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Animal welfare: the EU policy and consumers' perspectives

Abstract. The awareness of animal welfare and animal well-being is growing all over Europe and the world. The concerns are related to the applied policy regimes, economic sustainability of the production methods, food quality and safety, consumers' health and behaviour and their willingness to pay for animal products obtained in animal-friendly conditions. The paper aims to analyse the consumers' awareness and its effect on consumers' purchasing behaviour in Bulgaria. The data were collected under the WELANIMAL project, based on a questionnaire. Later a statistical analysis was done. At the end it is concluded that consumers still need to be educated and there are opportunities to enhance their awareness of animal welfare standards through marketing actions.

Key words: animal welfare, consumers, willingness to pay, Bulgaria.

Introduction

Animal welfare concerns the physical and psychological well-being of animals. In this regard it is connected with animal rights, measured by indicators as behaviour, physiology, longevity, reproduction, and attitudes towards different types of animal uses. Concerns about farm animals welfare vary among individuals and societies. These concerns can include questions how animals are killed for food, how they are transported, how they are breed, and how human activities affect their survival. The following factors, listed in a decreasing order, seem to be very important for animal welfare/protection [Martelli 2009]: space allowance, humane transport, presence of trained staff, humane slaughtering, access to outdoor areas, exposure to natural light, absence of movement restriction by chains or tethers, expression of natural behaviours, absence of mutilation and social contact.

The first activities in this area start with the recognition that animals are sentient beings. On the policy level it is reflected in the legislation which puts animal welfare on equal footing with other key principles in the EU policies, i.e. the protection of human health, social protection, consumer protection, promotion of gender equality, combating discrimination, etc. Moreover, the food safety is a top priority in Europe which means the animal products must be produced from healthy animals. There are many researches proving that if farm animals are well treated, they are healthier and produce better food. Also it is known that physical stress can adversely affect not only the health of the animal but also the quality of animal products.

But the question is about the economic viability and sustainability of the farm animals breeding under the animal welfare standards which is the viewpoint of the producers. The answer was found in the final report by the GHK in association with ADAS UK (Food Policy Evaluation Consortium): 'Evaluation of the EU Policy on Animal Welfare and

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Possible Policy Options for the Future'. The report stresses it that on one hand the animal welfare policies increase the costs of businesses in the farming and experimental sectors and, on the other hand, higher animal welfare standards have a variety of business benefits, though these are usually not fully quantified. While estimates of costs are available, there is a limited evidence of the economic impact of new EU legislation on the sectors affected, and in particular on whether these costs affect the economic sustainability by causing a loss of output or employment at the EU level. The scale of economic impacts depends on supply and demand conditions, variations in market protection for agricultural products and the significance of animal welfare when compared to other costs and business drivers [Final... 2010]

Policies for farm animals welfare potentially affect a wide range of businesses in agriculture and the wider food chain. There are direct effects on agricultural businesses involved in keeping farm animals as well as on other directly regulated activities such as transport and slaughterhouses. Indirectly, these policies affect a wide range of businesses involved in processing, distribution and sale of livestock products. [Final... 2010].

Meanwhile, people increasingly consider the values underlying farm animal production methods and farm animal welfare policy debates have escalated [Croney & Millman 2007]. Also, the distance between consumers and food producers has increased during the last decades. This distance means that consumers have no information about how their food is produced, what methods of food production are used [Cziszter et al. 2010]. Consumers cannot tell by looking at a product how it is made, so they might lack adequate information to purchase the goods they prefer [Mitchell 2001].

Two types of consumers' benefits of animal welfare improvement are distinguished by Cziszter and co-authors [2010], namely:

- when consumers feel that they individually benefit from improved animal welfare
- when society as a whole can benefit from improved animal welfare.

The social benefits rise due to the fact that consumers, concerned with the animal welfare practices in the process of animal production, are also concerned with the welfare of all animals, not just the ones used to make goods that they purchase [Mitchell 2001].

This paper aims to analyse the consumers' awareness and its effect on consumers' purchasing behaviour in Bulgaria on the basis of their willingness to pay for animal products obtained in animal-friendly conditions.

