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Banning Foie Gras in California

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Abstract

Sonoma Foie Gras is one of three producers of foie gras in the U.S. and the sole producer in California. The company employs the practice of force-feeding ducks and geese to produce this culinary delicacy. The case describes the foie gras industry and pending legislation in California, which would ban the practice of force-feeding ducks and geese as well as the sale of the products of force-feeding birds. Readers are asked to conduct a stakeholder analysis to identify the primary stakeholders and their interests, and to identify alternatives and a course of action for Sonoma Foie Gras.

Keywords: stakeholder management, stakeholder analysis, foie gras

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Introduction

On March 1, 2004, Guillermo Gonzalez, owner of Sonoma Foie Gras (SFG), California's sole foie gras producer, pondered the future of the company he owned with his wife, Junny. Gonzalez was concerned about proposed legislation that had the potential to put him out of business. Last month, legislation that would outlaw the force-feeding of ducks and geese was introduced by Senate President Pro-Tem John Burton to the Senate Committee on Business and Professions. The legislation was introduced at the request of animal protection groups including AVAR (Association of Veterinarians for Animal Rights), Farm Sanctuary, Viva!USA, and Los Angeles Lawyers for Animals. In addition to prohibiting the force-feeding of ducks and geese, SB 1520 would ban the sale of products in California that are produced by force-feeding birds.

Guillermo Gonzalez and his wife Junny emigrated from El Salvador to the United States in 1985 to pursue their dream of building a foie gras farm. After arriving in the U.S., Guillermo apprenticed in the Perigord Region of France before opening Sonoma Foie Gras in California's Central Valley in 1986 (Sonoma Foie Gras). SFG uses the traditional method of raising ducks for foie gras. The ducks roam free until they are placed in cages with about 12 ducks per cage (Sonoma Foie Gras). They are then force-fed twice a day by a single feeder for a period of two weeks (Sonoma Foie Gras). Currently SFG has 10 employees with sales of approximately $3 million (Inc.com). SFG distributes its products primarily to upscale restaurants in California.

Foie Gras History

Foie gras, French for "fatty liver," has its origins in ancient Egypt. The Egyptians probably first tasted the meat of fattened geese along the banks of the Nile River. These geese naturally gorged themselves as a means of storing fat in preparation for their long migration. It is believed that the Egyptians tried to replicate this natural gorging process by force-feeding the geese. Based on scenes from Egyptian tombs, we know that the Egyptians force-fed geese as far back as approximately 2500 B.C. (Ginor et al.).

Over the next two millennia, the fattening of geese spread from Egypt through the eastern Mediterranean to Greece and eventually to Rome (Ginor). After the fall of Rome, foie gras all but disappeared for almost 700 years. However, it is believed that the process of producing foie gras was preserved by Ashkenazi Jews living in Western and Central Europe and eventually reintroduced to Europe during the Renaissance period (Ginor et al.). At first, foie gras was a delicacy enjoyed primarily by royalty. However, by the middle of the 18th century foie gras appeared on the plates of the middle class throughout much of Europe (Ginor et al.).

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In the U.S., foie gras is considered a gourmet food. With a rich and buttery taste, it is a delicacy that is often reserved for special occasions. However, modern production methods have lowered the cost of producing some types of foie gras and made it accessible to large numbers of consumers. Foie gras production began in the U.S. as the result of a ban on the importation of raw poultry products during the 1980s. This led farmers in New York's Hudson Valley region to start producing foie gras to fill the void left by the ban on imported foie gras. Today, there are three American companies that produce foie gras, Hudson Valley Foie Gras and La Belle Poultry, both of New York's Hudson Valley, and California's SFG.

