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Implementation of Animal Welfare Directives in the EU

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Report Highlights:
Several European Animal Welfare Directives for the protection of broilers, laying hens and pigs are reaching their final implementation dates in 2010, 2012 and 2013, respectively. These directives have been transposed into EU Member State (MS) legislation with minor allowed deviations. EU MS will also be responsible for their enforcement, with verification through enforcement audits by the EU's Food and Veterinary Office. This report provides a state of play of this AW legislation, as well as on its impact on EU animal production and economics.

General Information:

Executive summary

Animal welfare (AW) has been anchored in the European Treaties. Some EU animal welfare legislation, such as AW at slaughter, goes back to 1974. The groundwork for animal welfare in the EU was anchored in the 1978 European Convention for the protection of animals kept for farming purposes. However, AW became a prominent politically sensitive matter in the 1990's and species specific, as well as non-species specific AW legislation was introduced over time. AW legislation for several specific animal species is reaching its final implementation date in the current years. The final implementation date for the EU directive for the protection of broilers was July 1, 2010; the final date for the EU directive for the protection of laying hens is January 1, 2012, while the final date for the EU directive for the protection of pigs is January 1, 2013. An EU directive for the protection of calves was already implemented in 2009. This report aims to draw a state of play of the implementation of this legislation as well as its impact on farm economics and production.

Because this AW legislation exists in EU directives, EU Member States (MS) had to transpose these into MS legislation and will also be responsible for their enforcement. EU directives allow for minor deviations at MS level, creating some competitive tensions between neighboring MS. Deviations between MS on the enforcement of this AW legislation may become even more competitively sensitive. It is the European Commission's task through enforcement audits by its Food and Veterinary Office (FVO) to monitor correct enforcement by MS and to take appropriate action through a procedure in the European Court of Justice (ECJ) if MS were to fail to do so. Even though the final implementation date of the AW directive for broilers was a full year ago, no enforcement audits by the FVO have been reported so far, but it is expected that FVO audits in MS will be performed in the months to come.

Introduction

Provisions for Animal Welfare (AW) in the EU are anchored in the European Treaties and were reemphasized in Article 13 of the Lisbon Treaty, which came into force on December 1, 2009. As a result, animal welfare is not optional, but a core duty for EU legislators. The groundwork for animal welfare in the EU was anchored in the 1978 European Convention for the protection of animals kept for farming purposes [1]. EU animal welfare legislation includes specific legislation per animal species, as well as non-specific legislation [2] across species. This report focuses on the implementation of specific sector legislation per animal species as this legislation impacts the economics and the operation of EU animal farming, while separate across species legislation mostly concerns AW past the farm gate. This report further reviews the impact on EU animal farms and markets, but detailed impact studies are rather scarce because of the complexity of the implementation of AW standards on farms.

In the past decade, the EU adopted legislative texts for species specific AW, which are reaching their final implementation dates during the current timeframe. This legislation consists of a set of Directives, allowing slightly differentiated implementation between EU Member States (MS) and acknowledging different production systems as a result of differences in animal densities, climatic conditions and historical husbandry practices. These Directives cover AW for broilers, laying hens, pigs and calves. Animal welfare legislation for other animal species is being developed as part of the new EU Strategy for Protection and Welfare of animals 2011 – 2015 [3] . Non-species specific AW legislation includes post-farmgate legislation for animal transportation and slaughter of animals.

Animal welfare for broilers

Council Directive 2007/43/EC [4] lays down minimum rules for the protection of chickens kept for meat production in the EU. The final implementation date was June 30, 2010. This directive set the general stocking density for broilers in the EU at 33 kg/m². Derogations could be made by MS to 39 kg/m² under certain circumstances or even 42 kg/m² with strict AW monitoring on farm. Additional provisions for drinking, feeding, litter, ventilation and heating, noise and light levels are defined in the directive. The directive does not apply to farms with less than 500 birds, breeding flocks, hatcheries, extensive indoor and free range chickens, nor to organic broiler production.

Transposition in MS legislation

The production of most broilers and other farmed fowl is highly integrated in the EU. However, this varies considerably between MS as different rearing systems have developed differently between MS in the past. Some MS operate important extensive productions, like the French Label Rouge [5] production, which do not fall under the scope of this directive. As a result, the implementation of the directive was proving more challenging in some MS, but overall the implementation of this directive at MS level went without much disturbance for EU poultry markets because it did not need major investments to comply at farm level.

Nevertheless, several MS choose to implement different, often stricter derogations to this broiler welfare directive. Austria limited the maximum stocking density to 30 kg/m2. Sweden even limits the maximum density to 20kg/m2, with a possible derogation to 35 kg/m2 under a controlled program that puts a limit on the number of birds. Germany operates a derogation system at an average 35 kg/m2 density over three rearing cycles. The Finnish decree also limits the number of birds per square meter. Other MS operate a number of conditional derogations to the main 33kg/m2 limitation as suggested in the directive. A complete list of transposed laws and national measures in MS, as well as their approval dates can be found at http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:72007L0043:EN:NOT

The enforcement of AW legislation is left up to MS under the EU subsidiarity principle. This principle dictates that the EU will delegate to MS what can be done at the MS level. Because EU directives need transposition into MS law, this kind of legislation is particularly prone to MS jurisdiction. However, the EU operates a strict procedure under which MS are held accountable for enforcing EU legislation. The task to evaluate MS compliance with EU legislation in food production falls with the European Food and Veterinary Office (FVO), which executes regular audits on MS food production and processing programs including for animal welfare. When the FVO reports MS shortcomings in the implementation and enforcement of EU legislation, the European Commission starts an enforcement procedure under which EU member states can be sanctioned by the European Court of Justice (ECJ) for failing to meet its obligations. As a first step in such an enforcement procedure, the European Commission (EC) issued a press release [6] on November 24, 2010, warning five MS (Cyprus, Greece, Hungary, Finland and the United Kingdom) about their late implementation of the broiler welfare directive. However, all MS had the broiler AW directive transposed by the end of 2010.

