the UK. This report will analyse the extent to which these welfare-friendly products are available across the study countries and within the main retail outlets. It will provide:

- an emerging picture of the 'market' for welfare-friendly animal-based food products found in main retail outlets in each of the countries;
- information on the assurance schemes adopted for these products;

This Task consisted of two Sub-Tasks.

The specific objective of sub-task 1.2.2.1 was to provide a detailed list of selected welfare friendly animal based food products to be found in main retail outlets. The main retail outlets (~10) were surveyed. The products (< 300 per country) were catalogued with photographs made of each type. The findings of this Sub-Task will inform work in WorkPackage 1 and 3, and the following stages of WorkPackage 2. It will allow a more in-depth understanding of the market for welfare friendly products to be gained. An integration meeting will permit initial information to be shared within clusters.

There were two objectives to the sub-task 1.2.2.2. These were to analyse non-retailer led labelling schemes that carry a welfare component and to interview key personnel involved in running the scheme. The non-retailer led labelling schemes that carry a welfare-component were assessed in order to provide an overview of this sector of the market. This 'overview' will also assist other WorkPackage groups. This Sub-Task provided an evaluation of the non-retailer led labelling schemes that carry a welfare component in a range of retail outlets. An overview of these schemes in each study country allows detailed knowledge to be gained of the main means of marketing welfare-friendly products and the implications these schemes may have for the constitution of the market, thereby informing work in WP 1 and later stages of WP 2.

Chapter 2. Comparative overview of animal welfare claims

In order to assess the presence of welfare-claims in the food market within the differing national contexts a 'retail audit' was undertaken. The audit sought to identify as broad a range as possible of labels and products, in order to analyse the marketing of welfare claims on product packaging. To identify what was a welfare claim we took a very broad, inclusive and context dependent perspective. This reflects how consumers perceive the claims made on product packaging and suggest better animal welfare, rather than a precise technical definition of better animal welfare. This was necessary because there is currently no clear, objective, technical definition of animal welfare exists. Thus, rather than artificially creating one, the research aimed at capturing as much variation in animal welfare claims as possible in each partner country.

For example, on an Italian meat product packet there is a statement saying it is GMO free; this is perceived as a welfare-claim. However, as Miele and Evans (2005) argue animal integrity[2] is a concern for consumers expressed in worries about genetically modified animals and foodstuffs. Products that appear in the audit can be broadly broken down into the three broad taxonomies based upon the origin of the labels – producer, manufacturer or retailer.

- Retailer is the origin of the brand carrying welfare-claims
- Food Manufacturer is the origin of the brand carrying welfare-claims.
- Independent producer labels is the origin of the brand carrying welfare-claims.

[2] Animal integrity is often used as an argument against de-beeking, tail-docking, genital-castration, de-horning and other forms of physical mutilation. Thus for consumers animal integrity is about preserving a sense of the animal's dignity in a holistic, bodily sense. However, this argument is increasingly being extended towards discussion of a genetic integrity that is used against genetic modification.

Following this taxonomic distinction of labels it is possible to give a sense of how the market within each country differs in terms of what sector of the food production industry is innovating and labelling welfare-friendly foodstuffs (see table 2.1). It is important to note that the number of stores visited was limited and is in no way representative for the country as a whole.

Table 2.1: A comparative overview of the distribution of animal welfare brands.

Origin of AW brand / Country	Producer brand		Retailer brand		Manufacturer brand		Total
	No. of products	% of products	No. of products	% of products	No. of products	% of products	No. of products
FRANCE	43	22	62	31	93	47	198
UK	12	10	53	44	56	46	121
NORWAY	7	6	2	2	106	92	115
SWEDEN	42	58	9	12	17	24	68
ITALY	0	0	33	40	50	60	83
THE NETHERLANDS	85	30	57	21	138	49	280

Data collected November 2004

- **UK**. The retail market in the UK is increasingly dominated by retailer brands. A few specialist producer labels exist, these tend to be quality products possibly organic which include animal welfare as a quality attribute.
- **France.** The retail market in France is characterised by a growing number of retail brands but still dominant presence of manufacturers brands. Producer brands also strong; these producer brands emerge from small, fragmented regional-based cooperatives.

- **Italy.** Manufacturers brands dominate with a growing number of retailer brands. Manufacturer brands are very strong in Italy, the retail sector is beginning to develop own-brand ranges where organic ranges feature which make welfare-claims.
- **Netherlands**. Manufacturers brands still dominate; but there is a growing number of retailer and producer brands. Producer brands are dominated by producers of the indoor free-range egg business which has taken off very successfully in Dutch retail stores.
- **Sweden.** Producer brands are dominant in the Swedish market for welfare-friendly foodstuff. The Swedish farming cooperatives pride themselves on having higher welfare standard than their international counterparts, thus it is not surprising that this sector is so dominant. However, retailer and manufacturer brands are growing in significance.
- **Norway.** There is a negligible amount of products with a specific reference to animal welfare, particularly in the soft discount stores (the leading store format in the country). Within the limited market there is strong presence of manufacturer brands. Very weak presence of retailer brands.

Within retail stores across all six countries there is wide variation in ways animal welfare is marketed (e.g. Freedom Food label, UK) or implicitly (See footnote 2).

In countries where welfare-friendly food products do have a presence it is often found as a component of retailer own-brand (or private-brand) products. For example in the UK, Italy and Netherlands, brand segmentation of retailer own-brand products is arguably increasing the number of products that carry welfare-friendly claims. In many cases animal welfare is part of an Organic own-brand product range since animal welfare results from some of the components of organic production schemes. However at the time of this audit there was no explicit segment of a retailers branding strategy that is focused on animal welfare. Nevertheless, there are retailers in the UK (Marks&Spencers), France (Carrefour) and Sweden (Coop) who make welfare-specific claims about what is in the store and what is not. For instance the panel above the meat display in one of the Carrefour supermarkets surveyed in the Paris region stated:

> "Our engagement to French meat assures you that out butcher has selected French meat for its taste and quality. Carrefour's farmers, abbatoirs and butchers respect a number of conditions relating to:
> - Traceability from field to plate
> - Good husbandry practice
> - Feed which presents no risk to the animals
> - Animal welfare
> - The preparation of meat."

For M&S (UK) only free-range eggs are used in the production of own-branded food products; Coop in Sweden don't sell Goose-Liver, Light calf's veal or Belgium Blue meat. Since 2004, no battery eggs are sold in any supermarket in the Netherlands. The Coop in the UK have pledged to introduce over the next year assurance that all their own-brand animal-derived products will meet the RSPCA Fredom Food production scheme standard; at the time of writing this has yet to become a reality because of a difficult trading period (Coop 2005: *pers comm*.). In Norway and Sweden there is less predominance of retailer own-brands dominating the lists of welfare-friendly food products. Instead producer and manufacturers brands hold a stronger position.

The type of products that get labelled welfare-friendly are often un-processed goods like fresh meat products. The manufactured products that often carry labels are milk, cheese and bacon. There is a significant presence in all countries of manufactured goods. Manfactured goods are those where there is some off-farm processing of the product before it reaches the shop-shelf, for example milk, bacon, sausages, and cheese. However the taxonomy of origins of welfare brand does not completely overlap with this definition of manufactured goods, since some manufactured goods may orig inate from either a retailer or producer brand. Retailers privilege or adopt 'free-range' labelling more specifically for chickens and hens, than other animal species. The term 'free-range' is popularly used to label chickens and hen's eggs and in other countries (Norway, Sweden and UK), this term is being applied to some pork products. In the Netherlands the term 'scharrel' is used which means something similar to free-range, except for eggs it means 'barn eggs' and its usage on pork products is rare to find but when found denotes that the pig has been 'outdoor reared' (certification by PROduCERT). Beef and milk products, with the exception of organic ranges, rarely carry any welfare-friendly product description.

There are four categories of welfare marketing, specific to products in-store that carry animal welfare claims on packaging, in which retailers can be placed. The table shows a continuum of where the highest to the lowest number of products can be found that carry welfare-claims. The continuum moves from left to right, where the highest number of welfare-friendly products are found to those that fall in the column to the far right having none. The movement across the continuum from more to less welfare-friendly products is defined by the following categories – welfare focused; organic, less explicit welfare; quality and welfare; rare to find welfare or none. (see Table 2.2).

Table 2.2 Four categories of welfare marketing characteristics, specific to products in-store that carry animal welfare claims on packaging, for different retailers in different countries.