The paper is structured as follows. The first section of the paper is introduction. Second section presents the legislation framework of the EU policy on animal welfare. In the third section the data collection and data availability are presented. It continues with analysis of consumers' perspectives. Conclusions of the study are given in the last section.

EU legislation on animal welfare

The animal welfare is amongst the principles that the EU aims to respect when formulating a new policy, especially when there is a link between the animal welfare and the main EU policies. Legal and regulatory aspects including animal welfare, sanitation, biosafety, infrastructure, issues of environmental quality and prevention of pollution are general objectives of sustainable development [Szűcs & Cziszter 2010].

The beginning of the EU policy on animal welfare can be found in the Treaty of Amsterdam, where in a special 'Protocol on the Protection and Welfare of Animals' [1999], it is stated that 'the Community and the Member States shall pay full regard to the welfare requirements of animals, while respecting the legislative or administrative provisions and customs of the Member States relating in particular to religious rites, cultural traditions and regional heritage'. It is recognised in the Protocol that animals are sentient beings and therefore it is necessary that the animals' welfare requirements are reflected in the Community legislation. The main rules for protection of animals of all species kept for production of food, wool, skin or fur or for other farming purposes, animals including fish, reptiles or amphibians, are settled in the Council Directive 98/58/EC on the protection of animals kept for farming purposes. These rules reflect the so-called "Five Freedoms" (developed in 1979 by the UK's Farm Animal Welfare Council):

- freedom from hunger and thirst, meaning access to fresh water and a diet for full health and vigour,
- freedom from discomfort, meaning an appropriate environment with shelter and comfortable rest area,
- freedom from pain, injury and disease, meaning their prevention or rapid treatment,
- freedom to express normal behaviour, meaning adequate space and facilities, company of the animal's own kind,
- freedom from fear and distress, meaning conditions and treatment which avoid mental sufferings.

The first Community Action Plan on the Protection and Welfare of Animals was adopted in 2006. The plan comprised the strategic priorities and future actions within the EU for the period 2006-2010. Currently, the policy is based on the Treaty of Lisbon, which entered into force on 1 December 2009.

Other EU legislation concerning animal welfare includes Regulation (EC) no. 73/2009 on cross compliance under the CAP, Regulation 1254/1999/EC on export subsidies for live cattle and Regulation (EC) no. 1698/2005/EC on support for rural development. The implementation of the five farm animal Directives (for Farm Animals, for Pigs, for Calves, for Laying Hens and for Broilers) potentially raise the welfare of these groups.

The welfare and the protection of farm animals are judged differently for each species with significant differences among the member states of EU [Martelli 2009]. According to the Final report evaluating the EU policy on animal welfare and possible options for the future [2010] prepared by GHK in association with ADAS UK, the legislation framework is functioning, but still there are gaps in harmonisation of the standards of animal welfare across the EU.

Data

The part of the study above has presented a literature review of the current EU legislation on animal welfare, its evaluation and consumers' perspectives within the EU. Detailed analysis about consumers' behaviour in Bulgaria and countries in Central and South-Eastern Europe is presented below. To assess the consumers' perspectives and views concerning animal welfare and interaction between animal welfare and their purchasing

behaviour in Bulgaria, a survey was conducted within the framework of the Leonardo da Vinci project 'A new approach to different aspects of welfare, environment and food interactions in Central and South-Eastern Europe with the use of ICT (WELANIMAL)'. The survey consists of questionnaire addressed to consumers which helps to assess their willingness to pay for products obtained in animal-friendly conditions and is aiming to identify consumers' awareness and sensitivity for animal welfare and food safety. Data are processed by a statistical analysis using descriptive statistics.

Consumers' perspectives

Animal welfare and protection as well as the animal health are a prerequisite for ensuring a high level of food quality. The EU policy in this area is complementary to the European Union policy of food safety. Animal welfare improvements bring benefits to the consumers. As it was mentioned above, they are individual and social benefits.