After all EU MS had the broiler AW directive transposed, enforcement of the legislation on farms was the next problem. Because broilers are growing fast, keeping bird weight densities within limits is a delicate balance. Early reports from farm organizations point to the fact that farmers have little control over broiler slaughter decisions, while just a few days delay may easily push the farmer into a breach of the density limit. The debate in individual Member States is ongoing on how the enforcement should be kept practically feasible without breaching the European directive. Some MS are likely to favor an enforcement system based on a moving average density over a certain period on farms, while other MS may strictly use on the spot maximum density measurements for the identification of a farmer in breach. As no enforcement audits from the FVO have been reported yet, it remains unclear what approach the EC will take towards different enforcement strategies.

Broiler rearing in MS after implementation of the directive

Even if the broiler welfare directive did impact EU broiler production insignificantly, it led to some further consolidation and change in poultry rearing in EU MS. Table 1 provides an overview of the most relevant EU member states with production surpluses or deficits of broilers in 2010. The majority of broiler production is indoors with only a few MS having small organic broiler production.

Table 1

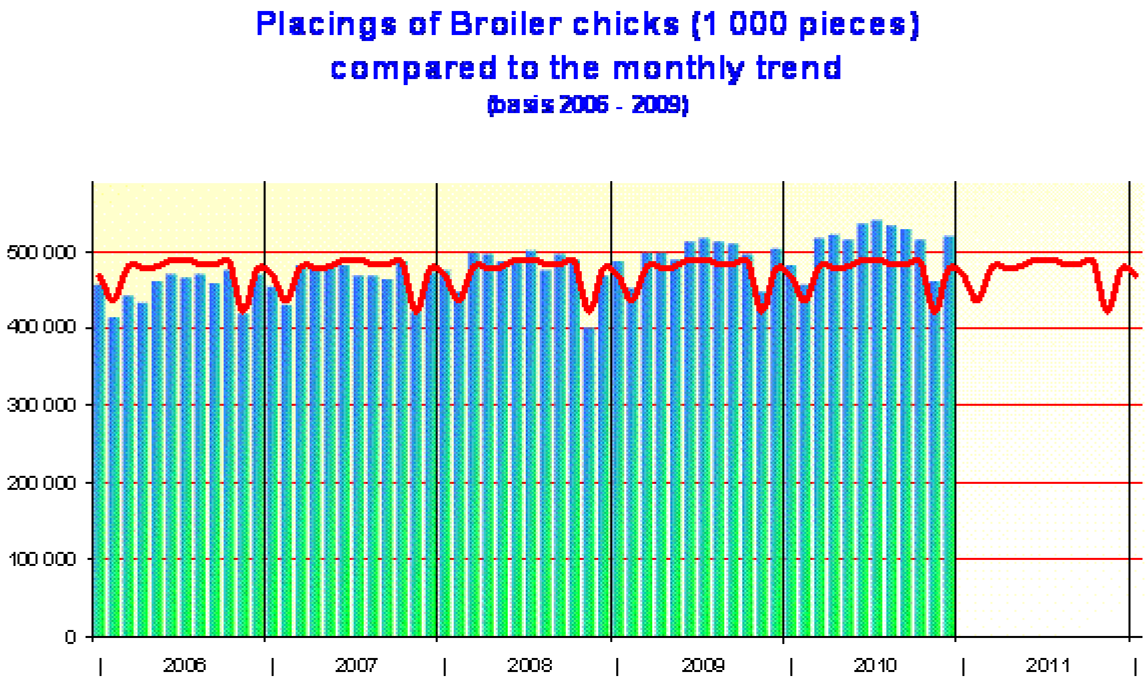
Broiler production level in EU Member States in 2010 in percentage of domestic consumption	
Member state	Production self-sufficiency
Austria	91
Belgium	196
Bulgaria	75
Denmark	140
Finland	110
France	119
Germany	94
Hungary	130
Italy	109
Netherlands	237
Poland	133
Portugal	93
Romania	93
Spain	100
Sweden	85
United Kingdom	94

Source: FAS/EU estimates

Consequences of the implementation of the broiler AW directive for EU broiler markets

The implementation of Council Directive 2007/43/EC did not lead to disruptions on EU broiler markets as demonstrated by production numbers in GAIN report Poultry and Products Semi-annual_Paris_EU-27_3-1-2011 [7]. Most EU broiler farmers simply lowered bird densities, leading to some decrease in farm output. This decrease in productivity was easily overcome by reducing the time between two batches of broilers and farmers expanding broiler barns. On the contrary, EU broiler placings in 2010 increased significantly in response to robust market demand.