Type of claims / Country	Welfare focused strategies in marketing of quality	Organic, less explicit welfare.	Quality and welfare	Rare to find welfare or none.
UK	Marks & Spencers, Waitrose, Sainsbury, Fresh 'n' Wild,	Organic Supermarket, Independents.	Tesco, Somerfield, Morrisons,	Coop[3], Asda, Farmer's market, Lidl
Italy	Esselunga, Coop, Conad,	Natura Si	Despar, Proda, Sigma, Standa, GS-Carrefour	Lidl
France		Rayon Vert	Carrefour, Auchan, Casino, System U, Monopix, Leclerc, intermarche	Lidl, Ed
Sweden	Hemkop, ICA Malmsborgs, ICA, Coop Forum/Hypermarket, Coop Konsum/convenience store		Citygross/Hypermarket, Maxi ICA/Hypermarket, AGS/Supermarket,	Willys,

[3] Despite the Coop UK's pioneering support for the Freedom Food standard a remarkably low number of these products were found in two stores visited in Cardiff and Bristol. This may be due to different stores having discretion to stock different products or as I suggested earlier they have found it hard to make a full commitment to Freedom Food on the shop floor, despite intentions.

The Netherlands	Albert Heijn, Konmar, PLUS, Super de Boer	Natuurwinkel (The NatureShop)	C1000, Edah	Aldi, Lidl
Norway		Helios	Ultra, Centra, Meny, ICA Maxi, ICA supermarket, Coop Obs, Coop Prix, Coop Mega, Meny Champion, Smart Club	Rimi, REMA1000, Kiwi, Joker

Data collected November 2004

This table indicates which retailers sell products that use animal welfare as an explicit marketing strategy on the product's packaging. We are not arguing here that some retailers have more welfare-friendly food products than others, because there are alternative marketing strategies that have not been covered in this research phase. Instead we are drawing attention to the scale and style of visible welfare-claims on product packaging within different retail outlets.

Nevertheless, the table does indicate that there are animal welfare leaders:

i) Specific types of retailer are shelving specific animal welfare brands e.g. M&S, Waitrose, Italy Coop, Albert Heijn.

ii) Some of the main international chains (e.g. Tesco and Carrefour) tend to 'bundle' animal welfare with other quality criteria.

iii) Some national more specialist retailers bundle animal welfare with organics. E.g. Fresh 'n' Wild, Natura Si.

iv) A clear pattern is that discounter stores, ASDA/Walmart, Lidl, Aldi, do not use animal welfare brands. Coop UK is now considered as an anomaly in the 'rare to find welfare' since its policy has changed in 2005 and would likely now fit in the 'welfare focused' column if the research was repeated a year later.

The presence of different animal species in the market for welfare-friendly foodstuff.

The Welfare Quality project is studying only pigs, cattle and chickens. These species can be discussed in terms of 5 different food product typologies – pork meat, beef meat, chicken meat, hens eggs' and dairy cow products (milk, cheese, yoghurt). What is noticeable from the survey of the market for welfare-friendly products is that these different animal species are characterised differently in the market and this affects their visible participation in the market, understood through welfare-claims made on product packaging. Table 2.3 illustrates how different animal-based product types are present at different levels within the market for products that carry welfare-claims. Due to the small size of the market, arguably some of the markets are dominated by products coming out of one or two manufacturing companies. For example in Norway the market is dominated by products from Tine and Nordgården, who produce dairy and egg products, respectively. However, in addition the different cultures around both the animal and the product it creates, leads to a differentiated approach to the welfare-claims attached to the animal species that are both at times similar and different between countries.

Table 2.3 The % of different animal-based product types present in the market of products that carry welfare-claims.

Food Product Typology / Country	Pork		Eggs		Dairy		Beef		Chicken		Combination products	
	No	%	No	%	No	%	No	%	No	%	No	%
UK	18	23	20	25	18	23	7	9	12	15	4	5
The Netherlands	46	18	74	30	88	35	32	13	6	2	4	2
Sweden	18	27	15	23	11	17	8	12	6	9	8	12
Norway	7	7	20	20	55	55	8	8	9	9	-	-
Italy	1	1	20	26	29	38	5	6	22	29	-	-
France	60	18	47	14	75	22	112	33	47	14	-	-
TOTAL (% = average)	150	16	196	23	276	32	172	17	102	15	16	3

Generally, the type of welfare-friendly food products one finds most frequently available in most of the multiple retailers across the six study countries are eggs and dairy products, that carry welfare-claims (See table 2.3 and diagram 2.1). However the style of welfare-claims differs. For example, organic dairy and meat products are often found carrying welfare-claims but these rarely make any explicit reference to any animal welfare component, instead welfare-claims are implicit through other claims made on the product. Whereas eggs are very frequently labelled as 'free-range', an explicit description about the conditions in which the animal lived. The descriptive term 'free-range' is successfully used as a marketing term for chicken, egg and also for pig production. For the majority of consumers free-range, which implies 'outdoor access', has strong associations of a better life for the animal (Miele and Evans 2005). In the Netherlands the term 'Scharrel' is used on eggs implying outdoor access, but in fact these are barn eggs. However for cattle who have traditionally been represented as free-ranging in fields, this term is never used for beef or dairy products, despite the fact that indoor housing is normal for nearly all cattle at sometime in their life, particularly in climes where there are extremes of temperature.

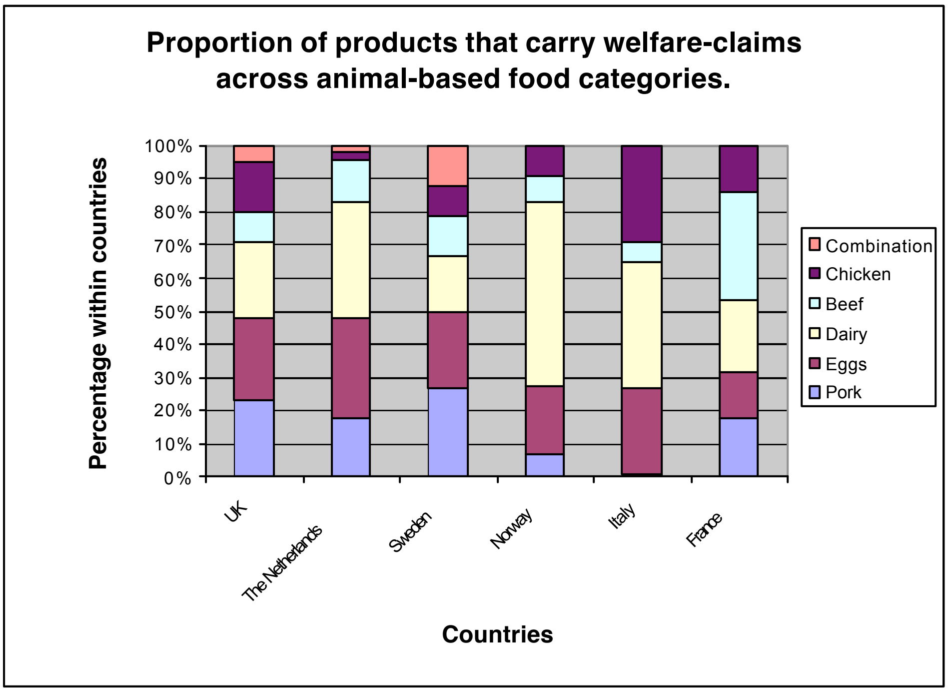

Diagram 2.1 Chart to show the proportion of products that carry welfare-claims across animal-based food categories.

Beef

These are some illustrative examples of welfare-claims found on beef packaging in the six countries.

> "Organic husbandry: feed of fodder and cereals from organic sources, veterinary sources predominantly homeopathic and plant based, respecting the natural needs and welfare of the animals." FRANCE
>
> "Enjoy a well tasting beef from a beautiful countryside" SWEDEN

> "Our beef is carefully reared and matured." UK
>
> "The animals graze outside and the calf gets milk from the cow in an important period for the animal's growth and development." NORWAY
>
> "This race is reared using traditional methods and in green pastures away from pollution, which are essential factors for the production of lean meat with strong organoleptic characteristics." ITALY
>
> "Honest and pure. Animal friendly. Naturally appetizing" NETHERLANDS

Dairy

In the case of dairy cattle, the quality of the pasture is often used to convey a better quality of life for the cow. Cows, as described on many welfare-friendly packet descriptions, are constructed as receiving extra care and attention in a welfare-friendlier production system. There is an absence of welfare-friendly cheese in almost the entire retail field.

