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Organic livestock production - trapped between aroused consumer expectations and limited resources

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Key words: standards, inconsistencies, conflict of aims, credibility, change in paradigm

Abstract

Literature reviews reveal that the implementation of organic standards have failed to clearly improve status of animal health and welfare on many farms in comparison to conventional production. The a huge variability with respect to this issue between organic farms indicate profound discrepancies between claim and reality of organic livestock farming. Thus, the hypothesis that the implementation of minimum standards will automatically provide benefits for the issue of animal health and welfare has been refuted by farm practice. As a consequence, organic farmers and retailers can no longer stick to the claim that organic products of animal origin are of higher value with respect to the issue of animal health and welfare. Reasons for the limited effects of the organic standards are multi-factorial and assumed to be farm specific in the fist place. On the other hand, limited availability of resources such as nutrients, labour time and investments within organic farm systems together with a high pressure on the production costs by retailers make any improvments very difficult. In order to preserve the credibility of organic agriculture and the confidence of the consumers in organic products there is a need for more transparency and for a change in the paradigm from a standard-oriented to an output-oriented approach. Credible information about the specific level of product and process qualities emerged by each farm has to be provided. Simultaneously, a high level of animal health and welfare has to be honoured by premium prices to cover the additional costs and efforts that are needed to improve the current situation.

Introduction

Standards are a characteristic feature of organic farming since 1954. The starting point for the standards was the trademark legislation that required clear criteria to identify organically produced goods (Schaumann 2002). Because the variety of production sites and the resulting product properties did not allow the identification to be linked to products in terms of quality that could be described exactly and understood analytically, the production method itself became the identifying criterion. This fundamental principle has been adopted by the EU Commission to harmonise the rules of organic farming and to make all organic systems across EU members subject to minimum standards (EEC Regulation 2092/91). One of the main objectives of the EU Regulation is to protect consumers from unjustified claims and to avoid unfair competition between those who label their products as being organic. Simultaneously, certified standards are closely linked to the expectation that they provide benefits and additional values. Consumers make a whole range of positive inferences from the label ‘organic’, including a high level of animal health and welfare on organic farms

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(McEachern and Willock 2004). Many consumers directly associate organic farming with enhanced animal health and welfare and conflate organic and animal-friendly products (Harper and Makatouni 2002). A healthy product from a healthy animal is by far the most important reason to buy organic products from animal's origin (Miele and Parisi 2003). There is, however, reason for concern that the expectations of the consumers often are not met by organic livestock farms.

Animal health and welfare as a process quality

Animal health and welfare has different meanings to different people. The attributes included in a concept to assess animal health and welfare primarily depend on who is making the definition. In the literature, there is a great variety of definitions of animal health and welfare, thoroughly discussed by Fraser et al. (1997). Hence, there is no generally accepted definition of animal health and welfare within scientific community. In general, legislators and brand label programmes are using technical indicators which refer to single aspects of housing conditions (e.g. space allowance), to describe different levels of minimum standards in relation to the appropriateness of housing conditions in terms of animal health and welfare. The EU-Regulation (EEC-No. 2092/91) clearly exceeds the minimum standards of conventional livestock production.

On-farm assessments, however, indicate that organic standards do not automatically lead to a high status of animal health and welfare that exceed the level in conventional production (Hovi et al. 2003; O'Mahony et al. 2006; Dietze et al. 2007). The results of these studies showed substantial variation both between and within farm types. Especially, the comparable high rates of mortality and morbidity interfere with the well-being of farm animals. Hence, consumer expectations are not met to an acceptable level. Reasons for the low effects of the organic standards are multi-factorial. Animal health and welfare emerges from complex interactions between farm animals and environment within a farm system. While standards represent only a small aspect with respect to the development of production diseases, the main source of variance is expected to be caused by the farm management (Sundrum et al. 2006).

Conflicting areas

Products with attributes of process quality such as animal health have in common that their unique selling proposition is not directly visible to the consumer. Only additional information will identify the characteristics of the production process of these foods. Perception of consumers is to a high degree influenced by information through media and advertising. However, neither media nor advertising campaigns define their view on animal health and welfare or provide information by which criteria the status is assessed. While different consumers show different preferences and subjective perceptions there is a huge variability of pictures in the 'eyes of the beholder' which makes it very difficult to deal with this issue without clear and reliable information.

