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Review of Animal Welfare QA Systems for Livestock Industries in the UK and Europe

Identification of Possibilities for the Red Meat Industries of Australia

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Abstract

Australia needs quality assurance (QA) of animal welfare in its red meat industries to retain its high-end export markets. We considered options in existing UK systems by interviewing leaders in the development and assessment of animal welfare, and researchers investigating a business benchmark on farm animal welfare. The UK has two successful QA systems for intensive animal industries, *Red Tractor Farm Assurance* and *Freedom Foods*, but they differ in standards and processes and do not include red meat. To overcome these deficiencies, the *Assurewel* project is developing a harmonized scheme that also improves transparency and traceability, adds measures of welfare outcomes and a systematic progression of standards, and trains animal welfare assessors. For the Australian red meat industry, *Assurewel* offers a foundation, to which we should add context so the scheme would be relevant to our livestock management, transport and processing supermarkets and consumers. The scheme should be paid for by government, by individual supply chain participants, or through an independent structure that is funded by contributions from all stakeholders. The outcome would be an animal welfare QA scheme that would ensure the future of domestic and export markets for Australian red meat.

Executive Summary

Australia will need to establish standards for animal welfare and QA systems to guarantee compliance for its red meat supply chain because, as an exporter, we will need to match if not exceed the national standards in our markets. Our preferred markets are sophisticated and high-priced. However, even for less sophisticated markets, we are under increasingly intensive local scrutiny. The problem is that assessment of animal welfare is difficult and complex, so standards and QA have proven problematical. Given this circumstance, what do Australian red meat industries do to ensure the future of their local and export markets?

A first step is to consider Europe and the UK where there is a long history of systems and standards for QA in livestock welfare. The intensive animal industries (dairy, eggs, pigmeat, poultry) were the first to adopt QA schemes, and the current systems have been very successful in terms of industry uptake. The two most prominent are *Red Tractor Farm Assurance* (run by industry) and *Freedom Foods* (run by the RSPCA). Lesser players are *Soil Association Certification* (run by the organic farming industry) and *Compassion in World Farming* (a charity).

However, in the UK, the various QA systems differ in the drivers and standards, and in the processes for inspection, assessment and audit. Moreover, to date, they have focused on inputs in animal management (eg, housing standards) rather than outcomes (the welfare of the animals) and none of them have been successful in capturing the red meat industries. This situation has led to the *Assurewel* project which aims to overcome all of these deficiencies by developing a single harmonized scheme with better transparency, a systematic progression of standards, and training for animal welfare assessors. *Assurewel* also builds on a long and strong history in a complex environment – responding to critical drivers for high-quality traceability; making use of producer feedback; and working with several partners and stakeholders with diverse different philosophies.

The most efficient way forward for Australia is to look closely at *Assurewel*, and then ensure welfare within an Australian context for:

- Our systems for livestock management;
- Our systems for livestock transport and processing;
- Our supermarket scenario; and
- The nature of our consumers and their demands (local and international).

Who pays? There are three alternatives: i) Farmers pay (the UK experience suggests that participation need not be expensive) and, if participation is not compulsory, those who do participate receive a premium payment from, for example, processors for 'export quality' (the 'Q-Lamb' model); ii) The government pays (the Ireland experience suggests that the total

cost is very small within the context of the value of the whole industry); iii) A matrix of contributions from all stakeholders (producers, transporters, processors, retailers, government, NGOs). For all of these possibilities, the process needs to be overseen by an independent body.

Who benefits? By following *Assurewel*, adding Australian context, and working out a way to fund the final scheme, the Australian red meat industries would set standards and QA systems for animal welfare that are internationally recognized and accepted. A QA scheme would benefit all sectors of the industries (producers, processors, local markets, exporters) because it would ensure the future of the high-end domestic and export markets on which they all depend.

Recommendations

MLA should forge a link with the *Assurewel* project – the best approach would be to place someone in Bristol for a year of on-the-job training before bringing this person back to Australia to coordinate a plan for development and implementation. The goal of this investment should be to draft standards and guidelines for discussion with and future implementation by the Australian red meat industries, plus the formulation of a plan for training experts in assessment of livestock welfare in Australian production systems.

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Background

Around the world, there is an increasing demand in sophisticated markets for animal products that are 'clean, green and ethical' (CGE). 'Clean' involves minimizing the use of drugs, chemicals and hormones; 'green' involves minimizing the impact of the industry on the environment, including the production of greenhouse gases by ruminants; 'ethical' has an obvious focus on animal welfare, although ethical judgement needs to be applied to all practices in the whole supply chain, not just the farmers. CGE principles are relevant to all forms of livestock production, from low-input extensive grazing systems to high-input intensive systems involving confinement of the animals.