> "all our cows must eat healthily, exercise regularly, no late night movies and no petting behind the barn" UK
>
> "Fabrication following traditional methods, milk carefully selected from farmers who respect good practices in husbandry and in feeding their cows." FRANCE
>
> "Ecological" SWEDEN
>
> "Do you know what organic means? Our organic milk comes from nature, from farms where animals live on grass and clover, without any additives" NORWAY
>
> "..full fat milk comes from cows reared in the European Union using organic methods to guarantee the well-being of the animal, govern the veterinary treatments and ensure feeding using raw materials from organic farming sources. Organic products are obtained without the use of GM products and/or derivates." ITALY
>
> "Tastes perfect. Straight from the farm" NETHERLANDS

Pork

There are two popular marketing slogans for pork, they are free-range or outdoor reared. The slogan 'outdoor reared' is used in the UK pork market, but is not used in this way in other countries. It is clear on some packages that outdoor reared actually means that they are outdoors when they are young but are put inside barns as they get older, whereas on others this is not so clearly explained. The increasing visibility of pigs in fields is arguably helping the publicity of this production system within the UK. The notion of 'free range pigs' is only found in the UK, Norway, Sweden and Netherlands. There is a negligible level of welfare-friendly pork in Italy, which possibly implies there is a different culture around the pig than in the other study countries.

Free Range Pigs

"Healthy and happy pigs" SWEDEN Free Range Pigs

"spend their lives outside in family groups and have warm shelters and straw bedding to provide shelter in the winter and shade in the summer". UK

"Free Range – A happy pig" NORWAY

"Animal friendly (broad housing, outdoor free range) + sustainable agriculture + healthy of taste + naturally safe" NETHERLANDS

"Pigs in fresh air; fed a minimum of 75% cereals and grown for at least 27 weeks" FRANCE

Outdoor Reared Pigs

"We have selected number of Yorkshire farms where our pigs are reared outdoors with access to open fields and shelter. As they grow, the pigs live in large barns wit h deep straw bedding". UK

"This meat comes from farms that respect the EC regulations on organic farming. The animals are reared in large open spaces and are fed on organic forage and cereals that, in accordance with the production specifications, do not use GM ingredients" ITALY

When one compares the three animal species it is interesting to consider how their package descriptions capitalise on particular socio-cultural constructions of nature and farming. We can see this in the success of the descriptive term 'free-range'. It is a marketing term which encapsulates a strong image that satisfies an appetite for traditional, rural, wild idyllic scenes, successfully used for some time on egg boxes. Perhaps beef is currently disadvantaged in marketing it as welfare-friendly because this term cannot be applied; table 2.3 and diagram 2.1 shows that with exception to France, beef products make up around 10% or less of the welfare-friendly product market. In addition to the term 'free-range', egg boxes often supply additional description about the hen's lifestyle.

Hens

> "Purpose built houses are used, with sun and wind harnessed as a natural energy source whenever possible. These units are moved around the paddock to rotate the pasture in their vicinity. Inside the house natural bedding and scratching materials encourage preening and dust bathing. The hens forage during daylight hours in open organic pastures. The flocks are fed on a natural organic diet containing no artificial yolk colourants". UK
>
> "From free-range hens. They benefit from "more natural" food sources (at least 60% cereals), different from battery hens" FRANCE
>
> "From free range indoor hens" SWEDEN
>
> "If animal welfare is important" NORWAY
>
> "Quality-fresh-tasteful. Fed with pure grains: corn, wheat, barley & rye." NETHERLANDS
>
> "From open-air farms. Not cage-reared. There are no cages in nature. Eggs from open-air farms come from small chicken farms where the animals range in large open spaces (at least 4 square metres per hen). The passion for the animals' well-being, the limited production and the respect for the strictest hygiene standards in all production phases ensure the high quality of these eggs." ITALY

Chickens

> "The Devonshire Red™ is a slow growing chicken that has been specially selected for our West Country Free Range Chicken. They are reared using traditional farming methods on small West Country, family run farms. They have access to tree-planted fields, which encourages them to roam and show natural foraging behavior such as scratching, preening and dust bathing. This allows the chicken to live a fuller, more active and enriched life. The combination of the traditional breed, West Country Free Range farming

methods and their natural diet produces tasty, succulent meat rich in flavour". UK

"The chickens enjoy the uninterupted possibility of total free range in the fresh air during the day" FRANCE

"Ecological" SWEDEN

"Reared on vegetal feed with corn" NORWAY

"Ground-reared chicken" ITALY

"With free outdoor range. From a safe quality chain. Farmers from Loue." NETHERLANDS (imported from France)

It is interesting to consider whether there are any noticeable differences in how the products of hens and chickens are marketed. Does the marketing of chicken meat as opposed to hen eggs lead to different packaging descriptions? Both are using the term 'free-range', yet the publicity around caged hens has led to commentary on the absence of cages in the description on egg packaging. The issue of space, which has led to the development of the free-range hen system, has not been made an issue to the same degree for broiler chickens. Within a broiler chicken system many of the welfare concerns are to do with the breed of the bird and the stress to the bird's body as it gets larger. This is an issue which has attracted less press attention. Although there is some indication that the broiler chicken breed is becoming a concern for some as it becomes part of the product description. There is less development of the welfare-friendly chicken market in Norway, Sweden and the Netherlands. It is particularly interesting that free-range chicken is currently under-developed in the Dutch market, despite their success of barn eggs. The success of barn eggs can be explained from both an ethical and an economical perspective. Retailer prices of eggs are simply determined by adding 100% margin. There are no substitutes for eggs. If the price of the eggs is increased (i.e. going from battery cage to barn), sales will not drop because there is no alternative and the retailer increases there profit provided that all supermarkets in the country/region follow this strategy while at the same time the retailer improves their sustainable and ethical image.

Chapter 3. Welfare Bundling on packaging

The welfare-friendly food market across the six countries appears very diverse and confusing with lots of different approaches taken by the retailers/manufacturers/producers. There is a range of products across the six countries that make welfare-claims, but there is little consistent information about what these mean comparatively in terms of the level of improvement in an animal's life. Products are packaged and marketed very differently. Some have just a single statement for example 'If animal welfare is important' by the Norwegian producer cooperative Nordgarden. Others make statements related to how the animal has lived, for example 'From free-range indoor hens' used by a number of egg companies across Europe. Whereas others bundle animal welfare in with a number of other attractive product attributes including:

- animal health
- animal well-being
- ecological embeddedness
- sociological embeddedness
- human health
- quality/taste.

Below is an example that includes all these attributes.

> "The Devonshire Red™ is a slow growing chicken that has been specially selected for our West Country Free Range Chicken. They are reared using traditional farming methods on small West Country, family run farms. They have access to tree-planted fields, which encourages them to roam and show natural foraging behavior such as scratching, preening and dust bathing. This allows the chicken to live a fuller, more active and enriched life. The combination of the traditional breed, West Country Free Range farming methods and their natural diet produces tasty, succulent meat rich in flavour". Sainsbury's Taste the Difference Fresh West Country free range boneless chicken breasts (UK).

In comparison a Swedish Kronfågel chicken product just carries the words 'Swedish chicken'. This conveys a welfare-claim because Swedes know that Swedish animal welfare regulation is higher so implicitly this product has good animal welfare. This difference between the two labelling strategies illustrates one of the key differences in the market for welfare-friendly food products that is a result of different institutional and cultural settings. The high national standards for animal welfare in Sweden have

Comment [AWH1]: Nordgården is not a cooperative, delete led to animal welfare becoming not just a non-competitive issue but also a non-issue in Sweden. Therefore few products carry welfare-claims. In contrast in the UK animal welfare is a competitive issue both between retailers and between products on the shelf. Product-tiering and brand segmentation has led to welfare-claims being actively used to create a range of products marketed at different quality levels on own-brand products and independent brands. Animal welfare is expressed on packagings in ways which suggest an increase of time and space, which leads to a higher quality product, for example the Devonshire Red™ packaging above. Words which speak of giving more time, more space suggests a higher quality; in addition the different quality criteria's of 'free-range' and 'organic' also imply that more time and space is a central tenet to these production systems. This creates a sense of a de-intensification of animal production. The increasing intensification of agriculture has attracted a lot of critical attention and has been linked to the rise in animal disease, poor quality foodstuffs and the spread of zoonoses. The direct communication of animal welfare is often framed in these terms as the examples below and above illustrate.

In the boxes below (3.1, 3.2, 3.3 and 3.4) are some examples of different bundles of welfare-claims with other quality attributes.

