

# **Implications of standards and guidelines for sustainable improvements in animal welfare for Australian livestock producers – a market opportunity or another tedious regulation.**

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## **Introduction**

Codes of Practice developed and enforced over the past twenty years are to be replaced with Standards and Guidelines. The Codes of Practice were used as guidelines for industry as best practice and could be used in a court of law as evidence to either defend or prosecute an act of cruelty under the State Prevention of Cruelty to Animals Acts (POCTA).

Under the new proposals a breach of a standard will mean the law has been broken whereas a guide line will have a similar status as the previous Codes of Practice. Guidelines as with Codes of Practice may be included in Industry Quality Assurance Programs as best practice.

## **Regulations**

Livestock Producers have come to view any regulation with some trepidation because it usually involves addition paper work and tedious form filling in for what often appears to be very little if any financial reward.

Regulations covering such things as Occupational Health and Safety, Chemical Application, Environmental Issues, Road Transport and Machinery, Vaccination Applications, are just a few that have to be addressed. Farming by its very nature demands a very wide set of skills unlike most other industries.

For example under occupational health and safety the day to day use of chainsaws and angle grinders all have to be properly addressed. Then there are the correct safety procedures in Wind Mill maintenance, Silo storage, for not only movement up and down the silo, but also the correct chemical application of fumigants and the like.

Tractors, headers, mowers, balers, spray plants, augers, front end loaders are just a few of the plant on an average farm, but all now require proper training and safety procedures to be in place and documented.

Most farms come under the category of “small business” and while bigger operations can employ up to and over a hundred employees it interesting to note that Australia’s largest Grain grower employs some forty eight staff. Unlike big business in the industrial sector most farmers and their families with a few staff or contactors, have to be a “jack of all trades”. Single owner-operators will need to more readily join their industry based organisation to assist them in training and develop up the required documentation. Often a small family farm business has to cope with more numerous and diverse regulations that some larger cooperate businesses.

Therefore farmers are wary when the proposed standards and guidelines, which although simply replace the current Codes of Practice, now expose them to the point where a minor breach of a standard could result in a criminal offence being committed. Depending on the prosecution policy of the enforcing body, a minor breach could result in the farmer not only incurring a penalty, but also have recorded against them a criminal record, which could result in them having to stand down as directors of the family company or trust that owns and controls the family property and business.

### **Quality assurance programs and market opportunities**

Many of the regulations now imposed on farmers, appear to them to offer no reward or incentive other than the avoidance of prosecution and the knowledge that you are a responsible and caring member of the farming community.

However, Quality Assurance Programs (Q A) that incorporate standards and guide lines can bring financial rewards. Those rewards will vary from livestock industry to livestock industry and will depend on the perceived benefit the customer feels they will have from buying a Q A assured product.

Those livestock industries that have a Q A program in place should find it a relatively simple to incorporate the standards and guidelines. Some livestock industries that to date have had trouble being able to differentiate product that incorporates a Q A program over those that don’t, will unfortunately perceive it is simply another regulation that has to be addressed.

The push for Quality Assurance programs however, from customers is increasing, and in many cases is now virtually mandatory. The need for food safety was the main catalyst for Q A's but many industries are now finding it is the simplest and the most cost effective way of addressing other issues demanded by the customer and the community such as bio-security, the environment and now animal welfare.

Those livestock producers that have a robust Q A's have also found benefits not only in the market place, but also in the day to day management and performance of their businesses. Producers and staff find they share a mutual goal with the incentive of a regular audit aiding in keeping the business focussed.

### **Good peer reviewed animal welfare science and its extension**

Over the years farmers have been able to achieve one of the highest efficiency gains of any industry in Australia. The pressure of increasing costs and their inability to be able to pass these costs on, has meant that the farmers only strategy to remain viable has been to increase productivity.

This increase in productivity has been achieved through quality research and improvements in efficiencies both in technology and animal health and animal welfare. Those farmers that have not adopted the latest research findings have found themselves falling behind and eventually dropping out of the industry.

Consequently successful farmers always look to good peer reviewed research to progress their businesses and do not trust quick fixes or subjective judgements in making their businesses more efficient.