In contrast to 'clean' and 'green' issues, the costs and benefits of animal ethics and welfare are difficult to identify, define and quantify – the issue is coloured by cultural and societal background, often involves measurement of behaviour, and is often subjective rather than quantitative. Nevertheless, its importance is difficult to deny – we need look not further than the very public and political controversies over 'mulesing' in sheep and live animal exports.

Given this circumstance, what do Australian red meat industries do to ensure the future of their local and export markets? These industries, as with all other agricultural production systems in Australia, are used to standards and systems for Quality Assurance (QA) for other aspects of their activities, including workplace safety (farm workers, abattoirs), food safety (consumer health), product quality, and environmental impact. The feedlot sector has a National Feedlot Accreditation Scheme (NFAS) that has an emphasis on QA including animal welfare. Can we therefore imagine guidelines and QA systems for animal welfare more broadly in Australian red meat industries?

In Europe and the UK, there is also a long history of systems and standards for QA for agricultural products, often with an emphasis on marketing. For example, the *Appellation Controlée d'Origine* (AOC) is a quality and marketing scheme that began in France but has now spread to other countries such as Spain and Italy). However, only in the UK has there is a substantial uptake QA for standards in livestock welfare. The intensive animal industries (dairy, eggs, pigmeat, poultry) were the first to adopt them (arguably because they were in the spotlight), and the various systems have been very successful in terms of industry penetration (arguably because these industries are characterized by tight vertical integration). The problem is that the UK has several QA systems, with differing drivers, and with assessments based mostly on inputs (eg, animal housing systems) with less emphasis on outputs (the actual welfare of the animals).

For the UK and European red meat industries, however, progress towards welfare standards is lagging well behind. That said, red meat buyers in the UK (eg, Sainsbury's) are beginning to demand 'farm-assured' products. A combination of this pressure plus the above-mentioned problems in the current systems for intensive industries has led to projects aimed at reviewing processes and adopting a more integrated, harmonized and transparent system, and with beef and sheepmeat included.

Therefore, in assessing the possibilities for QA of animal welfare in the Australian red meat industry, it is appropriate to consider the way the UK systems operate (noting their failures and successes) but focus most attention on current moves towards a better system.

Project Objectives

To review the on-farm QA systems that are, or have been, used for animal welfare in the red meat industries in UK and Europe, with a view to formulating recommendations for Australia.

Specific questions

- 1) What are the systems, how do they operate, and who manages them?
- 2) What are the strengths and weaknesses of the systems?
- 3) What do the systems cost to operate?

- 4) Are there market premiums due to a QA certified system – and how do the associated brands work?
- 5) How do the supermarkets, consumers and the welfare lobby feel about them?
- 6) Does government recognize these programs, and/or provide any support for producers participating within the programs?
- 7) What is learned that is relevant to Australia?

Methodology

Most activity centred on interviews with the senior academic leaders in the development and assessment of science-based guidelines for QA of animal welfare in the major livestock industries in the UK.

Among these are two world authorities in farm animal welfare science:

- 1) **Professor Marian Stamp Dawkins**, author of several internationally acclaimed books:
 - *Why Animals Matter: Animal Consciousness, Animal Welfare, and Human Well-being*
 - *Understanding Animal Welfare: The Science in Its Cultural Context*
 - *Animal Suffering: The Science of Animal Welfare*
 - *The Future of Animal Farming: Renewing the Ancient Contract*
- 2) **Professor Christine Nicol**, Professor of Animal Welfare and leader of the Animal Welfare and Behaviour Group, at University of Bristol. In her team are Dr Siobhan Mullan and Dr Andy Butterworth, two key players in projects looking at animal welfare standards and QA.

A third and different dimension was added by **Dr Josie McLaren** of the Business School of the University of Newcastle, who has been making use of the *Business Benchmark on Farm Animal Welfare* as a research tool for investigating the business case for animal welfare in food industries.