Many consumers have expressed their preferences for goods produced with higher level of animal welfare. Consumers care about how products are made and get more satisfaction from consuming goods that are made with methods they approve. Consumers are feeling more comfortable if food-producing animals are well treated [Cziszter et al. 2010]. According to Blandford and Fulponi 80% of the EU consumers are concerned about animal welfare when asked, but when asked to list their greatest concerns about food only 5% declare the animal welfare as a concern. The consumers change their concerns when they change their role and act as citizens. For example, consumers want to pay as little as possible for products (eggs, milk, meat), but, as it was mentioned, it is more expensive to raise animals humanely and therefore animal products obtained in animal-friendly conditions are not so attractive for buyers. So the welfare of food producing animals occupies only a segment of the individual's biological, culinary, and lifestyle choices as he/she assumes the role of consumer, citizen of a particular country or region, moral agent, connoisseur of taste and a biological being [Cziszter et al. 2010].

Even if the farms animal welfare is an issue of growing concern for the European citizen, there is still a high tendency to buy the cheapest meat. This shows that buying behaviour does not simply reflect the attitude towards animal welfare. This gap between the attitude and behaviour is referred to as a duality between the consumer and citizen [Vanhonacker et al. 2008]. The survey strengthens this because when consumers were asked if they are aware of animal welfare issues when purchasing meat, the 43% of them answered 'yes, most of the time' or 'yes, some of the time'. However, 53% of them 'very rarely' or 'never' consider these issues [Sossidou & Szűcs 2010]. And also, there seems to be a strong recognition by consumers of the benefits from animal protection when buying food produced under higher animal welfare standards. It is notable that only 3% of respondents stated that there is certainly no positive impact of animal welfare on their purchasing behaviour [Sossidou & Szűcs 2010].

The whole survey confirms the above mentioned trends. Detailed information and a comprehensive analysis of the results in all countries participating in the survey could be found in the paper by Sossidou and Szűcs [2010]. Here, only the part concerning the Bulgarian case study is presented.

One of the major results is that the vast majority of the respondents do believe that farm animals have feelings. The next question is about the consumers' opinion on which

farm animal species welfare status should have to be improved. The majority of interviewees stated that laying hens, broilers, cattle and pigs should be those species (Figure 1) [Sossidou & Szűcs 2010]. An analysis of the results shows that the inhabitants of Bulgaria have a good opinion on the welfare/protection of laying hens.

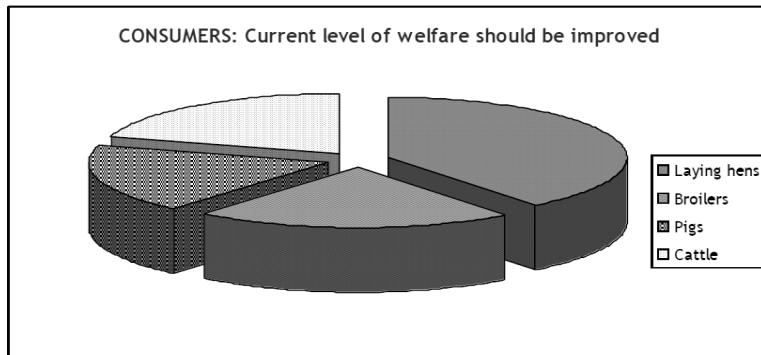


Fig. 1. Improvements needed in farm animal welfare by species

Source: paper by Sosidou and Szűcs [2010].

Bulgarian consumers' willingness-to-pay for animal products obtained in animal-friendly conditions

In order to achieve the paper's aim, the consumers' awareness and its effect on consumers' purchasing behaviour in Bulgaria on the basis of their willingness to pay for animal products obtained in animal-friendly conditions is analysed. The specific question, part of the questionnaire and relevant to the goal is: 'What additional price premium would you be willing to pay for animal products sourced from an animal welfare friendly production system?' There are six possible answers for the respondents to choose: (1) No additional price premium; (2) An additional 5%; (3) An additional 10%; (4) An additional 25%; (5) More than additional 25%; (6) Don't know. There was a requirement that the respondent has to choose only one answer.