Box 3.1

Animal health and animal well-being

"Organic husbandry: feed of fodder and cereals from organic sources, veterinary sources predominantly homeopathic and plant based, respecting the natural needs and welfare of the animals." FRANCE *Beef (Auchan viande Haché Bio)*

"All our cows must eat healthily, exercise regularly, no late night movies and no petting behind the barn" UK *Dairy (Organic Calon Wen butter)*

Box 3.2

Ecological embeddeness and animal well-being

"Ecological." SWEDEN Pork (*Onsala Pork Sausage)*

"Do you know what organic means? Our organic milk comes naturally, from farms where animals live on grass and clover, without any additives" NORWAY *Dairy* (*Tine Organic Milk*)

Box 3.3

Animal health, animal well-being and human health

"..full fat milk comes from cows reared in the European Union using organic methods to guarantee the well-being of the animal, govern the veterinary treatments and ensure feeding using raw materials from organic farming sources. Organic products are obtained without the use of GM products and/or derivates." ITALY *Dairy* (*Esselunga Bio milk)*

Box 3.4

Animal well-being, ecological embeddedness, quality/taste and human health

"Animal friendly (broad housing, outdoor free range) + sustainable agriculture + healthy of taste + naturally safe" NETHERLANDS *Pork* (*Konmar Bio+ Bacon Strips)*

This draws us to consider the increasingly competitive marketing and packaging strategies that the major retailers are involved in. The major supermarkets increasingly own significant parts of the vertical meat supply structure and therefore have full control over how the product is packaged. The number of *retailer own-brand* meat and dairy products that feature in this market audit is high, up to a third in some countries. This allows the major retailers to be involved in using their own brand characteristics to shape the marketing of the product. *Manufacturers are major labellers* of welfare-friendly food products in all countries. Although the influence they hold in some countries, such as France and Norway, is greater than in others. Therefore in some countries like the UK the manufacturers struggle to get their products in the major retailer assortment whereas in Norway, where there is few independent manufacturers to produce private retailer branded food products, and the farmer cooperatives' branded goods hold monopolistic market shares, this has influenced to date the possibility for Norwegian retailers to develop their own-brands. The independent producers/manufacturers such as Duchy Originals (UK) or Sodiaal with their Candia '*Route du Lait'* milk (France) often carry a considerable amount of information that is only available to the customer once they have made the purchase, i.e. it is found on the underside of the cardboard label or on the website. This is a particular marketing strategy that seeks to communicate to the consumer in a more intimate, specialised channel after the product has been bought. In Norway and Sweden, producer-labelled welfare-friendly products have a particularly high profile. This is as a result of the producer cooperatives which have played a dominant part in the food market in these countries. The high profile of producer-labelled products suggests that the types of welfare-friendly food products available in these countries is dominated by fresh, un-processed meat products or eggs.

Retailer Own-brand Market Segmentation.

The ultimate own-brand retailer is Marks and Spencer's in the UK. The UK based supermarket food retailer pioneered own-label food. Following in the success of the St Michael brand, other large supermarket chains across Europe have created their own brands.

> 'Supermarkets love the idea of building up default loyalty to their brand, a kneejerk responses that doesn't enquire too much about where the product comes from and how it was produced: a 'take our word for it' concept of quality' (Blythman 262-3: 2004)

In the last couple of years some of the major European retailers (Carrefour, Tesco, Monoprix, Esselunga, Coop) have moved away from a sole focus on price-fighting own-brand ranges. 'Product-tiering' has becoming a popular shelving strategy; this means offering a selection of products that convey different levels of quality or value-added attributes. Within this product-tiering animal welfare can feature in the higher quality, value-added ranges. This product-tiering may not only be carried out within own-brand ranges, but may also include other brands. It is strategy for managing the category to both persuade consumers to buy something more expensive, where the profit margins are higher, and it also enables the own-brand ranges to cover all possible quality levels. It is often managed by a 'category captain', which may be the manufacturing supply company behind the own-brand range products on sale, and which may also include some private brands owned by this same company. It is possible to find some products which are not produced by this manufacturing company but they would have to be products with a known, high-level of sales. Typically, an own-label will offer a high-quality, standard and a budget or price-fighting range, in this way quality, at all levels, is introduced as a marketing instrument. This process is otherwise known as ‘value engineering’, an industry term for looking at ways to use cheaper ingredients (Blythman 2004). The products found in our study that were branded ‘own label’ were found within a range of different quality categories.

For example:

Esselunga Naturama (Italy)
Esselunga Bio (Italy)
Carrefour Filière de Qualité (France)
Carrefour Bio (France)
Auchan Filière (France)
Leclerc ‘Marque Repere’ (France)
Monoprix ‘Bio’ (France)
Monoprix Les ‘Vitelliers’ (France)
Auchan ‘Bio’ (France)
Casino ‘Terre et Savoir (France)
Monprix Label Rouge (France)
ICA (Sweden)
SUNDA (ICA) (Sweden)
Coop Änglamark (Sweden)
Coop Organic (UK)
Coop Premium (UK)
Waitrose (UK)
Waitrose Select farm (UK)
Waitrose Organic (UK)
AH (Netherlands)
AH Biologisch (Netherlands)
Super de Boer Biologisch (Netherlands)
Coop Natur (Norway)

The retailers tailor their marketing and packaging strategies for the own-label products to suit their own brand. ‘The brand emerges as the organisation of a set of relations between products or services’ (Lury 2004:26). The brand organises the exchange between producers, retailers and consumers. Some supermarket and independent brands choose to make the political and ethical intervention to provide detailed information about what a better life for animals consists of, or to just mention it as a concern in the production of their food. The reasons for variations in this strategy are variations in the consistency of different retailer brands, some want to reflect an openness and to acknowledge that consumers want to be informed, whereas others respect/create consumers that do not want to know. Those retailers that just use 'free-range' as a marketing label and do not provide any further details do that because it is part of their brand strategy; these brands create a low information identity, attractive to some consumers, unattractive to others.

The retailers use different approaches for how animal welfare is marketed on their own-label products. Some provide extensive information, whereas others very little.

'Honest and pure. Animal friendly. Naturally appetising'.

The widespread use of the term animal welfare on a large number of Sainsbury's (UK) own-brand dairy and meat products can be understood as an important component of the Sainsbury brand. The brand communicates directly about the provenance of the food they sell. Similarly, the Charal brand in France typically includes a statement that includes the phrase: 'the respecting of several criteria including welfare and hygiene of animals'. Understanding how the brand structures relations and thus practical behaviour and discourse around products leads Celia Lury to understand brands as performative (2004). Brands are active agents in the relations that are made and remade between consumers and producers, and increasingly the relations between consumers and retailers as the own-brand movement displaces the visibility of the independent producer, contracted to a retailer, in the food network.

In other countries additional 'quality' labels are significant in communicating trust to the consumer. Whereas in the UK there has been a move towards reducing both in size and number the additional logos and labels on retailer own-brand products, in other countries the role of 'quality' labels still have a significant role. Hence in France, the State regulated Label Rouge (Red Label) scheme provides a framework for a wide range of 'quality' food products that identify animal welfare considerations as a component of their differential production strategies. These Label Rouge products may be sold in supermakets under their own producer/manufacturer label or may be incorporated into supermarkets' own labelling schemes. Thus food items such as those sold under the 'Monoprix Gourmet' label also include reference to their status as Label Rouge products. The huge variation and complexity in how welfare is communicated to consumers is a reflection on the number of different brands, independent and retailer-brand, operating within the welfare-friendly market. Drawing a connection between the farm assurance scheme, the production standard and the description on the packet of many of these products is difficult. In all countries there are significant number of products which carry production standard marks, and in some cases up to a half which don't carry a recognised production standard mar k. This leads to the thought that while some are being opportunistic another significant proportion may well meet the same production standard choose not to market the welfare-friendliness of the product, choosing to focus on something else. Or another explanation is that the paucity of products that carried a recognised high animal welfare production standard (organic being the most ubiquitous across all countries) reflects that the use of the term animal welfare-friendly, free-range or outdoor reared are applied to a range of actual levels of animal welfare. It is not clear to the consumer how some of these products that advertise a welfare-friendly component map onto recognised welfare standards. In the Netherlands, the majority of meat products (up to 95%) come from certified chains (i.e. IKB), yet this is not used as a label for consumers.

A large number of meat products do not feature in this audit because on the packaging the quality of the cooking or the eating experience is used as a marketing tool as opposed to the life of the animal from which the meat came. Within some product lines there seemed no relationship between meat products that carried writing on the package which mentioned welfare and those that did not. Are retailers divided, confused, unsure as to whether animal welfare is a viable marketing tool? It certainly is apparent that for the overwhelming majority of meat products in all countries, if there is a product description, it is more often quality rather than animal welfare that comes first. Although of course there are exceptions, most notably Waitrose (UK), Coop (Sweden), Albert Heijn (Netherlands) where animal welfare has a role, above the average, in how it is used as a component of these retailers' branding strategy.