List of interviewees

University of Bristol, School of Veterinary Sciences	<i>Prof Christine Nicol</i>	Professor of Animal Welfare
	<i>Dr Siobhan Mullan</i>	Scientific Verifier, <i>AssureWel</i> project RCVS Recognized Specialist in Animal Welfare Science, Ethics and Law
	<i>Dr Andy Butterworth</i>	Manager of EU Framework 7 Project, “Improving integration in farm animal welfare research” Manager EU Framework 7 Project, “Welfare quality”
University of Oxford Department of Zoology	<i>Prof Marian Dawkins</i>	Professor Emeritus, Animal Behaviour
University of Newcastle, Business School	<i>Dr Josie McLaren</i>	Business Benchmark on Farm Animal Welfare

Results

Question 1: What are the systems, how do they operate, and who manages them?

a) *Red Tractor Farm Assurance*
<http://www.redtractor.org.uk/home>

This scheme, initially known as *Fab Pigs*, was begun by farmers in Scotland. In 2000, it developed into the current umbrella organization that coordinates a range of activities that includes animal welfare, but also encompasses food safety, food traceability, and crop pesticide residues.

The animal welfare QA operates through a system of industry-driven standards (developed



and controlled by *Red Tractor*), certification and follow-up audits. The standards are upgraded on a regular basis but the general approach is to ensure compliance with minimum legal requirements, leading to the perception by some that the standards are not rising fast enough. Farmers join the scheme voluntarily, self-assess and then undergo annual inspection and auditing (this is outsourced to several companies that compete for contracts to offer services; one of the companies, NSF-CMi, is based in Australia). *Red Tractor* sees itself as very successful and for good reason: it accounts for virtually all producers in the intensive industries and, for beef and lamb, the membership has risen to about 24,000 producers (about half of the UK total).

b) *Freedom Foods*
www.freedomfood.co.uk



This scheme differs fundamentally from *Red Tractor* in that it is an initiative of the RSPCA, rather than industry, and was developed and is owned entirely by the RSPCA. The RSPCA operates under charity regulations but needs to charge for the farming service so, to avoid perceptions of conflict of interest, the standards are controlled by the farm animal specialists in the charity and *Freedom Foods* operates under separate administration.

In contrast to *Red Tractor*, *Freedom Foods* is recognized by the EU as targeting adequate standards. Members of the scheme have to adhere to all relevant RSPCA welfare standards, with annual assessments and unannounced monitoring visits. In addition to farms, *Freedom Foods* assesses hatcheries, transporters, animal handlers, abattoirs and processors. They cover almost 100% of the egg producers (effectively making their scheme a licence to operate).

c) *Soil Association Certification*
<http://www.soilassociation.org/whatisorganic/organicstandards>



The *Soil Association*, also a charity, began with certification of organic farming so as to ensure adherence to the standards for organic farming that are enshrined in law. The *Association* was focused on food safety and environmental protection and, initially, not concerned with animal welfare. However, the *Association* is now venturing into the assessment of animal welfare as part of its process of certification of organic practice. This is a complex issue because the *Soil Association's* principles exclude, for example, routine use of drugs and vaccines, but advocate homeopathic health treatments. The potential for conflict with animal welfare outcomes is obvious. This reflects a general problem with many of the original certification schemes – assessment of inputs (systems of management) rather than outputs (the welfare of the animals). On the other hand, their advocacy of reduced dependence on antibiotics, drugs and chemicals fits well with the general move towards 'clean, green and ethical' systems of livestock management. Another advantage is that organic standards are generally consistent internationally, an issue that plagues other animal welfare QA systems.

d) *Compassion in World Farming*
<http://www.ciwf.org.uk/>



Compassion is also a registered charity head-quartered in the UK. It is primarily involved in campaigning and lobbying and, until recently, has not been involved in formal accreditation and quality assurance. It is nevertheless worth mentioning for two reasons: i) In 2006, it established a Food Policy Unit that recognizes companies in the EU that pursue *Compassion* ideals; the Unit surveys UK supermarkets every two years, scores them on their farm animal welfare performance, and then uses the data to decide *Compassionate Supermarket Awards* and to advise consumers about how to shop; ii) In 2010, it joined the *Assurewel* project (see below), reflecting a commitment to move away from subjective assessment of inputs to a balanced scheme that includes objective assessment of outputs and a more formal QA process.

e) Irish Food Board (Bord Bia) Quality Assurance Schemes

<http://www.bordbia.ie/consumer/qualityassurance/>



The Irish system is unique in the EU and a valuable resource for the present study because, in contrast to the UK systems, *the entire cost is covered by the government*, and there is no farmer levy (in the UK, levies are collected by the English Beef and Sheep Industry, EBLEX; <http://www.eblex.org.uk/>).

In the past decade, Ireland has focused intensively on product quality as a way to rejuvenate their major export industry, a market-focussed move that has been successful in changing perceptions of their products.