As a result any Standard or Guide line on animal welfare that is not supported by good peer reviewed science is met with resistance and scepticism because experience has shown it will simply end in them becoming less competitive on either the local or world market.

For example in the Egg Industry standards, cages which were made redundant due to a slightly sloping back, or floors and doors that did not fully comply resulted in them having to be scrapped. Consequently not only did the interior of sheds have to be modified but often sheds replaced or due to Council regulations the whole farm had to be moved to a new site all for very little if any animal welfare benefit. The subsequent increase in their cost of production resulted in making them far less competitive.

## **Long term commitments**

Across all livestock industries a shift to some new research or new technology often requires a major investment not only financially, but also a new set of management skills. This new found knowledge has to be applied in a planned and commercially practical way all the time ensuring that their businesses remain viable.

These decisions are not taken lightly as they often involve large financial commitments by the family business. The banks also have to assess the viability of a loan on the assumption that the investment will be able to run its full depreciated life.

Regulatory Impact Statements (RIS) are and should be taken into account. Unfortunately experience has shown that the recognised costs of the regulation often cannot be passed onto consumers due to the lack of market power by the producer.

Again using the Egg industry as an example the Regulatory Impact Study (RIS) acknowledged a cost of \$300 million to industry of the new standard and to date has yet to be fully passed on. The problem was further exacerbated during that time when generic sales increased dramatically at a cost to branded sales, the generic product carrying a much smaller margin. Consequently the egg industry not only absorbed the readjustment cost of some \$300 million but also had to carry an estimated revenue loss of \$300 million due to the move to generic products.

Regulatory Impact Statements also do not take into account the social upheaval in rural communities due to businesses having to move. A loss of just a few families can snowball into schools, shops and governments agencies closing down in a community causing the remaining residents having to travel greater distances for the services they require which again adds to their input costs.

This major upheaval is even more painful when the required changes have a time line put in place that can cause banks to immediately de-value a business when the announcement is made. This drop in equity can mean a business failure due to an inability to raise the necessary capital to move to the next stage. Livestock industries inevitably go through restructure phases which forces change so it is very rare that a regulated time line is required.

Plant and equipment that complies with standards and guidelines when commissioned must be allowed to run its full economic life. Anything less than that will result in lack of business confidence to embrace emerging knowledge and research findings.

### **The need for industry to be proactive**

Anyone involved in marketing knows that it is a fickle science and the competition is and can be fierce. As a result over the years industry has invested large sums of money to promote their product.

Livestock industries now need to look further than just the promotion of their product. There is a growing need for livestock industries to actually promote their industries and educate the public not only on their management practices but also the animal welfare science and stockmanship behind those practices

### **Perceptions**

In marketing a perception can either make or break a product. For example once free water from a tap, fountain or a refrigerator was pleasant refreshment, now it is trendy, and in fact a necessity, for many people to purchase a certain brand of water in a plastic bottle.

Once a perception is fixed in the mind of a consumer it is a slow and expensive exercise to move that opinion no matter how good the factual information.

Likewise the animal welfare debate can be easily influenced by perceptions that are miss-leading and false and not based on animal welfare science. As a consequence good animal welfare practices can be discounted or ignored resulting in other lesser animal welfare practices being perceived as being superior. Livestock Industries therefore must match the anti-livestock lobby with sound researched facts and promote their particular industry practices.

The quandary livestock industries find themselves in is that certain customers require their product to be handled and processed in a certain way for religious or ethical way which is not necessarily best practice from an animal welfare perspective. Likewise for philosophical reasons certain groups oppose any animal production and in an effort to move public perceptions will misinform or be selective in their argument.

The most dangerous scenario is when poor or politicized science, false perceptions fuelled by strong media campaigns and a tentative government all combine. Two historic events are salient reminders of what can occur when this happens.

One being the theory of eugenics supported widely for many years by leading identities of the time that included leading judges, playwrights, Presidents and Prime Ministers. All in all, the research, legislation, and moulding of public opinion surrounding the theory went on for almost half a century right up until the start of World War 11 when it was quietly discredited but not before Nazi Germany put the theory into practice which resulted in the holocaust...