This discussion leads us to consider the second sub-deliverable: a study of the non-retailer led labelling schemes. As was argued in this final section it is easy to see that the relationship between standards, labels and the marketing of welfare-friendly food products is not simple. To increase understanding for the market for welfare-friendly foodstuffs more is needed to be understood about the non-retailer led labelling schemes or the quality or assurance label schemes which are not the responsibilities of the major retailers. There are some retailers which have their own assurance schemes; these are not the focus of the following analysis. Thus the discussion moves on to analyse and compare the non-retailer led schemes that make claims about being welfare-friendly.

Chapter 4. Comparative analysis of non-retailer led schemes of production.

Identification of schemes

An intervew-based study of 'non-retailer led labelling schemes' was carried out in the six study countries. The study was driven by two selection criteria. Firstly, the products surveyed were identified in the retailer audit (Deliverable 1.7). Secondly, non-retailer schemes were selected within each country that covered a range of non-retailer actors involved in labelling food products. Non-retailer led labelling schemes are those assurance schemes which both communicate directly to consumers in the form of a logo/label on packaging and which are the initiative of non-retailing bodies e.g. NGOs, Producers, Manufacturers. The schemes identified are operated by, or were established by the following range of non-retail actors:

- Non-governmental organisations (NGOs)
- Food manufacturers
- Producer groups
- Joint producer/manufacturer groups
- Product Boards
- Regional state bodies
- National state bodies.

Importantly, in some cases a certification wing of the scheme's body carries out the inspection or auditing process, for others an independent body carries out the inspection, which may or may not be mandated by the State. The aims of this study were to understand which institutions are powerful market actors in communicating animal welfare-claims to consumers across the study countries? Also, how have the schemes developed? Finally, how significant are these schemes to the existence of a market for welfare-friendly food products?

Table 4.1: Schemes studied in 6 countries

Country	Standard Level	NGO, manufacturer, producer group, trade association	Name of the programme in the industry	Consumer Label name and Product examples where applicable
Norway	Comparable to EurepGap standard	Joint initiative by agricultural authorities, the farmers' organisation and the farmers cooperatives. Financed to a large extent by Annual Agreement between the Agricultural authorities and the Farmers organisation. Levy on products. No label.	KSL (Norwegian quality system for agriculture)	NONE
Norway	KSL standard	Owned and administered by Matmerk (The Norwegian food branding foundation) Marketing strategy for KSL?	Godt Norsk (Norwegian Quality)	Godt Norsk
Norway	EU regulations (2081.92 and 2082/92) on	Owned and administered by Matmerk (The	Beskyttede Betegnelser (Protected	Beskyttede Betegnelser

Comment [AWH2]: delete

Comment [AWH3]: Delete

	Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) and Traditional Speciality Guaranteed (TSG)	Norwegian food branding foundation). Financial support administered through Quality Food Production in Norway programme.	Designation of Origin)	
Norway	Slightly higher than KSL standard	Owned and administered by Matmerk (The Norwegian food branding foundation) Additional standards to Godt Norsk	Spesialitet-merke (Speciality-label)	Spesialitet-merke
Norway	Norwegian regulation on ecological production. Currently being revised to EU-regulations (2092/91). In process of IFOAM accreditation.	Private owned (stakeholders in agro-food chain) agency, delegated to role by Min of Agric and Norwegian food safety authority. With several labels, only one ∅-merket (∅-label) is relevant for Animal Welfare. Subsidised by the state.	Debio (Norwegian certification organisation for organic and bio-dynamic production). Not marketed as Animal welfare label.	Ø-merket
Italy	Integrated production techniques. The code of practices are defined at regional level by ARSIA. Compliance with AW standards as	Regional collective brand for products product by dell'agricoltura integrata. Regional Publically funded. Tuscany	Agriqualità (white butterfly) label	Agriqualità

Comment [AWH4]: Delete

	defined in the Fishler Reform			
Italy	EU agricultural guidelines with emphasis on agri-environmental measures.	Regional public funded Emilia Romagna	Qualità Controllata label	Qualità Controllata
Italy	EU and Italian standards with additional Legambiente rules that are environmentally and ethically sound.	Environmental organisation set up label and also LAIQ. LAIQ privately-funded.	Legambiente (league for the environment) label dual-branded with *LAIQ* (high quality Italian agriculture) logo)	Legambiente /LAIQ *Latte Italiano srl* (milk) *Minerva-Agridea* (meat)
Italy	EU and Italian standards with additional rules producing quality meat.	Asprocarne Piemonte Beef Producers' organisation	'Carni bovine certificate' (beef quality and consumer protection Reg Law no.35 1988) and '*Dono di natura'* (quality beef EEC reg. 1318/93) label	'Carni bovine certificate' 'Dono di natura'
Italy	EU and Italian standards with additional rules about protecting natural resources, integrating production with the countryside and animal wellbeing.	Unicarve –Beef Producers' Association of the Triveneto Region.	Eletta label (voluntary labelling)	Eletta
Sweden	Programme of LRF (Swedish Farmers Association). Swedish slaughter houses. Swedish	Producer-owned	MHS (Swedish farmers environmental house inspection) self-regulated.	MHS

	Poultry, Swedish egg		Base-level assurance scheme.	
Sweden	Svensk Fagel The Swedish Poultry meat association	Producer-owned	*Svensk Fagel*	*Svensk Fagel*
Sweden	Svensk Mjolk (Swedish Dairy Association)	Producer-owned	*Frisk Ko* (Healthy Cow)	*Frisk Ko* (Healthy Cow)
Sweden	Svenska Agg (Swedish Egg) On top of MHS-scheme	Producer-owned	*Svenska Agg*	*Svenska Agg*
Sweden	BIS (Swedish Meats) –pig producers BAS (Swedish Meats)	Producer Owned	Swedish Meats welfare program (Promoted by Swedish Meat Information	'Scan' store label brand
Sweden	KRAV. IFOAM member	Producer-owned	KRAV (independent quality assurance scheme)	*KRAV*
Sweden	Demeter IFOAM Member	Producer-owned	Demeter	Demeter
Sweden	Swedish Poultry Meat Association	Ingelsta Kalkon - manufacturer	SPMA quality assurance programme	Ingelsta Turkeys
Sweden	SEMKO-DEKRA Certification AB. Developing criteria for dairy, beef and pork.	Producer and manufacturer owned (LRF – Federation of Swedish Farmers). Environmental – quality assurance scheme.	Swedish Seal Quality System	Swedish Seal
Sweden	Treras (basic demands)	Manufacturing company -owned	*Parsons* (processed meat)	Parsons
France	"Fermier Label Rouge" – a food quality government run Quality	Producer Group. BEVICOR Cert. by French Ministry of Agric.	'Porc Fermier' en 'Plein Air', 'Fermier' and 'Label Rouge'	Porc Fermier en Plein Air du Limousin, Label Rouge

	Assurance scheme for pig production with standards set and monitored by French Ministry of Agriculture, over and above baseline national and EU standards. Specific AW requirements relate to outdoor rearing and living and bedding material	Controlled by 2 technical control institutes.		
France	Based upon EU organic certification and upon higher level IFOAM principles with additional criteria added by the NGO Nature et Progress	NGO Nature et Progress	Nature et Progress. (around 2/3rds of producers have organic certification and 1/3rd do not)	Mention Nature et Progress
France	EU regulation, French 'Label Rouge standards, operated by the Ministry of Agriculture. Low level AW criteria relating to feed and animal housing over and above minimal legal requirements	Producer Group (Loué). Cert. by French Ministry of Agric. Controlled by 2 technical control institutes.	Vollailes de Loué (Label Rouge)	Vollailes du Loué (Label Rouge)
France	EU regulation plus higher level production quality criteria specified as part of the	Producer Group and cooperative	Beaufort Cheese AOC (Designation of Protected Origin)	Beaufort Cheese AOC

	Appellation d'Origine Controlée regulations, over and above minimum legal requirements. Implicit rather than explicit AW requirements relate to animal feeding and bedding.			
France	Base level conformity to industry standard quality assurance scheme (CCP)	Manufacturer Sodiaal	Candia La Route du Lait	La Route du Lait
Netherlands	EU regulation with special regulations	Product Board started scheme. IKB-free range egg system	IKB-Scharrel	Scharrel Eggs
Netherlands	EU regulation which has followed 91/629/EC directive banning individual pens	Producer Alpuro – market oriented branding concept	Group Grown veal- Peter's Farm	Peter's Farm
Netherlands	EU regulation which has followed 91/629/EC directive banning individual pens	Producer VanDrie Group – ethically oriented	Group Grown veal –VanDrie Group (producer name)	VanDrie Group
Netherlands	EU organic standard 2092/91	SKAL - NGO set up to regulate ogranic production	EKO	EKO: found on all NL organic products Eg.:Bio + - Pork and Beef Campina De Groene Koe –

				dairy
UK	IFOAM	NGO Soil Association	Soil Association	Soil Association UK5
UK	EU and UK regulation plus some small extras	Industry	Assured Food Standards (AFS)	Assured British Foods
UK	AFS plus special animal welfare regulations	NGO Royal Society for the Protection of Cruelty to Animals (RSPCA)	Freedom Food	RSPCA Freedom Food
UK	EU organic standard and AFS	Producers	Organic Farmers and Growers	Organic Farmers and Growers (UK2)

Survey results.