Bord Bia implements QA to encourage best management practice by setting of standards, regular inspection (every 18 months) and certification, using out-sourced services with oversight by a Quality Assurance Board. It is a voluntary scheme that covers the entire supply chain, from production to packaging for sale, so it targets both producers and processors. Current membership includes over 40,000 farmers and over 150 food processors and packers. It began as a paper-based system but it is now electronic.

At farm level, the standards include traceability, animal welfare, environmental footprint, and safe use of medicines and chemicals. At factory level, the standards include animal welfare, food safety, hygiene and traceability.

For animal products, there are separate *Bord Bia Quality Assurance Schemes* for beef, pigmeat, eggs, lamb, poultry products, and horticulture.

The fact that the government covers the costs completely is a reflection of a small total cost (at around €165 per farmer pa it would be €6-7m pa) and the fact that the government recognizes the critical contribution of agriculture to Ireland's economy and social structure.

f) Business Benchmark on Farm Animal Welfare

<http://www.bbfaw.com/>



BBFAW was established with the support of *Compassion in World Farming* and the *World Society for Protection of Animals*. It is a

global measure of animal welfare standards in food companies. European and UK companies, at any stage in the supply chain, can compare their performance to their industry peers, and thus communicate their ranking to key stakeholders (investors, government agencies, NGOs). BBFAW itself controls which companies participate and they are looking to expand their user base. The Benchmark has attracted a large number of significant listed and non-listed businesses, including producers, processors, manufacturers, food retail and service companies:

http://www.bbfaw.com/wp-content/uploads/2012/09/Company_List_2012.pdf.pdf

It is seen as external and independent verification of a company's internal auditing of its own processes, but the only data entered is that which is available to the public (for example, on the company web site). The only transparency is that any member of the public can verify the outcome by replicating the process. Nevertheless, it is a marketing tool that is based on performance in animal welfare.

BBFAW states that it "aims to drive higher farm animal welfare standards in the world's leading food businesses". However, it is difficult to see it being very effective because the process is complicated, subjective, based on low-level publically available information, does not include any direct measures of animal welfare, and is simply a self-assessed verification that the company does what it says it does. It is doubtful that producers or consumers take any note of the rankings, so the most important target is probably high-end investors and shareholders because they would use it as a differentiation tool.

Question 2: What are the strengths and weaknesses of the systems?

Strengths and weaknesses can be valuated against three criteria:

- a) Buy-in by industry;
- b) Management of standards;

- c) Buy-in by the animal welfare lobby;
- d) Buy-in by government.

a) Industry buy-in

Red Tractor has enrolled about 96% of UK farmers in the pig and dairy industries, with the other 4% selling their products by privately (eg, farmers' markets). *Red Tractor* and *Freedom Foods* would both see themselves as very successful, if in different spheres (*Red Tractor* having greater penetration into the red meat sector).

Freedom Foods has virtually all free-range hen operations as subscribers, and there is a fairly strong constituency in the pig industry (about 50% of producers), but only a small (and diminishing) group of dairy farmers.

The *Soil Association* and *Compassion* would be seen by producers and processors as niche operators, although the move by the *Soil Association* (and *Freedom Foods*) to participate in the *Assurewel* project (see below) should see them gain more credibility and prominence.

b) Management of standards

Standards need to be robust, objective and transparent, and continually improved. Equally, there needs to be greater emphasis on standards for the welfare of the animals (outputs) rather than on the management systems (inputs – eg, cage versus battery hens; stocking density).

Red Tractor – The animal welfare standards are industry-driven, with an independent third party carrying out inspection, certification and follow-up audits. The standards are upgraded on a regular basis but the general approach is to ensure compliance with minimum legal requirements. The industry-driven nature of the process can lead to a perception by, for example, animal welfare activists, that the system is flawed.

Freedom Foods – The standards are assessed, revised and managed by the RSPCA, then passed to the *Freedom Foods* subsidiary for implementation. The RSPCA is widely respected as having a balanced approach to farm animal welfare, but their QA standards have been largely based on inputs and not outputs, and they had little penetration into the red meat sector. Their participation in the *Assurewel* project should see both criticisms neutralized.