Foie Gras Production and Consumption

Two methods of producing foie gras are commonly used, the traditional and industrial methods. The traditional method is more time consuming and costly, however it produces a finer, more highly-valued product. Farms using the traditional method place the birds in cages and keep them together in small groups. The feeder takes the birds one by one and carefully inserts a tube with a funnel on one end into the bird's esophagus. The bird is then force-fed a mixture made up primarily of corn by means of an electrically powered auger. The farmers are very particular about what they feed the birds since the feed has a great effect on the taste of the bird's liver. The process lasts 24 to 31 days for ducks and approximately five weeks for geese. Foie gras produced by this process is sold to fine restaurants and to the gourmet market.

Industrial producers of foie gras place the birds in individual cages that are slightly larger than the birds. They use a pneumatic, or pressurized, feeder to force-feed the birds. This greatly decreases the time needed to feed each bird and allows for careful calibration of the quantity of feed. This process is repeated several times a day for a period of about two weeks for ducks and three weeks for geese. Both types of birds are fed with a mixture of lightly cooked ground corn, fat, salt, and lactic ferment. Compared to the traditional method, this system produces foie gras in fewer days at a lower cost. However, the foie gras is smaller in size and lower in quality than that produced using the traditional method. Industrial foie gras is typically used for canned pâté.

In the U.S., foie gras is a rapidly growing agricultural niche industry with average annual sales of $17.5 million (Shepstone). In 2003, U.S. consumption of foie gras was approximately 420 tons, whereas production was almost 340 tons, with imports making up the balance (Shepstone). The total value of U.S. foie gras and related product sales was approximately $20.4 million in 2003 (Shepstone). The source of foie gras consumed in the U.S. is presented in figure 1. New York producers accounted for an estimated $14.5 million in sales of foie gras and related products, or 71% by value, followed by California, France and Canada, with 16%, 7%, and 6% of U.S. sales, respectively (Shepstone).

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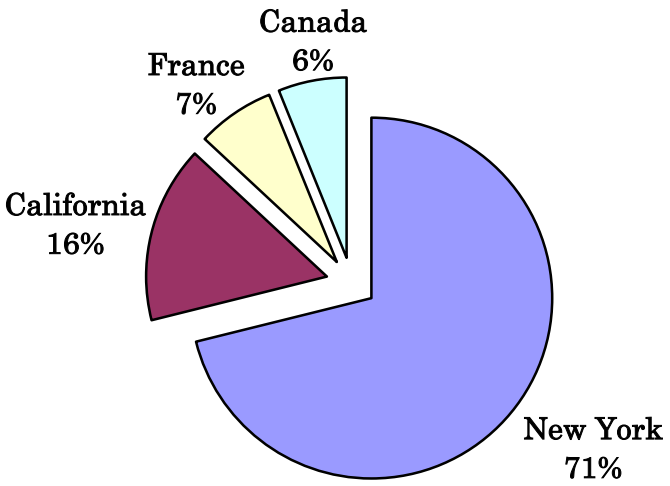

Figure 1: U.S. Foie Gras and Related Products Sales, by Region, 2003
Source: Shepstone

Foie gras is sold in many forms, typically using the French name. Premium foie gras is most commonly sold as either foie gras entier or bloc de foie gras. Foie gras entier is sold whole, whereas bloc de foie gras is made from smaller pieces of liver that have been reassembled. Two other forms of foie gras, which must contain at least 50% foie gras, are mousse de foie gras and pâté de foie gras. Mousse de foie gras typically contains a high percentage of foie gras, which is ground and then whipped so that the resulting product is very smooth. Ingredients, such as truffles, are often added to make mousse de foie gras. Pâté de foie gras is ground into a smooth preparation and commonly mixed with other meat products, such as pork or veal.

Foie gras has traditionally been a high-priced luxury product. However, the lower prices that have resulted from industrial production have made the product more accessible to the average American. Many Americans are first introduced to foie gras as a pâté, the lowest priced and most widely distributed form of foie gras. Foie gras is sold in many fine restaurants, supermarkets, and specialty food retailers.