Table 4.1 gives an overview of the schemes studied in each of the 6 countries. It is important to note that there are many more schemes than are discussed here for the countries of Italy, France, and Netherlands. For these countries the schemes discussed are just examples of a significant number of different competing labelling schemes that exist in multiple forms specific to a region, a product group or a producer group brand. Whereas in the UK, Sweden and Norway a far smaller number of schemes exist and this study has therefore been able to provide a near comprehensive picture of non-retailer led labelling schemes which carry a welfare component, which would have been impossible to do for the other 3 countries.

Diagram 4.1 provides a picture of how different schemes are pitched in a framework of different standards of animal welfare. Additionally it is important to note that the remit of this research exercise was to study those schemes that make claims related to animal welfare on the food packaging. Therefore this report both attempts to give an overview of the different standards for animal welfare within which claims about welfare-friendliness are explicitly made, but it also mentions some schemes which are significant in terms of understanding the overall picture of standards at a comparative country basis but which do not make claims on packaging about animal welfare. The fact that some schemes which are of an equal standard level to those in other countries which do make claims, do not make claims, is connected to the different cultures surrounding issues to do with animal welfare between these countries.

The main points that can be drawn from Table 4.1 and Diagram 4.1 are the following.
- The industrial sector in all countries is responsible for most of the non-retailer led schemes. This is most striking in France and Italy where the fragmented nature of the market leads to a plethora of schemes.
- Organic schemes have a major role to play in the market for welfare-friendly products because organic products must legally state on the product which certification scheme they belong to. Thus organic schemes are very visible in the market for welfare-friendly products.
-The bundling of welfare into quality reveals a number of quality labelling schemes to be significant within the market, particularly in France and Italy.
- NGOs are very involved in the promotion of welfare-claims in the UK and Netherlands.
- State-led schemes are found in Sweden and Italy.
- In Norway there are a number of schemes which are joint initiatives between NGOs, producers and manufacturers.

Diagram 4.1 Non-retailer led schemes

Chapter 5. Comparative analysis of marketing schemes of non-retailer led assurance schemes.

What claim do the labels make? What does it mean?

Products from all 6 countries bearing a vast range of labels make some claim about animal welfare. Table 4.1 illustrates the fact that the standards vary amongst those that make claims about animal welfare.

The schemes vary in the way they express a concern towards animal welfare on their packaging, but this is not related to the detail of the actual standards which farmers must implement. Below there are examples from the different countries which illustrate the different ways in which welfare-friendliness is expressed, the range of different types of labels that make claims and the type of standard that is connected with these labels.

- what the animal is fed

> Grass chickens regularly graze outside in the grass and green of the meadows, where they can enjoy the healthy outdoor. Because one grass chicken eats more grass than another, their yolk may differ of color. Grass chickens only receive vegetable food.' Grass Eggs[4], found at Albert Heijn, Konmar, Super de Boer; PVE/IKB (Production Standard), Scharrel Eggs (Name of the programme origin: Poultry Product Board) NETHERLANDS

This is the most popular way to express animal welfare because it jointly communicates an interest in food quality as well as animal welfare. In fact, perhaps it is an over-assumption that statements about what an animal has eaten are placed on packaging to communicate animal welfare, certainly some consumers may not read it that way, but the fact that some may read it as illustrating a lean towards welfare-friendliness makes it a valid inclusion.

- what space the animal has to live in

> Cf internet site 'Route du lait' (http://www.lerustique.net/page_fr/actualites/route_lait.html). The quality of life of our cows: whether in the stable or outside in pasture, they live in the calme, in a spectacular and spacious environment (...) Good conditions at milking, in a

> clean and welcoming milking parlour, our farmers avoid stress to respect animals' well-being. Le Route du Lait label (producer label) Manufactured by Candia-Sodiaal under the brand Candia) FRANCE.

> 'Eggs from open-air farms. Our hens live in the open air. The Corte eggs are laid by free-range hens fed on vegetable-based feed. The passion for the well-being of the animals and the respect for bio-safety are the foundations of our model farms.' Uova della Corte Coccodì (Eggs); Uova della Corte Coccodì All' Aria Aperta (Brand); Manufactured by Coccodì s.r.l (MI) - C. IMB. IT263; Certified by CSQA - CSICERT to certification standard UNI 10939 (ITALY)

Some generic reference towards animal welfare is often made on packaging, that doesn't specifically talk about the animal and how it lives. Just the Production Standard is used in other instances with no additional description, where the Production standard is known to equate with higher animal welfare.

> 'KRAV' Anglamark (Coop own brand) Milk, organic production standard KRAV. (SWEDEN)

The examples above illustrate the range of descriptive claims that are made alongside labels. They vary hugely in the quantity of information given on the packaging, the tone of the writing, the emphasis towards animal welfare, and the body that has manufactured the welfare-friendly product. When one considers the huge range of products, schemes, standards and claims, a picture emerges of a multi-tiered welfare-friendly product market (see Diagram 4.1).

One of the key issues about these assurance schemes is to what extent have they been set up to offer a range of quality products to consumers, or are they driven instead by the supermarkets requirements for higher quality products which leads to greater demands for quality (and safety), volume and coordination by the suppliers? For quality to be guaranteed throughout the supply chain, assurance schemes have a vital

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[4] Grass eggs is also the name given for 'outdoor/free range eggs' in the Nethelands. It not only refers to what the animals feed but also the name was chosen to specifically endorse the fact that the chickens have outdoor access.

role to play. Yet only some of these assurance schemes have a tool to communicate directly to consumers, for example a logo, and then the use of the logo is at the discretion of those in decide what goes on the product-packaging (retailer or manufacturer). The culture of logo use on packaging varies between countries, therefore the number of schemes that appeared visible in this study is not doubt also affected by these variations in culture.

How are the schemes administered, set-up?

The standards which make up these schemes are described by Nils Brunsson, University of Stockholm as "rules outside organisations" (IDS/IIED workshop report: 2005); they are ways of coodinating the value chain. Standards which have any bearing on animal welfare are set within a range of standard types including – public, private/company, collective private e.g. EUREPGAP, buyer requirements etc. Business to business standards are not communicated to consumers because they exist to tranfer responsibility down the supply chain and to satisfy the 'due diligence' obligation, introduced by the 1990 Food Safety Act. Thus within this context the research has identified products where there are welfare-claims and a production standard on the packaging. The schemes that have been identified should be seen in the wider context of evolving standards which operate between different parts of the supply chain and which do not always carry a communication strategy to consumers.

There are a number of different processes by which the different schemes across the 6 countries have been set up. All of the following bodies are involved with setting up schemes: NGO, Producer group, Product Board, State, Regional State, Manufacturer. The different institutional and cultural background in the food industry within country affects the types of bodies that set up schemes with higher animal welfare standards. Table 4.1 and Diagram 4.1 illustrate these patterns. Explanation for these different patterns can be found in the Deliverable 1.5 and 1.6, and national subdeliverables 1.2.1.2 which describe the market structure for animal-based products in the 6 countries.

The relationship between the regulatory standard-setting board, the voluntary scheme standards and the certification process is more defined in some countries and for some labelling schemes than others. The only legal animal welfare standards in Europe above the base-level standards is the EU organic standard. Thus there is a legal requirement for the organic certification scheme to be included somewhere on the product packaging. A number of organic schemes have been included in this study since they are the major component across all countries of non-retailer led production schemes. Animal welfare requirements within organic schemes vary. For example in the UK the Soil Association organic standards reaches higher standards than the Organic Farmers and Growers organic standard on certain animal species (pigs and poultry). Some would argue that organic production systems should not necessarily be considered as always offering the 'highest' animal welfare, but for example in the UK legal support has been received by one of the organic certification bodies that state they can make claims that can easily be misinterpreted as animal welfare is highest under their scheme.