Soil Association – The starting point is the legal requirements for certification of organic production, so the addition of animal welfare to this process is not self-evident. A system of standards and upgrades based on science is likely to be at odds with the philosophy of the *Association* and with the need to comply with slow changes in legal requirements.

c) Animal welfare lobby buy-in

This will be dealt with below (Question 5).

d) Government buy-in

This will be dealt with below (Question 6).

e) Other issues

The inspectors

Even where the data demonstrates that the system of measurements is robust, the quality of the inspectors and inspection process is critical and perhaps an area of fragility. In the *Red Tractor* scheme, inspectors are trained by the companies that win contracts from *Red*

Tractor, and they are generally sourced from the farming community. *Importantly, they are not advisors.* They are not highly paid and, to a large extent, this probably explains the low cost to farmers (see below). It is difficult to see the goodwill of these people persisting for the long term.

Veterinarians are not a likely solution because they would be unhappy with the tasks, the process, their perspective of the outcomes, and the salary. Thus, the veterinarians are rarely inspectors, but they do get involved in on-farm QA by writing health plans (in which animal welfare is implicit).

Conflicting interests

At one level, strengths and weakness involve conflicts of interests – when only one party is represented, the credibility of the scheme can be challenged by the others.

Question 3: What do the systems cost to operate?

a) Red Tractor

The farmer pays around £100 (about Au\$180 in June 2014; the actual amount varies with sector). For the dairy industry, the fee is effectively paid by the milk purchaser) whereas for the pig industry, the farmers pay it directly. Assessors are paid £56 (Au\$100) per audit so the levies cover the cost of audit and administration. The entire inspection service is outsourced to private companies so we must conclude that, despite the low cost to farmers, the system is profitable. However, as mentioned above, profitability appears to depend on payment of low wages to trained inspectors.

b) Freedom Foods

This system should theoretically be profitable but it loses money primarily because it does not charge enough for the service. It charges for the initial approval of practices, and probably breaks even in doing this, but then does not charge for monitoring. Membership costs between £119 (Au\$215) and £488 (Au\$882) per year, depending on the species and number of animals.

c) Soil Association

Soil Association certification is a not-for-profit business that charges for the full organic certification service, including inspection. The fee starts at £430 (Au\$780) per year (and can be less as years pass) and there is a time delay while organic practices replace 'inorganic' practices.

d) Other UK systems

Other schemes, such as the *Compassion* awards, operate free of charge, whether the industry wants them or not.

f) Bord Bia

The Irish government covers inspection costs but there are still issues – for example, the Irish meat processors offer a 'quality bonus payment' (about Au\$0.18/kg) for cattle that fulfil 'quality' criteria, but the perception by some is that, in effect, this is not a bonus payment but a penalty on all the other animals produced by Irish farmers. Such issues often cloud the implementation of levies and bonuses.

The issue of government payment is complex, especially in the current political scene. Over the previous century, governments have taken on the management of food safety (eg, prevention and control of zoonoses) but not animal welfare. In the minds of many stakeholders, there seems to be a big difference between a safe and healthy animal product

and an ethical product, even though an ethical product encompasses human safety and health.

Question 4: Are there market premiums due to a QA certified system? How do the associated brands work?

In both major schemes, *Red Tractor* and *Freedom Foods*, no price advantage is offered to producers, but accreditation is very important for market opportunity. In some situations, industry subscription is so dominant that it is effectively an informal licence to operate.

Theoretically, the logos of the various systems are to be attached to products that comply with standards, certification and auditing. In the beginning, this was the case for both major schemes, *Red Tractor* and *Freedom Foods*, with supermarkets seeing the QA logos as offering market differentiation and competitive edge. This is now rare because the schemes were successful and became ubiquitous.

Question 5: How do supermarkets, consumers and the welfare lobby feel about them?

In the UK, animal welfare QA is driven by the supermarkets, with a complex tension between the power of the supermarkets and the power of the consumer in the final outcome. This contrasts with, for example, the situation in Scandinavia where the programs are driven by the government.

a) Supermarkets and Consumers

In seeking market differentiation, Sainsbury's have dropped *Red Tractor* as a marketing angle, although they still insist on compliance with the system behind the scenes. Similarly, in Tesco, the logo for *Freedom Foods* comes and goes according to the strategies of the marketing division. Basically, all the supermarket chains want the system but not the logos. In addition, it appears that the major supermarkets do not trust the *Red Tractor* scheme. This may be a reflection of *Red Tractor* having been in the firing line from animal welfare lobbies – for example, in 2012, *Compassion* publically accused the organization of doing “little more than meet legal requirements”, and thus ranked it below *Freedom Foods* as a QA scheme. As a consequence, Sainsbury's and Tesco are developing their own schemes, and Marks & Spencer and Waitrose are probably also taking this route. The obvious risk is a multitude of systems with differing (and potentially chaotic) standards.