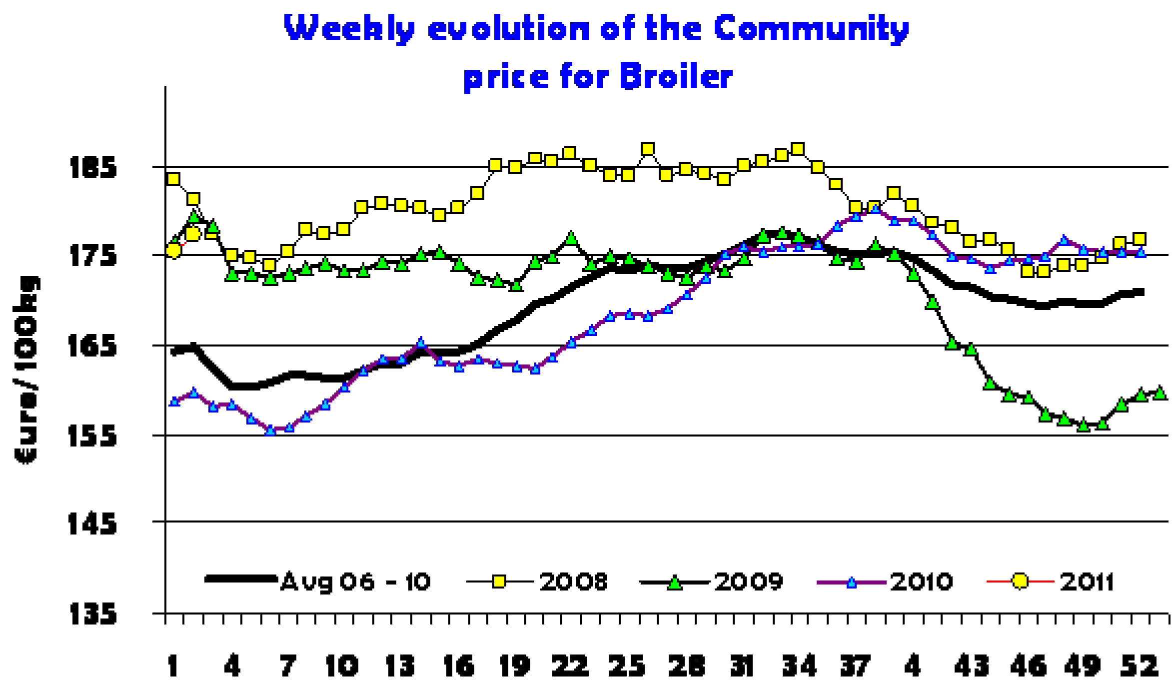
Graph 1

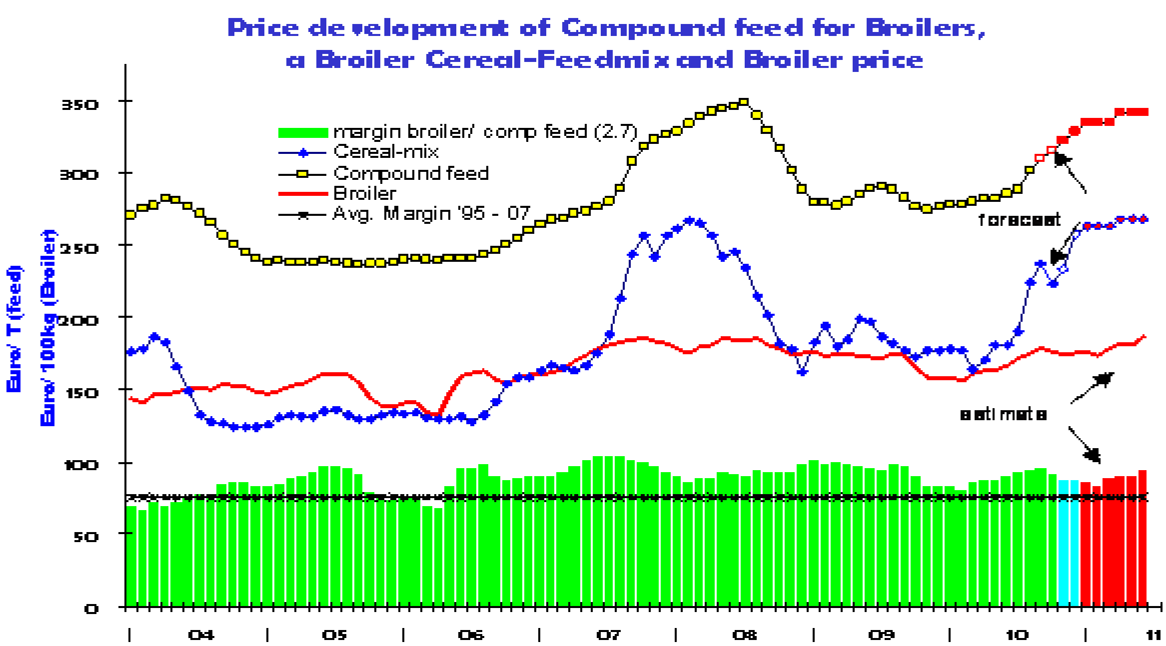


Source: European Commission

However, even if the implementation of this directive went well, it was not without pain for EU broiler farmers. European agro-economic studies suggest that the production cost of broilers for EU farmers increased by up to five percent. However, the EU broiler price development during 2010 and EC production margin calculations for broiler calculations suggest that EU broiler producers were able to pass on the extra-cost for the increased AW standards to the EU consumer, making the consumer pay for the EU broiler animal welfare.

Graph 2 and 3





Source: European Commission

Animal welfare for laying hens

Council Directive 1999/74/EC on the protection of laying hens [8] , which intends ending classical cage production in the EU, provides a framework for EU egg production from enriched cages, as well as for barn or free range egg production. This directive replaced Directive 88/166/EEC, which was an amendment to Directive 86/113/EEC that already imposed spacing standards for laying hens in cages in

1986. The final implementation date for Council Directive 1999/74/EC is January 1, 2012. This directive does not apply to small production units with less than 350 laying hens and exempts establishments rearing breeding laying hens. In January of 2008, the EC published a Communication from the Commission [9] on the various systems of rearing laying hens. In this communication, the EC elaborated on the state of legislative transposition and implementation of the directive in MS. The EC further warned MS that they need to speed up implementation if they want to meet the 2012 deadline of the directive as required. In some MS, as of 2010 still more than 50 percent of layer hens were held in conventional cages.