The Debate over Foie Gras

Many individuals and groups believe that the force-feeding of ducks and geese to produce foie gras is cruel. They claim that the force-feeding is damaging to the health of the birds. After the final force-feeding, the bird's liver will have expanded up to 10 times its normal size. Breathing and walking become difficult as the liver pushes against other organs and liver function in foie gras birds may be severely compromised. The mortality rate of ducks that are force-fed is up to 20 times greater than ducks that are not force-fed (Scientific Committee on Animal Welfare

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and Health). Furthermore, animal rights groups object to the raising of birds in close confinement (The Humane Society of the United States).

In the last few decades, foie gras production has been outlawed in many countries either by explicit laws or based on the application of a more general animal cruelty law. In all, more than a dozen countries, most of them in Europe, have banned foie gras production. In 2005, Israel joined the list of countries banning foie gras production. At the time of the ban, Israel was the world's third largest producer of foie gras.

Today, France is the world's largest producer of foie gras, followed by Hungary. On December 16, 1998 the Council of Europe adopted a report by the Scientific Committee on Animal Welfare and Health entitled "Welfare Aspects of the Production of Foie Gras in Ducks and Geese." However, the adoption of this report stops short of an absolute ban on foie gras production. Producers in France have claimed a "cultural exception" to the rules as a means of continuing foie gras production. It is unclear what strategy producers in Hungary, a recent addition to the European Union, will take.

In late 2003, two animal rights groups, the Animal Protection and Rescue League and In Defense of Animals, filed a lawsuit alleging that SFG was in violation of California animal cruelty laws because of its force-feeding of ducks. The lawsuit is currently pending. A similar effort by People for the Ethical Treatment of Animals (PETA) to stop the practice of force-feeding birds in New York failed in 1992.

On February 19, 2004, California State Senator John Burton introduced SB 1520 (California State Senate), which, in part, reads:

> "The bill would prohibit a person from force feeding a bird for the purpose of enlarging the bird's liver beyond normal size, and would prohibit a person from hiring another person to do so. The bill would also prohibit a product from being sold in the state if it is the result of force feeding a bird for the purpose of enlarging the bird's liver beyond normal size. The bill would authorize an officer to issue a citation for a violation of those provisions in an amount up to $1,000 per violation per day."

Supporters of the proposed ban include many animal rights groups. They believe that force-feeding birds is inhumane. Furthermore, they argue that such a practice is unnecessary, since foie gras is a luxury product and not a food staple. Animal rights advocates are working very hard to get signatures and letters in support of the bill.

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Producers of foie gras argue that force-feeding is not cruel but is instead a natural process for many birds. They claim that migratory birds, such as geese and ducks, have a physiological aptitude for gorging. Several months before migrating, geese and ducks eat as much as they can to store up enough reserves to endure their long migratory trip. Furthermore, they argue that migratory birds are inherently prone to overeating and that because the birds do not chew their food and lack a gag reflex, the feeding tube does not cause discomfort. Additionally, ducks and geese have very elastic throats, allowing them to swallow large pieces of food, which is then stored in their esophagus prior to digestion. They can therefore easily accommodate the feeding tube. Moreover, producers point out that because the ducks and geese are slaughtered immediately after the force-feeding period, they do not suffer from the ill effects of an enlarged liver. Producers also argue that abandoning current production methods would not be economically viable. To do so would greatly increase the cost of production.

The California Restaurant Association opposes the bill along with several major farm groups. They say it is an attack on free market values. Foie gras is served in about 300 restaurants in California (CBS News). There is currently no economically viable alternative production method to force-feeding.

Despite the efforts of animal rights activists, most consumers remain unaware of the controversy surrounding foie gras. Although sales of foie gras have increased substantially in recent years, the market for foie gras is still small.

The Challenge

Although passage of SB 1520 is far from certain, Mr. Gonzalez believes that passage of the law is a definite possibility. Even if the bill does not pass, SFG must defend itself against the pending lawsuit that alleges the practice of force-feeding violates California animal cruelty laws. Mr. Gonzalez wonders what alternatives are available to his company. Should he fight the ban? Should he attempt to compromise with the animal welfare community and other activist groups? Should he admit defeat and move on? Or are there other alternatives that he should consider?

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