In the UK, there is a quality grading system for meat displayed on supermarket shelves. The cheapest products (“basic”) rarely carry QA logos, but the “top end” packages often mention animal welfare, a clear strategy that targets discretionary spending power, and indicates that animal welfare is perceived as an aspect of quality. One implication, however, is that animal welfare is not essential.

b) Animal welfare lobby

Farm Animal Welfare Forum (www.fawf.org.uk) – In the UK, most animal welfare groups, but not all, work together under the FAWF umbrella, where *Compassion* is a major player. There is a tension between the FAWF group and a science-based animal welfare centres (eg, The University of Bristol) in that FAWF members (such as *Compassion*) have focused on controlling the inputs to the production system (effectively through system descriptions such as battery *versus* free range) whereas the science-based systems prefer to operate on the basis of outputs (measurable outcomes for the welfare of the animals). The participation of *Compassion* in the *Assurewel* project might change this situation (see below).

‘*Activists*’ – These more extreme groups do not buy into any of the existing schemes but prefer to use mass-media exposé to try and elicit change. An unfortunate outcome of their activities can be fear within the industries leading to the QA systems having to maintain heavy-duty protection of confidentiality and data. This has happened to the *Red Tractor*

scheme for the pig industry, resulting in the loss of transparency and an inability to analyze QA data can only be bad for the industry and the animals. In addition, fear and loss of trust in the discussion of animal welfare makes it difficult to establish training programs based on open minds.

Question 6: Does government recognize the programs, or provide support for participating producers?

In the UK, there is no government support for the producers who participate in QA schemes. However, the UK government has long been running a scheme of farm inspections in which an adverse report of breaches of legislation could result in loss of subsidies. By participating in the QA schemes, producers reduce the risk of such adverse reports but, in reality, the frequency of government inspections is low (around 2% of farms per year) and therefore not intrusive or high-risk (most farmers might be inspected once every few decades).

It seems that the UK government likes the current schemes QA of animal welfare (and other aspects of industry performance) because it offers them an opportunity to hand the responsibility and the cost to industry. However, there is some resistance to doing government business in the companies that, for example, have inspection contracts with *Red Tractor*.

By contrast, the EU appears to be relatively cumbersome and it tries to control issues by legislation. Ultimately, the EU expects to establish a network of reference centres – meanwhile they fund multinational cooperative projects in member countries and, in the long run, they might assist in the development of standards. The EU is not seen as a creative force.

Question 7: What can we learn that is relevant to Australia?

In a search for achievable and practical QA systems for animal welfare for red meat, we can begin close to home, then consider international organizations, and finally turn our attention to the UK and Europe where there is considerable effort being made for a 'gold standard'. Having done that, we need to consider the Australian context to assess what is achievable and practical.

a) Australian resources

Beginning with the abattoirs

In developed countries, red-meat processors have a long history of QA with respect to food health and hygiene and, particularly in Australia, they are often at the international forefront in adopting practices that avoid stressing the animals pre-slaughter so as to ensure meat quality (eg, MSA Beef, Q-Lamb). Moreover, the processors are the only members in the supply chain who talk to all other participants – producers, transporters and retailers. A logical place to begin, therefore, is with what the abattoirs already do.

NSF-CMi (<http://www.nsf-cmi.com/>)

This company has years of direct experience in the UK environment as a service provider in the *Red Tractor* scheme for whom they perform inspections and audits.

b) International organizations

FAO Gateway to Farm Animal Welfare

<http://www.fao.org/aq/againfo/themes/animal-welfare/aw-abthegat/aw-whaistgate/en/>

The Gateway provides a single access point for international and national information related to farm animal welfare. Amongst its many objectives and activities, it deals with national laws and regulations related to animal welfare and protection, cruelty against animals, standards of humane care and treatment of animals (including the European Community and the

Council of Europe), and in the development of codes of practice and recommendations for institutions, stakeholder organizations, and policy makers.

The World Organisation for Animal Health (OIE)

<http://www.oie.int/animal-welfare/animal-welfare-key-themes>

The OIE (*Office International des Epizooties*) came into existence in 1924 and in May 2003 changed its name to *World Organisation for Animal Health* but kept its historical acronym OIE. It is the intergovernmental organization responsible for improving animal health worldwide and is recognized as a reference organization by the *World Trade Organization* (WTO). In 2013, it had a total of 178 member countries. The OIE identified animal welfare as a priority in 2001 decided to show international leadership by elaborating recommendations and guidelines. OIE standards eventually become embodied in the OIE Terrestrial Animal Health Code.

c) UK/Europe

The University of Bristol was one of the lead organizations in a major project, *Welfare Quality*, funded by the EU (total budget of about €14 million) that ran for 5 years and was completed in 2009. The main goal was protocol development (for pigs, dairy cattle, poultry) but an important aspect, and a first for livestock welfare, was a significant program in social science with the aim of assessing barriers to uptake (markets, motivation). In addition to *Welfare Quality* protocols, the project produced a great number of scientific reports and papers, all in the field of Farm Assurance.