Transposition in MS legislation

The limit for the transposition of Council Directive 1999/74/EC by the Member States was fixed on January 1, 2002, but many MS encountered delays, especially the then new candidate Member States, which were still negotiating their EU accession for 2004 or 2007. A complete list of transposed laws and national measures in MS, as well as their approval dates can be found at http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:71999L0074:EN:NOT

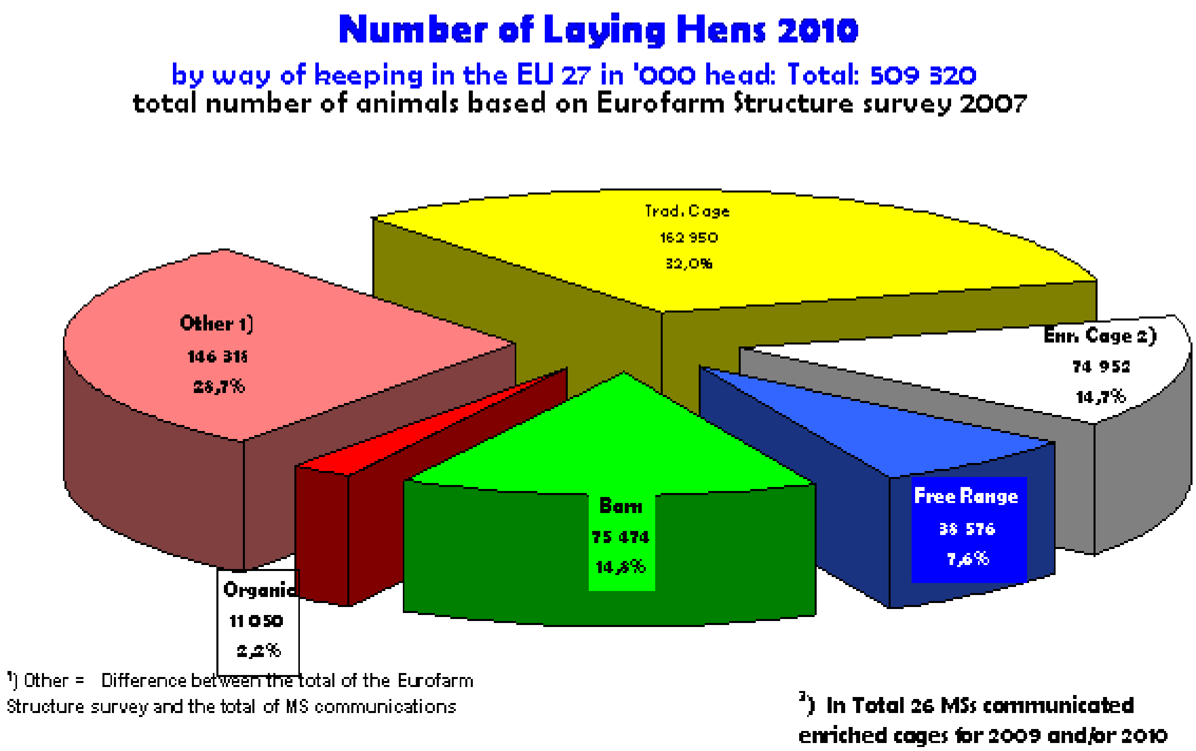
Even if the first EU directive for the protection of laying hens dates back 25 years and the ban on new classical cages was implemented on January 1, 2003, the final ban on classical cages at the end of 2011 is a challenge to implement in many MS. Despite the difficulties, some MS have taken the forefront on banning conventional cages. Austria already banned the use of conventional cages at the end of 2008 and has also already limited the use of enriched cages till the end of 2019. Farmers in The Netherlands used the opportunity of the eradication campaign for the 2006 Avian Influenza outbreak to massively transition egg production to barn production, while German farmers mostly converted egg production in 2009.

Out of concern that the deadline for implementation of the directive will be missed by several MS, the EC organized a "Multistakeholder meeting [10] " on 19 January 2011 in Brussels. The purpose of this meeting was to record the state of implementation in MS and to debate possible scenarios for dealing with and mitigating a situation on January 1 of 2012, in which a significant part of EU egg production would become illegal. When the EC then asked for an official state of play by MS in April 2011, eight MS reportedly failed to return data to the EC, but the names of these failing MS have never been reported. Poland has requested the EC for a derogation in the form of a 5-year extension to the implementation date similar to the ones granted to meat and dairy processors upon EU accession, but the request was rejected. In an address to the European Parliament's Environment Committee in April 2011, EU health Commissioner Dalli warned that on January 1, 2012 up to 85 million eggs per day could still be produced from non-compliant cages.

Egg production in MS after implementation of the directive

Despite a wealth of information on egg production in individual MS, as well as agro-economic studies about the impact of the cage ban, it is hard to construct an EU overall picture. Clearly, the situation differs from MS to MS, especially as consumer preferences seem to have pushed egg producers in different MS in different directions when they transition from classical cage production. This diversity in egg production systems after the cage ban changes the competitive situation between MS. These changes mainly occur as a result on consumer and retailer choices for table eggs, while the competitive changes for processing eggs are as important. Because the market for processed eggs is more international, the changes in egg production system between MS may lead to geographical shifts in egg production. Egg producers in MS try to avoid this by promoting the same system of egg production for egg-containing products to consumers as for table eggs. Graph 3 pictures an overall situation of the 2010 EU egg production systems, while table 2 focuses on the situation in the most relevant EU member states.