> *"No system of farming has higher animal welfare standards than organic farms working to Soil Association standards." (Certification News No.53 Spring/Summer 2005).*

This statement is newly approved by the UK Committee on Advertising Practice. Consequently, there is a two-tiered organic labelling standard across Europe as the schemes are divided into those that comply with the EU organic standard requirements and those that comply with the IFOAM organic standard requirements (see Table 4.1). Both standards undergo regular revisions. Beneath these organic standards are a plethora of varying 'Specific Criteria Assurance Schemes' which meet standards that are higher than the basic regulatory requirements but which are unregulated. The certification, monitoring and labelling of these products and the claims made about animal welfare is entirely voluntary. It is therefore in the interest of the body that sets up the scheme to maintain their own credence in the industry to ensure that standards are adhered to and inspections regularly made. Beneath the 'Specific Criteria Assurance Schemes' are holistic assurance schemes which operate in all sectors of the industry and which hover just above the EU agricultural standards. These assurance schemes contain special regulations enforced by national governments which particularise production systems according to National laws. For example, in the UK the Assured Food Standard includes higher animal welfare regulations on pig production than is regulated by the EU. Sweden and Norway also have higher standards on animal welfare that is enforced by National law. These national schemes do make some claims about animal welfare in part to ensure and mark out their competitive position in the market against products produced in other countries of Europe which do not reach these particular standards.

What are the costs of setting up the label?

Some of the schemes are sponsored by NGOs and in this cases there is, on occasion, subsidy which decreases the costs of running the schemes for example Freedom Food (UK), Nature et Progres (FR), Legambiente (Italy), Soil Association (UK), see diagram 4.1. In other cases there is an industry initiative to create the scheme, or to apply for a specific product to be entered into a national State-run quality assurance scheme (Label Rouge or AOC in France) and to protect their market by having a scheme and in this case the industry shares the cost (e.g. Assured food standards (UK). In Norway and Italy there are particular schemes which are subsidised by the State at regional level in the case of Italy (Qualita Controllata), at national level in the case of Norway (Debio). For the Manufacturer-led schemes and Producer-cooperative schemes the schemes are self-funded because the creation of their own label is part of their marketing strategy.

What were the motivations for setting-up the labels? ethically driven? market driven?

There is a small number of schemes that it can be argued were set up for ethical reasons exclusively (see diagram 4.1 and table 5.1). The organic schemes and the NGO-led schemes more readily are considered as ethically-driven. For the majority of schemes it is a response to the market that has led to these schemes to be set-up. The market may have changed because of new legislation. The Food Safety Act of 1990 with the expectation of 'due diligence' by retailers, was seen as pivotal in forcing retailers to take responsibility for the safety of food on the shelf which led them to seek out assured food. This has led to the development of assurance schemes that hover above the National regulation level which meet the requirements of retailers and manufacturers who are not directly responsible for producing the foodstuffs that they use to make processed-products. The two-tier position for organic standards benefits the market for two reasons. It suits a market where there are farms in conversion towards the higher standard. In many cases the stronger organic brands are positioned at the higher welfare standard. Yet 'organic' has been mainstreamed into a segment of retailers' own-brands which in many cases are not interested in using the certifiers' logos and so in which case the lower organic standard is more convenient because this organic produce is cheaper.

Table 5.1: The reasons behind set up of standards.

Standard Setting Body	**Standards across the 6 countries**	**Reason**
NGO:	Mention Nature et Progres; Nature et Progres; Legambiente Italy; Soil Association	Ethical
Manufacturer:	Candia : La Route du Lait; Parsons	Commercial
Producer and Manufacturer:	Swedish Seal	Commercial
Producer:	Label Rouge; Eletta; Carni Bovine Certificate; Frisk Ko; Svensk Fugel (Poultry); Swedish Meats (Scan); Organic Farmers and Growers	Commercial
Producer	Debio	Commercial/Ethical/Legislative
Regional State:	Agriqualita; Qualitata Controllata	Commercial
Inspection Body:	KRAV; SKAL; Demeter	Legislative
Industry Initiative:	MHS Sweden; Assured Food Standards UK; KSL Norway; Norway Speciality Mark, Norway; Netherlands; France; Italy.	Commercial/Legislative

Chapter 6: Summary and conclusions.

The Assurance Schemes that are studied in this report have developed under different initiatives. Broadly, commercial, legislative and ethical initiatives have led to the creation of the assurance schemes (Table 5.1).

It is interesting to consider a the examples of the schemes in the UK to appreciate the relationships between different schemes and how and why they have developed differently. The Soil Association is the major organic certifying agency in the UK. It has a charitable side to its operations (advice to farmers) as well as a commercial side (the certification process). Freedom Food is the only animal welfare focused assurance scheme in the whole of Europe. It is subsidised by the UK charity the RSPCA (Royal Society for the Protection of Cruelty to Animals). Both the Soil Association and Freedom Food schemes can be understood as having originally been motivated by moral and ethical concerns. The obvious difference between these two schemes is that the aspirations of the Soil Association and other members of the organic movement led eventually to the development of a legal standard. However Freedom Food and others interested in higher animal welfare standards haven't got a legal framework for producers to work to and so operate more as an add-on to base-level assurance schemes rather than operating within a legislative framework. It appears in the UK that not all retailers choose to communicate what assurance schemes the product has been produced under. This has implications for the level of consumer knowledge and awareness of the scheme. All organic products by law must carry at least the organic certification code but crucially ONLY if they are to be sold as organic; the use of the logo is optional but often included with the code. It is clear that there is a significant percentage of organic produce that is not sold as organic – could some alternative marketing strategy be used for these products? However there is no requirement for Freedom Food foodstuffs to be labelled as such; therefore the use of the logo is optional. In an increasingly brand-aware world this has implications on the level of publicity and promotion of certain schemes over others. This was expressed as an issue for Freedom Food who loses out in terms of publicity when their logo is not used. This case study is indicative of the issues that surround the use of voluntary labelling schemes as opposed to those that carry legislative backing.

The use of logos on packaging is optional and used more as a marketing tool for consumers, for the majority of schemes. However membership of base-level schemes is increasingly the only way to gain access to certain parts of the food retail market, specifically sales to the large food retailers whose own private assurance schemes are broadly comparable to the national base-level standards.

The agricultural sector operates within a changing, competitive business context. This means that national assurance schemes can have a strong impact on the import/export market of agricultural goods as exchange rates change and higher standards advantage and disadvantage different parts of the industry. Robin Johnson (2004) has commented on this issue within the context of increasing quality standards within the meat industry: producers rather than consumers bear the cost of quality improvements. He also comments upon how the benefits and costs are likely to be distributed unevenly between countries. The current problems that face the UK pig industry is an example of this where the additional costs to meet the higher welfare standards have effectively become a trade barrier.

The two-tiered organic certification in Europe reflects the different commitments of the assurance bodies. For some bodies the business context is the primary interest, whereas for other bodies it is the pursuit of higher standards. There is a growing body of literature that discusses organic food standards (Guthman 2004, Campbell and Liepins 2001). Much of this literature focuses on how the standards have been developed and what has influenced their development. Emerging from this study are the inter-relationships between different organic assurance schemes and other assurance schemes and how this has developed a multi-tiered scale of competing welfare-friendly food product claims across Europe. It is interesting to consider what the long-term implications are of their various assurance scheme standards – do they lead towards the continuous rise of standards?

Previous research on standards within the food industry has pointed to the need to explore how the adoption of quality and safety standards is influencing the market. The findings of sub-task 1.2.2.2 addresses how assurance schemes shape market developments which then in turn affect consumer welfare and industry structure. Balsevich et al 2003 argued that 'markets segmented by quality and price may serve the varied needs of consumers more effectively than a single minimum quality standard' (2003: 1153). The findings from this study support that claim but also indicate that within the European dairy and livestock market the development of retailer own-brands that have started to embrace quality and safety standards has led to the reduction of the explicit marketing of assurance scheme standards. The relationship that assurance schemes have with consumers is becoming increasingly confused in Europe as retailers choose not to use logos, or where they are used as part of a marketing strategy they do not give a clear picture to the consumer about what standards the products meet. In some cases the assurance schemes began as an industry initiative and logos were then developed to appeal to conscientious consumers. Whereas in other cases it is the label aimed at consumers that is a primary motive to create a niche in the market. The moves particularly by UK retailers to reduce the use of logos on their own-brand products, or to use them as a market segmentation strategy pushes the assurance schemes back towards a predominantly industry concern. This leads to a large amount of meat and dairy products that are produced to higher animal welfare levels than EU minimum standards but which are not labelled as such. However where the retailers are less dominant the place of the label is still thriving on food packaging for products produced by manufacturers or farming cooperatives. Typically notions of trust and confidence in food are part of the assurance scheme package, but now it is the retailer brands themselves that are working to claim this territory in the UK. We may see similar developments in the furture within other countries. This development makes increasing sense as the meat supply chain from suppliers to major retailer is increasingly integrated. A study by Lindgreen and Hingley (2003) on the UK meat supply chain is a useful guide to the transitions that may take place and that are already taking place in the Netherlands. Traditionally the UK meat supply chain is complex (see Lindgreen and Hingley 2003), however following the increasing consumer concern around issues such as food scares and animal welfare some of the retailers have developed their own meat supply structure. A study of Tesco demonstrates this:

> 'Tesco now buys directly from suppliers using a centralised distribution system, and the meat products are first delivered to central warehouses before being distributed to individual retail stores (Fearne and Hughes, 1998). Overall, the supply chain is viewed as one supply chain (and not as a number of more independent supply chains….) in which all parties work together in order to deliver the product-quality that the consumers are asking for. This also means that the relationships between Tesco and the meat suppliers become long-term supply relationships, and that the supply chain must allow for transparency, communication, and trust' (Lindgreen and Hingley 2003).