The results were statistically processed according to following features:

- gender (male and female)
- age class (under or equal to 29 years, 30-45 years, 45-59 years, and over 60 years)
- monthly net household income (under 599 BGN, 600-999 BGN and over and equal to 1000 BGL)
- internet access in the household (yes and no).

The main conclusion is that respondents were not ready to pay a premium for animal products obtained under animal welfare conditions, or they are ready to pay a maximum of 5% additional price. 54% of them have chosen one of these two options. Also the percentage of people who do not have an opinion is relatively high, 14% (Figure 2).

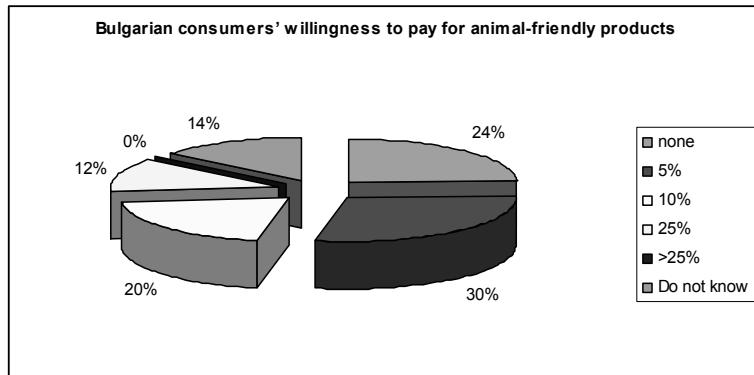


Fig. 2. Bulgarian consumers' willingness to pay for animal-friendly products, %

Source: own calculations.

There are differences between respondents' answers by genders (Table 1). 21.43% of the male respondents would pay up to 25% premium price for animal-friendly products. But the majority of the male responders (14.297% no premium and 35.71% only 5% premium) would not pay more than 5% premium price for animal-friendly products.

Table 1. Distribution of Bulgarian consumers' willingness to pay for animal-friendly products by gender, %

Additional price premium to pay, %	Respondent's sex	
	male	female
None	14,29	28,57
5%	35,71	25,71
10%	14,29	22,86
25%	21,43	8,57
>25%	0,00	0,00
Do not know	14,29	14,29

Source: own calculations.

Meanwhile, there is a relatively equal number of female respondents willing not to pay any premium, to pay no more than 5% premium price and to pay no more than 10% premium price, respectively 28.57%, 25.71% and 22.86%. There are no respondents, either male or female, who would like to pay more than 25%. Also 14.29% of male and female respondents do not know the answer to this question.

The analysis of the willingness to pay for animal-friendly products according to age classes shows that majority of young people, up to 29 years old and those that are older and between 30-44 years old, would not like to pay more for products obtained in conditions which stick to the animal welfare rules or do not like to pay more than 5% (Figure 3). Also, 25% of young people up to 29 years old responded that they did not know the price premium they would like to pay for such products. About 33% of the middle-aged people, from 45 to 59 years old, are willing to pay 10% or up to 25% price premiums for such animal products. There are no respondents ready to pay more than 25% price premium, regardless the age class.

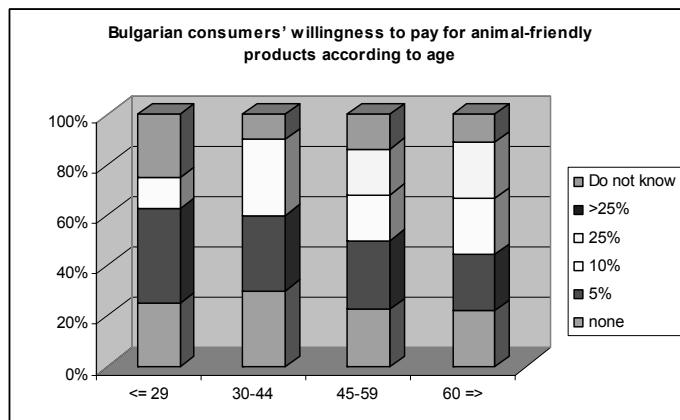


Fig. 3. Bulgarian consumers' willingness to pay for animal-friendly products according to age

Source: own calculations.