Graph 4



Source: European Commission

Table 2

Egg production level and distribution of egg production methods in EU Member States in 2010						
Member states	Self-sufficiency level	Conventional cage	Enriched cage	Barn	Free range	Organic
Austria	74	0	4.8	65.5	20.3	9.4
Belgium	110	42	7	23	14	14
Bulgaria	n.a.	56	18	25 for barn, free range and organic		
Denmark	70	60	0	18	7	16
Finland	117	67	8	22	0	3
France	88	60	18	12	5	5
Germany	58	0	10	70	13	7
Hungary	108	43	44	12.4	na.	0.6

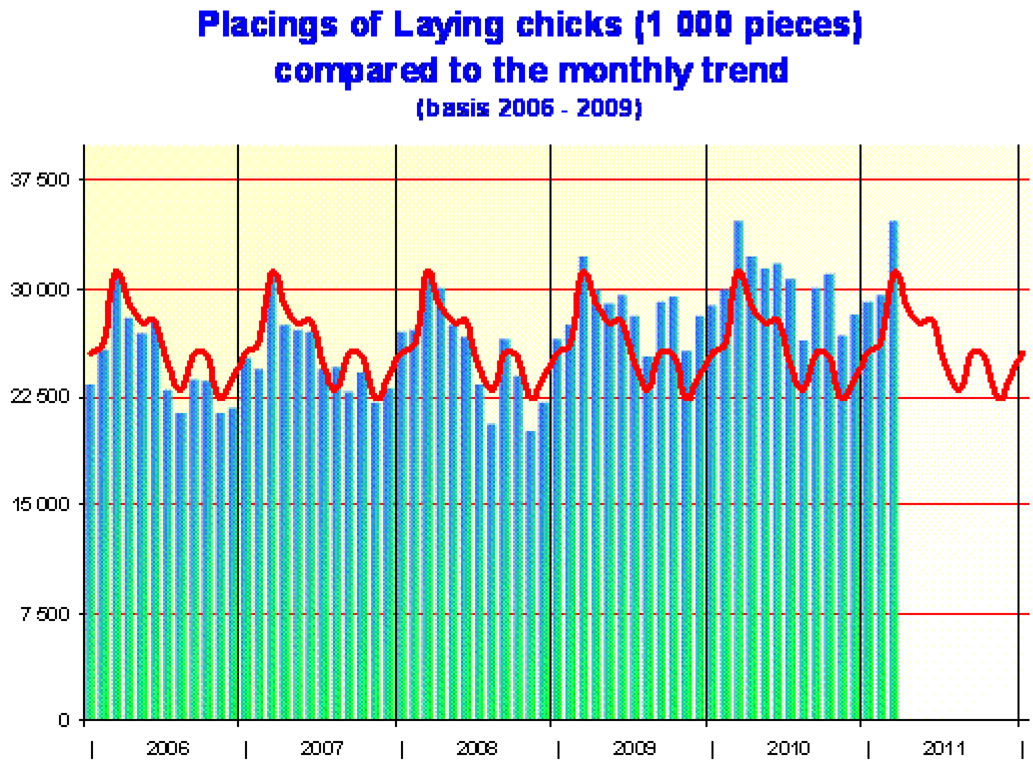
Italy	110	53	23	19	1	5
Netherlands	293	0	40	43	13	3
Poland	121	70	15	10	5	n.a.
Portugal	125	59.2	39.5	0.7	0.5	0.1
Romania	87	27.5	51	21	0	0.5
Spain	110	77.2	19.3	1.6	1.7	0.2
Sweden	85	0	39	53	0	8
United Kingdom	85	0	50	5	45	0

Source: FAS/EU estimates

Consequences of the implementation of the laying hen AW directive for EU egg markets

The consequences for EU egg production from the implementation of Council Directive 1999/74/EC are quite drastic. Indeed, farmers must make big investments to transition egg production away from cages. In the best of cases the poultry housing building can still be refitted after the cages and the auxiliary infrastructure has been removed, but even this is often times not possible. This may result in a major disruption in production and must be carefully planned at the end of a laying cycle. The investment for the farmer has been calculated to amount to over €20 per hen production place. Estimates for a total cost of required investments of over €6 billion have been reported. When many farmers in a MS make the transition simultaneously, this may lead to serious market disruptions at MS level and beyond as was noticed when most of the Dutch producers transitioned in 2006, taking advantage of the massive culling of flocks in response to the outbreak of Avian Influenza, as well in Germany when producers massively transitioned during 2009. Currently, in the final year before the deadline for the ban on classical cages, egg prices are low because of overproduction. It is argued that this is caused by egg farmers massively putting in operation new barns while still operating their outgoing caged barns. Hence, the temporary overproduction of eggs may turn into underproduction per the deadline of January 1, 2012.

Graph 5



Source: European Commission

Most calculations of the increase in the cost of egg production in the various EU MS range between 7 and 12 percent depending on the housing system. [11] , [12] , [13] , while the cost of production for free range eggs compared to eggs from classical battery cages is calculated to be even over 20 percent higher. These cost calculations further differ between EU member states as other technical performance standards also play an important role. As a result, egg production costs in the EU could end up 50-60 percent higher than in efficient producer countries like the United States or Brazil. The reason for this is that increased AW standards are just the latest cost increasing factor in EU egg production after the GMO ban, environmental restrictions on manure production and barn emissions of Greenhouse Gases (GHG) and ammonia, as well as other high input costs like labor and energy. In past years, the EU has implemented restrictive legislation in these various domains of so-called "societal concern" that have all induced production cost increases, cumulatively making EU egg production uncompetitive.