A major outcome was a range of quantitative tools for scoring animal welfare – these have been widely used in research but there is a feeling that, for industry, they were overly complex and that they could have led to an unbalanced assessment of the actual state of the animals. *Welfare Quality* has since been followed (in 2010) by another EU project, this time based in the Scottish Agricultural College, *Animal Welfare Indicators (AWIN)* that is focusing on species that were not covered in the initial *Welfare Quality* project (sheep, goats, horses, donkeys, turkeys). The website is <http://www.animal-welfare-indicators.net/site/>.

Principles underlying the development of new systems

Because of their wealth of experience and concentration of expertise, the team at the University of Bristol has clear views on the way to develop standardized welfare measurement systems. They follow two principles:

- i) Most important is an initial focus on the definition of clear and measurable objectives, ensuring that they are data-driven, and include welfare outcomes for the animals; the emphasis on outcomes is obviously important, although it can also introduce problems – the final decision for pass/fail is not always clear if the measurements are subjective or behavioural, with sliding scales. A preferred system that would be easier to enforce might be one in which the absence of a welfare issue leads to a premium classification.
- ii) There must be an upward progression – setting standards and then auditing is not enough. The initial development of standards and objectives must be based on data. The first step often is to collect the data to define where the industry sits because this will allow the setting of achievable standards. However, it is then essential to raise the bar as industry practices improve – for example, the bottom 25% of producers is identified and then supported to improve. The data collection exercise would need to be run on a regular basis to demonstrate the continual improvement of standards. The overall outcome would be an automatic progression for the industry as a whole.

Assurewel

<http://www.assurewel.org/aboutassurewel>

This is a 5-year (2010-2015) collaborative project, run out of the University of Bristol, starting with the protocols that had been developed in the EU *Welfare Quality* project. The main



aim is to move the game forward by developing a practical system of welfare *outcome* assessment that can be used in farm assurance schemes. Importantly, all the major farm animal species are now included, so red meat producers are involved. There is a planned progression with laying hens embraced in Year 1, dairy cattle in Year 2, pigs in Year 3, and broilers, beef cattle and sheep in Years 4-5.

Importantly, *AssureWel* will be field-tested within the *Freedom Food* and *Soil Association Certification* schemes, using assessment of animal welfare outcome to help determine compliance with the standards of their schemes. For both the RSPCA and the Soil Association, this means a shift from input-based to outcome-based assessment. Producers can be given feedback (including benchmarking) to help monitor and improve welfare on their farm. Advice and support will also be given to producers and producer groups to help further improve welfare.

This project is ambitious and involves detailed auditing and analysis of data to ensure the validity of the final measures and standards. For example, the pig industry has only 5 welfare measures *Red Tractor* but 16 measures in *AssureWel*. The general feeling is that this process will be quite challenging for assessors so *AssureWel* includes a major program on the development of training in welfare outcome assessment for veterinarians, advisers and inspectors.

Obviously, it is also important to train producers in animal welfare and ethics. There are several examples of such programs in the UK, and one of the most prominent is company, *Food Animal Initiative* (<http://www.faifarms.com>).

d) Australian context

Extensive production systems

Even the largest grazing enterprises in the UK are small compared to average southern Australian sheep and cattle producers, let alone those of the northern rangelands. This means that any Australian system would need a variety of different approaches to on-farm inspection, assessment and auditing. Compared to the UK, contact between Australian producers and their livestock is less frequent so a QA programs would need to be synchronized with critical management events (shearing, mustering, transport to markets).

Traceability

Animal ID is a vital and factor (and thus compulsory) in all animal management schemes in the UK and the EU. Current regulations originated with the major health crises (BSE; Foot and Mouth). In livestock traceability, Australia lags behind the UK (not to mention Japan) but our systems are evolving rapidly for other reasons: meat quality assurance and automated systems of on-farm animal management.