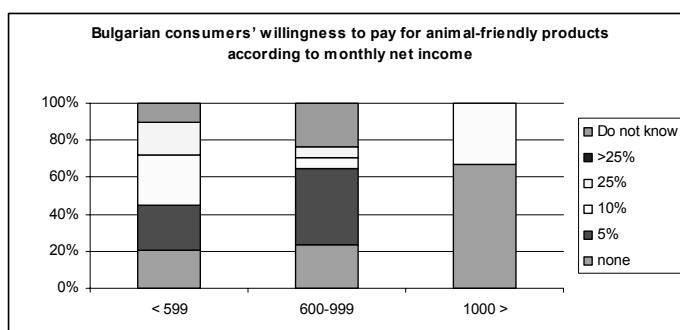


Fig. 4. Bulgarian consumers' willingness to pay for animal-friendly products according to monthly net income
Source: own calculation

More than 72% of consumers that have an income lower than 599 BGN would not be willing to pay any price premium or willing to pay no more than 5% price premium for animal-friendly products (Figure 4). Analogically the same share (70%) of respondents that have an income between 600 and 999 BGN gave the same answers: they do not want to pay any price premium or they would accept a maximum of 5% price premium. The consumers with the highest income (more than 1000 BGN) also do not like to pay more than 5% or are not willing to pay any price premium. It is obvious that the income is not important for the consumers' behaviour when talking about products obtained in a animal-friendly conditions.

People that have access to internet at home were equally (25%) not willing to pay any or willing to pay a 5% premium (29%) for the animal products obtained in good welfare conditions (Figure 5). Almost 14% of these respondents expressed their willingness to pay a price premium higher than 25% for these products.

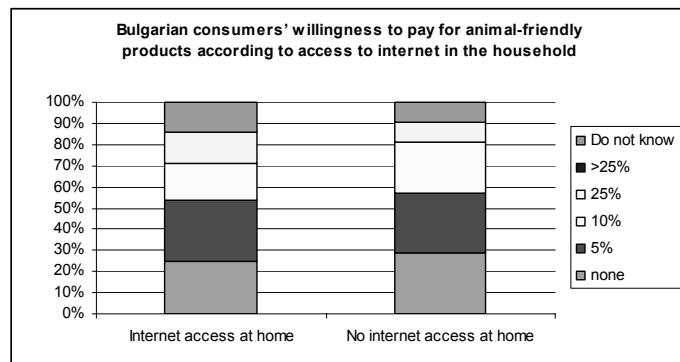


Fig. 5. Bulgarian consumers' willingness to pay for animal-friendly products according to the access to internet in the household

Source: own calculations.

The largest proportion of the people that do not have access to the internet would not pay anything (29%) or would be willing to pay 5% (29%) price premium, while 24% of the consumers responded that they will pay a 10% price premium (Figure 5). Only 10% of this category of respondents expressed their willingness to pay higher than 25% price premium for animal-friendly products.

It is interesting that it does not matter if the consumers have or do not have internet access at home for an answer to this question, and even more that the respondents with internet access do not know the price premium they would like to pay for such products.

The conclusion from this analysis is that consumers act differently in their willingness to pay for animal welfare friendly products depending on their gender, age, income and internet access.

Conclusions

The main findings from the study are summarized as follows.

- The EU legislation is in progress and there are needed improvements at the member states level for the implementation and enforcement of the EU animal welfare policy, especially for farm animals.
- People act with respect to the animal welfare depending on their role as a consumer or as a citizen. As a consumer he/she prefers to pay less for the products but as a citizen he/she is concerned about how animals are treated in the process of producing animal products.
- Consumers' awareness and its effect on consumers' purchasing behaviour in Bulgaria measured by consumers' willingness to pay for the animal welfare friendly products is differentiated according to their gender, age, income and internet access.

As a recommendation in order to enhance consumer awareness, it would be good to organize promotion and to implement labelling schemes for higher welfare and premium animal products.

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