Animal welfare for pigs and ban on sow stalls

Council Directive 2008/120/EC [14] , published in February 2009, lays down minimum standards for the protection of pigs. It is the latest update to Council Directive 91/630/EEC, which already set AW standards for pig farming in 1991. This directive from 2009 was based on scientific reports [15] from the European Food Safety Authority (EFSA) from the end of 2007, which provided recommendations for overcoming pig stress behavior in intensive farming, such as tail biting. It replaced Council Directive 2001/88/EC [16] , which had a final implementation date for new standards for the housing of pigs, including the ban on sow stalls, of January 1, 2013. The main features of this AW legislation for pigs include standards for available space per pig in barns, the quality of the flooring in pig barns, as well as a complete ban on sow stalls, except for farms with less than ten sows. The details for space and flooring standards are listed in Article 3 of the directive as follows.

Article 3

1. Member States shall ensure that all holdings comply with the following requirements:

(a) the unobstructed floor area available to each weaner or rearing pig kept in a group, excluding gilts after service and sows, must be at least:

Live weight (kg)	m^2
Not more than 10	0,15
More than 10 but not more than 20	0,20
More than 20 but not more than 30	0,30
More than 30 but not more than 50	0,40
More than 50 but not more than 85	0,55
More than 85 but not more than 110	0,65
More than 110	1,00

(b) the total unobstructed floor area available to each gilt after service and to each sow when gilts and/or sows are kept in groups must be at least 1,64 m2 and 2,25 m2 respectively. When these animals are kept in groups of fewer than six individuals the unobstructed floor area must be increased by 10 percent. When these animals are kept in groups of 40 or more individuals the unobstructed floor area may be decreased by 10 percent.

2. Member States shall ensure that flooring surfaces comply with the following requirements:

(a) for gilts after service and pregnant sows: a part of the area required in paragraph 1(b), equal to at least 0,95 m2 per gilt and at least 1,3 m2 per sow, must be of continuous solid floor of which a maximum of 15 % is reserved for drainage openings;

(b) when concrete slatted floors are used for pigs kept in groups:

(i) the maximum width of the openings must be:

— 11 mm for piglets,
— 14 mm for weaners,
— 18 mm for rearing pigs,
— 20 mm for gilts after service and sows;

(ii) the minimum slat width must be:

— 50 mm for piglets and weaners, and
— 80 mm for rearing pigs, gilts after service and sows.

The directive also provides that sows and gilts must have permanent access to “manipulable material” or “toys” as a way to mitigate pig stress.

Transposition in MS legislation

Farming systems for pigs vary widely across EU member states. Intensive pig farming within highly integrated production chains is dominant in the main pork producing MS, like Germany, France, Denmark, The Netherlands and Spain, while in other MS, especially the newer MS like Bulgaria, Romania and Poland, a lot of pigs are kept in subsistence or semi-subsistence farms. At the same time, the AW situation for pigs is very different between MS, with Sweden and the UK already having banned sow stalls since 1994 and 1999 respectively and other MS, like Denmark and Austria, have also been enforcing stricter AW regimes for many years. As a result, the implementation of the directive is proving much more challenging in some MS than other and consequently the political support and timing for the transposition of the EU directive is very different between MS. A complete list of MS transposed laws and their approval dates is at http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:72008L0120:EN:NOT .

While the majority of MS have withheld the general standards as prescribed in the directive, a few MS have adopted slightly different standards in their transposed rule. Austria requires a minimum space of 0.2 m2 per animal not more than 20 kg and the maximum width of the openings of the flooring surfaces must be: 10 mm for piglets and 13 mm for weaners. Denmark deviates slightly on Art. 3. 1(b)b as follows: For the first 4 sows 2.8m2/sow, next six 2.2m2, next ten 2.0m2, each next 1.8m2 and for the first 10 gilts 1.9m2/gilt, next 10 1.7m2 and each next 1.5 m2. Sweden applies Art 3.1(a) as follows: Minimum unobstructed floor area = 0.17+weight/130.

Consequences of the implementation of the AW directive for pigs for EU pork markets

European pig production mostly occurs in two consecutive steps: pig breeding with the production of piglets and pig fattening. These two subsectors operate very differently in different MS. Many family farms prefer to produce piglets and fatten pigs simultaneously in a so-called closed system. However, for reasons of efficiency, many other producers, including many integrators prefer to set up specialized farms. For reasons of environmental limitations on manure production for example, Denmark and The Netherlands have many piglet producers who export large numbers of weaned piglets to specialized fattening operations in Germany, Poland, Italy, but also to Ukraine and Russia.