The second was Lysenko whose theories dominated Russian biology right up until 1948 when it was finally banned as “bourgeois pseudoscience”. This theory resulted in famines that killed millions of people and saw hundreds of dissenting scientists either sent to gulags or the firing squad.

Industry and the community must ensure that good peer reviewed science that is openly debated, is the driving force on animal welfare and its implementation. A populist perception may on the surface appear harmless but could ultimately lead to poor standards and guidelines that are not in the best interest of animal welfare outcomes.

## **Consensus**

Animal Welfare Science is not an exact science and there are still many gaps in our knowledge. Caring astute stock people with years of experience instinctively know when an animal is suffering but in today’s society simply “to know” is no longer sufficient or accepted by a community that has drifted away from the rural industries. Today’s community need and seek reassurance that the Stock person really does have the competency to recognize that an animal is suffering

Consensus is always going to mean that differing views cannot be fully accommodated in either standards or guidelines. Consensus requires all parties to give and take and at times this can be painful and also very expensive for the livestock producer if they have to modify equipment or practices before there are alternative solutions. For example the current mulesing debate could well see an addition cost to industry in higher mortalities before a practical and cost effective solution can be found.

Therefore there is no easy solution other than various interests groups are going to have to agree to disagree. In Australia, to date we are fortunate that all the groups are prepared to come to the table to at least discuss the issues and put forward their views.

Consensus sometimes has been described as the “art of the possible”. Every so often industry will find itself unable or even impossible to concede to the wishes of one group or another simply because it is either financially or not possible physically to do so.

When industry finds itself in that situation a closed or stubborn mind should not be the final outcome but rather a challenge put on the table for the other parties to assist in finding a realizable, practical and viable solution that does not jeopardise animal welfare. Hopefully at the end of such an exercise all parties will better understand the problems and a consensus achieved.

### **Promote and market the benefits of good animal welfare.**

Marketing your product for a profit is the most challenging and number one priority facing every livestock producer or producer marketing organisation. Without a profitable market you simply do not have a business or eventually an industry itself.

The emerging challenge for the livestock industries are the urban rural divide where there is very little knowledge or understanding of modern livestock farming.

You have to consider the popular image of “old McDonalds farm “or comparing the household pet to the reality of operating a livestock enterprise are poles apart. Industry can no longer assume that the general community will accept their practices, no matter how sound, without question. All industries whether it is mining, industrial, agriculture or livestock are realising that the community need to know how their industry operates and manages various issues otherwise they will be open to criticism from an uninformed community.

The cost needed to educate and inform the public will often be offset by avoiding large regulatory adjustment costs or having a market closed to your product simply to accommodate some perceived animal welfare benefit.

Livestock Industries need to go a step further if they are to survive and prosper. Inevitably the perception of certain livestock management practices such as cages for

layers, sow stalls, castration will continue to be criticised no matter how good the animal welfare science.

Livestock industries have conducted Hazard Analysis Critical Control Points programs (HACCP) for food safety should consider applying similar principles to their livestock husbandry and management practices.

As with food safety livestock industries should identify critical animal husbandry practices that will be difficult for the community to accept or understand regardless of the justification. Those areas should then be the target for research to either alter the practice to a more perceived welfare acceptable method or a totally different management practice developed.

Unless industry is on the front foot on these matters they run the risk of being overtaken by public perception and losing a market or having a regulation forced on them to modify the practice or even have it banned altogether.

## **Conclusion**

The changing world of food and fibre demands will become vital in the coming years. There is already a shortage of food, and once the AIDS epidemic is controlled the shortage of food will be further exacerbated. Climate change, global warming, the booming economies of China and India, along with the resulting demand for food and fibre will put even greater conflicting pressure on the livestock sector.

Some of these conflicting pressures include preserving the environment or meeting the demands of the anti-livestock lobby all the while attempting to produce more food to meet the world's needs. Analysts' have estimated that by 2030 China at its present rate of growth of demand would consume 120 percent of the world's food.

Emerging intensive livestock industries in the eastern block countries, Mexico, India and China are adopting lesser Australian animal welfare standards as they strive to meet their food requirements.

Sound peer reviewed animal welfare science will not only be the key to better animal welfare but will help meet the future needs of the worlds food and fibre and at the same time assist in controlling input costs.