This leads to the aims of the next part of the project (1.2.3) to increase understanding about the role retailers and other market actors play in the market for welfare-friendly foodstuff.

The study of the market structure across the six study countries has provided detailed understanding of the contrasting market and institutional dynamics which affects the development of a market for welfare-friendly food products. The first two empirical phases to the workpackage have started to illustrate the current complexity of the welfare-friendly food market. Manufacturers are particularly powerful in the current market for communicating welfare-friendly foodstuff, but the influence of retailer own-brand products is growing, particularly within countries that have a concentrated supply structure and an open market. Non-retailer led labelling schemes support the communication of welfare-claims primarily through how welfare is bundled into claims about quality.

Below is a brief summary of each country:

UK. The retail market in the UK is increasingly dominated by retailer brands. A few specialist producer labels exist, these tend to be quality products possibly organic which include animal welfare as a quality attribute. In comparison to other countries there are relatively few Quality Assurance schemes, following consolidation of a number of farm assurances schemes under one logo. There is one dedicated quality assurance scheme for animal welfare that faces difficulties in getting its logo used on product-packaging.

France. The retail market in France is characterised by a growing number of retail brands but still dominant presence of manufacturers brands. Producer brands are also strong; these producer brands emerge from small, fragmented regional-based cooperatives. There has been less consolidation in the quality assurance schemes in France; a number of schemes and logos exist and they range in origin from a manufacturer, a producer group or an NGO.

Italy. Manufacturers brands dominate with a growing number of retailer brands. Manufacturer brands are very strong in Italy, the retail sector is beginning to develop own-brand ranges where organic ranges feature which make welfare-claims. Regional and producer group based quality assurance schemes dominate in Italy. The schemes are orientated towards product quality or the environment, not specifically about animal welfare.

Netherlands. Manufacturers brands still dominate; but there is a growing number of retailer and producer brands. Producer brands are dominated by producers of the indoor free-range egg business which has taken off very successfully in Dutch retail stores. The product boards have species-specific quality assurance schemes that use a logo. There are examples of producers who have developed welfare-friendlier production systems who have developed their own quality assurance scheme and accompanying logo. The organic quality assurance scheme is run by an NGO.

Sweden. Producer brands are dominant in the Swedish market for welfare-friendly foodstuff. The Swedish farming cooperatives pride themselves on having higher welfare standard than their international counterparts, thus it is not surprising that this sector is so dominant. However, retailer and manufacturer brands are growing in significance. A number of logos which promote quality assurance schemes exist in Sweden; these have originated from producer groups or manufacturing companies. The number and visibility of these schemes reflect the need to gain a point of difference between Swedish products and imported product on the grounds of animal welfare.

Norway. There is a negligible amount of products with a specific reference to animal welfare, particularly in the soft discount stores (the leading store format in the country). Within the limited market there is strong presence of manufacturer brands. Very weak presence of retailer brands. Quality assurance schemes in Norway have been developed by the industry to promote Norwegian products. Neither the producer groups nor the manufacturers have been influential in the development of logos on food packaging here.

The next empirical phase will build on these initial findings through an interview-based study of retailers and other supply-chain actors for welfare-friendly food products across the five product categories. The aims of this phase are to understand how products that communicate welfare-claims reach the shop-shelf through investigating the post-farm-gate production, manufacture and marketing.

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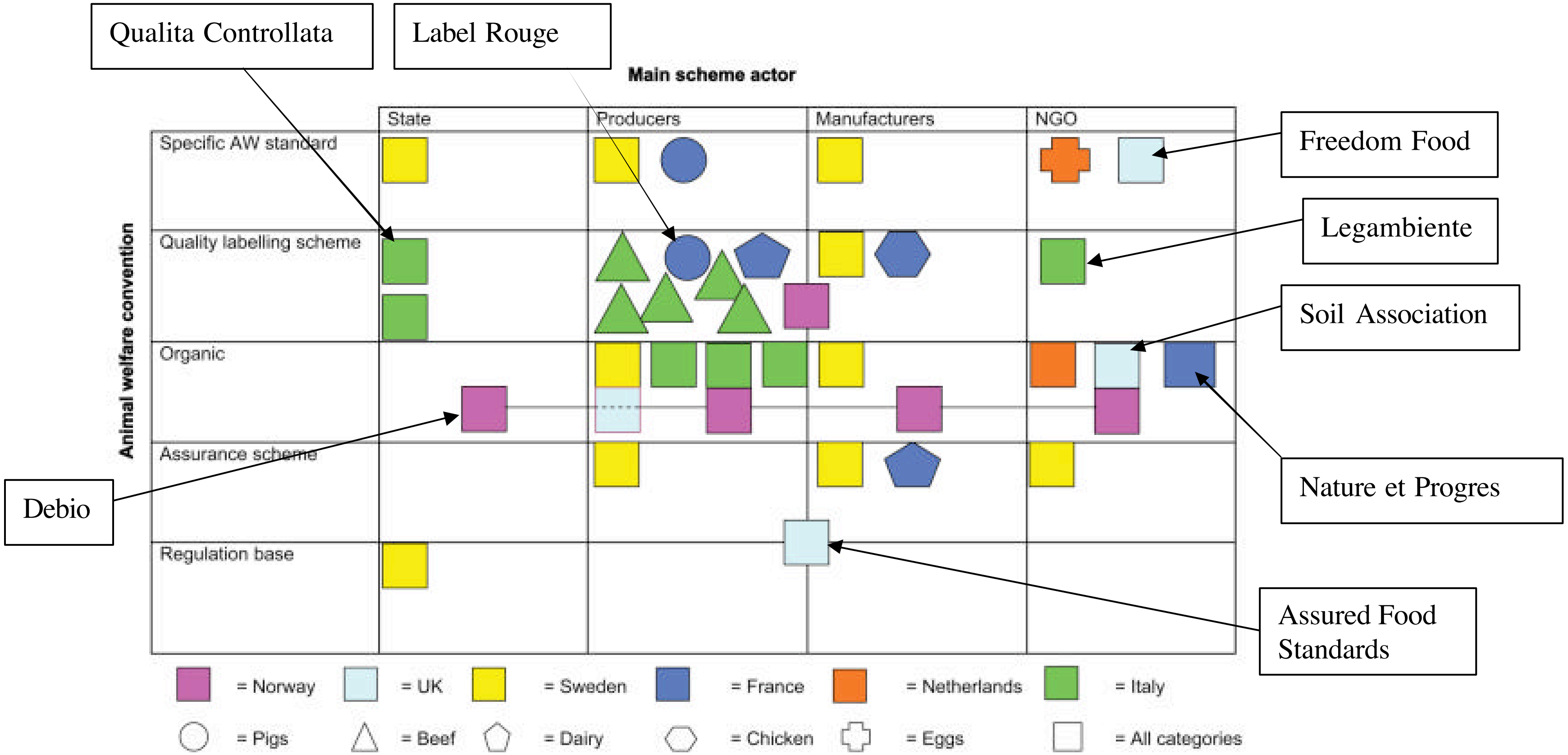
Qualita Controllata
Label Rouge
Main scheme actor
State
Producers
Manufacturers
NGO
Freedom Food
Legambiente
Soil Association
Nature et Progres
Assured Food Standards
Debio
Animal welfare convention
Specific AW standard
Quality labelling scheme
Organic
Assurance scheme
Regulation base
= Norway
= UK
= Sweden
= France
= Netherlands
= Italy
= Pigs
= Beef
= Dairy
= Chicken
= Eggs
= All categories