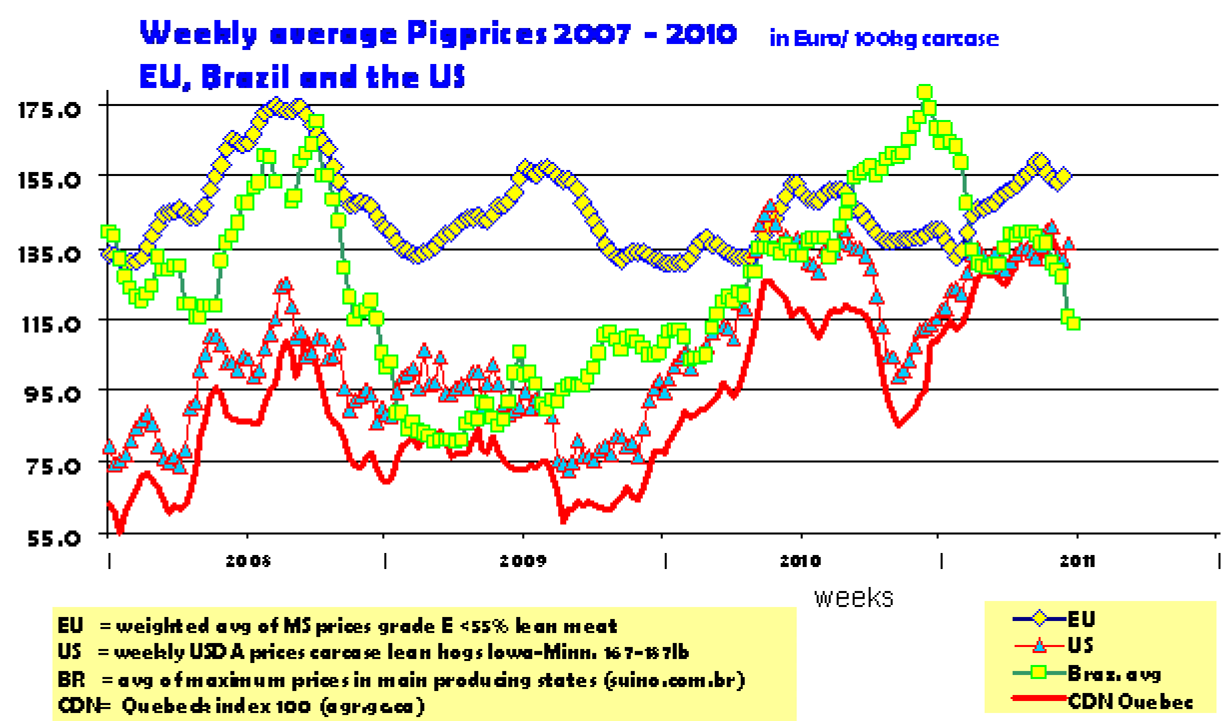
The three main AW measures of Council Directive 2008/120/EC affect these subsectors differently. The ban on sow stalls requires quite drastic rearrangements of pig breeding barns and in many cases investments in completely new barns. As a result, this leads to two different scenarios: one for those farmers that make the effort to transition and therefore will likely expand production as they invest in new infrastructure, and one for farmers who will end pig breeding upon enforcement of the new AW standards as they lack the financial resources for such an investment. This scenario has the potential for overproduction of piglets in 2012, the year ahead of the deadline. However, the negative returns in the EU pig sector appear already to lead to higher sow slaughter numbers in 2011, which could be an indication that uncompetitive farmers are quitting pig breeding ahead of the 2013 deadline. In 2010, van Duijn and Schneider calculated that the combined investment costs could amount to between €300 and €400 per sow position. In an impact study from 2001, the Commission estimated that the introduction of group housing for sows would increase pork production costs by €0.006-0.02 per kilo of pig carcass.

EU pig fatteners must implement two main AW measures for pigs. If they need to decrease the number of pigs to meet the space requirement, that is relatively easy, even as it may lead to increased production costs of between two and six percent as reported by Hoste. However, pig farmers whose barn floors do not meet the new standards will need to make more drastic investments, including in new pig housing building. In 2010, van Duijn and Schneider calculated that the combined investment costs could amount to €240 per fattening pig place.

Intra-EU competition and emotions

The new animal welfare standards for pig farming will increase EU pork production costs to some extent. However, better pig welfare may also improve some production parameters, like when sows are less stressed. EU pork production has long been at a competitive disadvantage compared to pork producers in the United States, Canada or Brazil because of a higher feed cost. Hence, costs related to new AW requirements have the potential to increase this competiveness gap and therefore jeopardize European pork exports. However, the existing competitiveness gap has not prevented the EU from remaining a strong pork exporter and despite the fact that the AW directive for pigs is in its final implementation, the gap between EU pork prices and pork prices in Canada, the United States and Brazil has greatly decreased over the last year.

Graph 6



Source: European Commission

EU pig farmers and farmer groups fear the impact of increasing production costs the most as they have little power for passing down these costs across the food chain. Higher standards for the whole pork sector do not command higher consumer prices when they become the norm. This is in contrast with EU broiler farmers, whose production margins do not seem to have suffered from the implementation of the broiler AW directive in 2010. Of high concern is also what this AW directive will mean for intra-EU competition. Clearly, farmers in MS who have already or will have fully implemented the directive by the January 2013 deadline are not ready to agree on delays or derogations for farmers in MS who may miss the deadline as they would be put at an intra-EU disadvantage. All fear a UK-style scenario, where the UK domestic pork production fell dramatically to only 50 percent self-sufficiency after a unilateral ban on sow stalls in 1999 exposed UK pig producers to pork imports from the European continent and the world, which did not suffer from the financial consequences of increased production costs. Pig producers in the New Member States (NMS) will likely suffer the most because they are already losing the competitive battle against West-European pig producers, especially German producers, despite the fact that these MS are much further advanced in the implementation of the pig AW directive. Most NMS have already pork production levels well below self-sufficiency levels despite theoretical favorable production conditions like cheap feed and labor cost. MS in Southern Europe are also running behind on implementing the AW measures.

Table 3

Domestic pork production level in EU Member States in 2010	
Member states	Self-sufficiency in percent of consumption
Austria	106
Belgium	206
Czech Republic	60
Denmark	470
Finland	100
France	106
Germany	120
Italy	94
Netherlands	185
Poland	90
Portugal	77
Romania	62
Spain	150
Sweden	75
United Kingdom	50

Source: FAS/EU estimates

Declaration on ban on pig castration

In December 2010, EU pig producers and stakeholders signed a European Declaration on alternatives to surgical castration of pigs [17] . With this voluntary initiative, the European pork industry pledged to end pig castration by 2018. For starters, the declaration announces the end of surgical castration without anaesthesia of piglets in the EU from January 1, 2012 onwards. This pig sector initiative was

promoted by the European Commission and the Belgian EU Presidency in response to the increasing public animosity around the practice of surgical castration without the use of pain treatment. By taking self-initiated action, the EU pig sector hopes to find an economically viable alternative to pig castration and escape yet another politically mandated animal welfare legislation.
The industry hopes that by 2018 scientists will be able to offer new solutions for the elimination of boar taint in pork, which lies at the origin of the need for castration. Possible solutions could come from breeding pig genetics that produce no boar taint, new boar taint avoidance methods and better boar taint detection methods. Currently, boar taint in non-castrated male pigs can only be avoided by slaughtering pigs at a younger age, which is economically unviable, or through vaccination with a hormone suppressor, which has already attracted public skepticism. Current methods for surgical castration with the use of pain suppression or anaesthesia are also still not well established for wide-scale use on pig farms.