On the other hand, organic farming has to deal with a high diversity between regions of Europe with respect to the availability of relevant resources (high quality feedstuffs, labour time, investments etc.), the perception of problems and the expertise to deal with these problems (Sundrum et al. 2006). In order to improve the unsatisfying situation, there is a need for additional efforts on many farms, encompassing among others improvements in feeding conditions (Sundrum et al. 2008), hygiene management and data handling (Dietze et al. 2007), and the implementation of feed back mechanisms to control the complex processes along the production chain. Thus,

previous on-farm assessments indicate the need for a clear increase in labour time to meet the requirements of an appropriate animal health and welfare management.

Whether the additional costs will be compensated for in the long run by an increased productivity due to healthy animals and a reduction in veterinary costs remains an open question. This will depend to a high degree on the farm-specific situation and the development of the organic market and the production costs. As resulting costs of production for most organic farm types are higher than for conventional systems, price premiums are urgently needed to achieve an appropriate income (Offerman and Nieberg 2000). However, prices for organic animal products often do not even cover the previous expenditures need to implement the minimum standards. In addition, those producers who aim for a high level of animal health and welfare by increasing their efforts compete with their products on the same markets as those who widely ignore the issue of animal health and welfare and possibly gain advantages due to a lower cost basis or lower requirements for labour time.

Based on the previous results of on-farm assessments in various countries, retailers and producers can no longer claim to offer products that derive from healthy animals, without being at risk to loose credibility and confidence of consumers. While all organic livestock farmers will have to face the possible consequences deriving from the loss of credibility, those who have already invested a lot in measures to improve animal health and welfare will loose more than those who still work on the basis of derogations and comparable low production costs.

While farmers are responsible in the first place for the well-being of their farm animals, they are very limited in their freedom of decision-making as they possess little financial scope that can be used for improvements. In contrast, consumers are able to select between large ranges of products while the expenditures for food in relation to the total budget of a household have dramatically decreased during the last decades. On the other hand, the interests of retailers to increase turnover rates by offering organic food with comparable low prices contradicts with the possibilities of the farmers to investigate in substantial improvements of animal health and welfare.

For organic livestock production, consumers' interests and expectations are very important as they are closely linked to their willingness to pay premium prices being an essential precondition to cover the higher productions costs in comparison to conventional production. Therefore, it is of essential importance for organic farming to clarify on how to cover consumers' interests, to ensure consumer confidence and to avoid misleading labelling. The organic movement is challenged to ensure that its credibility and the confidence of the consumers does not get lost in the gap between claim and reality.

Conclusions

By arousing and/or not contradicting consumer expectations in relation to a high level of animal health and welfare in organic livestock production, retailers and producers of organic food are facing the risk to become victims of their own announcements. The current framework conditions of the food market contribute to a situation in which the existing potential for a high level of animal health and welfare in organic livestock production is not fully realised and the further development of quality production is hampered by contradicting expectations and perceptions. From an overriding perspective there is reason to conclude that the lack of clear objectives and threshold values concerning an acceptable status of animal health and welfare as well as the

lack of control mechanisms within and outside the farm system contribute to the high variation in relation to animal health and welfare in organic livestock production.

As organic standards so far have not worked properly to ensure a high status of health and welfare there is no clue that they will work in the future. It can be assumed that clearly increased feed prices and a high pressure on market prices for organic products will prevent farmers to invest efforts and money in measures which are very uncertain with respect to their profitability.

To prevent the loss of credibility, organic farmers and retailers are obliged to take the burden of proof. Consequently, there is a need for a change in the paradigm from a standard oriented to a result and output oriented approach. Reliable monitoring systems for assessing the animals' health and welfare status are urgently required to accommodate societal concerns and market demands. Retailers should urge the producers to establish a regular monitoring system for animal health data, for example records of all incidences of treatment, mortality and morbidity rates, slaughterhouse data of fattening animals, and somatic cell counts of dairy cows. Producers failing to meet certain health standards in the longer term should face consequences. Simultaneously, retailers have to make sure that a high level of animal health and welfare will be honoured by adequate premium prices to cover the additional costs needed to ensure a process quality which is closely linked to the credibility of organic farming.

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