Producer-Processor interface

As mentioned above, Australian abattoirs have been at the international forefront in adopting practices that avoid stressing sheep and cattle pre-slaughter so as to ensure meat quality. At the producer-processor interface, therefore, it will be relatively easy to establish standards and QA for animal welfare for Australian red meat.

Supermarket-Consumer interface

The issue of product quality leads to a second point of interest – product quality is far more important in marketing and consumer satisfaction for red meat than for intensive industry products (chicken, pigmeat). With chicken and pigmeat, primary aspects of product quality (tenderness, juiciness, flavour) are rarely discussed by the producer, supplier or consumer (except perhaps at the level of farmers' markets). This contrasts greatly with the red meat sector (and far more so in Australia than in the UK or Europe). In most countries, this difference in product perception could be a major limitation in the transfer of UK-style animal welfare systems, as used in the pig and chicken industries, to the red meat industries. For Australia, it is difficult to predict whether animal welfare (or environmental footprint) will ever become formal aspects of 'product quality' except for high-end niche markets.

In contrast to UK consumers, Australian consumers are not very pro-active in exerting pressure for animal welfare on the supermarkets, so Australian supermarkets have not had to use animal welfare QA to attract customers. The contrast is best demonstrated by Waitrose, a UK supermarket with a long history and considerable credibility for ethics in environmental impact and animal welfare. They have effectively positioned themselves at the top-end. Will the (relatively few) Australian supermarket chains seek this sort of differentiation?

Discussion/Conclusion

Ultimately, Australia must establish QA standards and systems for welfare of red meat livestock because, as an exporter, we will need to match if not exceed the national standards in our preferred markets. Our preferred markets are high-priced but also sophisticated because of societal awareness of livestock issues but, even for less sophisticated markets, we are under increasingly intensive local scrutiny.

Australia needs to think international, not local. We need to consider guidelines being promoted by the major international bodies, such as the FAO and OIE, but their standards tend to be basic and they lag well behind the UK. The same could be said for EU standards. These international standards would be relatively easily met, but it is logical to pay most attention to the UK, where animal ethics and welfare has a long history, as an academic pursuit, as a factor in industry management, and as a marketing tool.

An efficient way forward for Australia is to look closely at *Assurewel*. It builds on a long and strong history in all of the critical areas:

- High-quality traceability;
- Data-driven measures of welfare outcomes;
- Development of baseline standards;
- Development of ways to ensure upward progress of standards;
- Making use of producer feedback;
- Working with complex partners and stakeholders (eg, RSPCA);
- Training of a new generation of experts who can assess animal welfare based on a holistic approach to inputs and outputs.

In establishing a QA scheme for animal welfare, even if it is based on the solid foundation of the UK systems, we would need to ensure an Australian context for:

- Our systems for livestock management;
- Our systems for livestock transport and processing;
- Our supermarket scenario; and
- The nature of our consumers, local and international.

Who pays?

This is a difficult question but the experience in the UK suggests that a QA scheme need not be expensive for farmers as a cost in their business. If a scheme is non-compulsory, then a premium payment for 'export quality' needs to be considered to reward those who subscribe; importantly, any premium pricing system must be perceived by the farmers as real.

An alternative is that the government pays the total cost, as happens in Ireland. Again, the total bill is not exorbitant (€4m pa compared to export value of over €3b pa for meat and livestock) and it would be a better way to encourage (or enforce) compliance.

A third alternative, and perhaps the best for Australia, would be a system paid for by contributions from all stakeholders (producers, transporters, processors, retailers, government, NGOs).

For all of these possibilities, the process needs to be overseen by an independent body.

Recommendations

- 1) MLA should forge a link with the *Assurewel* project – the best approach would be to place someone in Bristol for a year of on-the-job training before bringing this person

back to Australia to coordinate a plan for development and implementation. While participating in the final stages of *Assurewel* (note: it is due to finish by the end of 2015), this person could also meet with those who manage the RSPCA and *Red Tractor* QA systems to gain perspectives on failures, success and the future. The goal of this investment should be draft standards and guidelines for discussion with and future implementation by the Australian red meat industries, plus a plan for training experts as assessors, inspectors and auditors of livestock welfare in Australian production systems;

- 2) At some stage, MLA will need to begin conversations with the major Australian supermarket chains.

Benefit to the Australian red meat industry

By following *Assurewel*, adding Australian context, and working out a way to fund the final scheme, the Australian red meat industries would establish standards and QA systems for animal welfare that are internationally recognized and accepted. A QA scheme would benefit all sectors of the industries (producers, processors, local markets, exporters) because it would ensure the future of the high-end domestic and export markets on which they all depend.