Calf group housing

Council Directive 2008/119/EC [18] , which was implemented on January 1, 2009, laid down minimum standards for the protection of calve. Already on January 1, 2007, calves in the EU could not be held in individual pens and space requirements for calves in groups were specified. This updated directive further specified light and air requirements for calf barns.
Because veal production in the EU is highly integrated and concentrated in mainly four MS (France, The Netherlands, Belgium and Italy), the implementation of this animal welfare directive for calves did not create major problems as veal producers could pass down increased production costs to consumers. The texts of the transposed legislation in MS can be found at http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:72008L0119:EN:NOT.

EU Animal Welfare legislation past the farm gate

Apart from the above species-specific animal welfare legislation for animals in farms, the EU has also legislated animal welfare for farm animals past the farm gate across species. EU AW legislation is in place for animal transportation and animal slaughter.

Animal welfare during transportation

Council Regulation (EC) No 1/2005 [19] , which was implemented on January 5, 2007, mandates measures for the protection of animals during transport. It limited uninterrupted travel times for animals of most species to eight hours. From 2009, all vehicles used to transport animals for long journeys over eight hours had to be equipped with a navigation system for monitoring travel times.

Animal welfare at time of slaughter

Council Regulation (EC) No 1099/2009 [20] complemented Council Directive 93/119/EC of 22 December 1993 and integrated the World Organization for Animal Health (OIE) Terrestrial Animal Health Code from 2007. Its implementation date is January 1, 2013. This regulation reviews rules for stunning and expands them to all species, including the stunning of fish as of January 2015. The regulation maintains the exception for religious reasons. The regulation further mandates the appointment of a certified animal welfare officer in slaughterhouses.

Conclusions

While different studies leave room for debate on how much impact of EU welfare legislation has on the cost of production of meat and eggs in the EU, a common conclusion is that animal welfare comes at a cost. Some sectors, such as the veal and the broiler sectors, have been rather successful at passing the cost increase on to the consumer; other sectors like the pork sector are less able to do so. For sure, increased AW standards are having a negative impact on the competitiveness of EU animal products vis-à-vis their main competitors, such as Brazil and the United States. As a result, European farmer organizations and their member state politicians have been calling for maintaining a 'level playing field' for EU producers. This is being pursued in two ways. First, the EU has been working hard in past years to raise awareness and sensitivity for animal welfare at the international level. The EU has succeeded in bringing AW to the agenda at the UN Food and Agricultural Organization (FAO) and the International Office for Animal Health (OIE). The EU is also trying hard to bring AW on board in WTO rules. At the bilateral level, the EU has been systematically adding an AW chapter to its bilateral agreements like its veterinary agreements with Canada, Chile or New-Zealand.

Secondly, European farmers want to maintain the 'level playing field' domestically by requesting that the same AW standards apply to imports from foreign exporters. While calls for such a WTO incompatible measure have not been taken up yet, the EU directives all have some language about possible AW labeling requirements at some point in time. The directives call for EU reports on the state of implementation of the AW directives and their impact a few years after the implementation deadline, based on which the EU could make proposals for mandatory AW labeling of the animal products on the EU market supposedly with the goal of allowing the EU consumer to make an informed choice. Until now, no such proposals have been made because the deadlines of the AW directives were recent or still in the coming future. However, if the EU were to mandate such AW labeling, this would further increase the costs from AW legislation as such labeling requirements would apply to domestic production as well as to imports. As such, AW labeling would resemble some sort or country of origin labeling and it can be doubted if the benefits to EU producers would exceed its costs.

The European processing sector is opposed to such labeling requirements because of the complications it would bring to their operations. The retail is less opposed because they are easy targets for the animal welfare NGOs, while some retailers also see commercial potential in such labeling. The feeling in Europe is still that its population is generally rich and concerned enough about AW that they are willing to pay for the additional costs of increased AW standards. It remains to be seen what the impact of the economic and financial crisis will be on this debate, as market indications are already available that EU consumption of meat is decreasing and shifting to the cheaper products.

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E49084	Animal Welfare Labeling	11/19/2009
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These reports can be accessed through our website http://www.fas.usda.gov/posthome/useu/ or through the FAS website http://gain.fas.usda.gov/Pages/Default.aspx

[1] http://ec.europa.eu/food/animal/welfare/references/farmspc/jour323_en.pdf

[2] Horizontal legislation includes Council Regulation (EC) No 1099/2009 on the protection of animals at the time of killing, with an implementation date of January 1, 2013, and Council Regulation (EC) No

1/2005 on the protection of animals during transport, which was implemented on January 5, 2007.

[3] http://ec.europa.eu/food/animal/welfare/actionplan/actionplan_en.htm . See also GAIN E57009 http://gain.fas.usda.gov/Recent%20GAIN%20Publications/New%20Animal%20Welfare%20Strategy%202011-2015_Brussels%20USEU_EU-27_12-17-2010.pdf

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