

Spotlight

The future of pig production – financially viable, welfare based and socially approved



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Photo: private

Livestock developments in recent decades concentrated on increasing animal performance and reducing associated input costs. The successful results, with additional improvements in factors such as breeding and feed, give us the present efficient livestock production in Western Europe. The current discussions throughout society on the kind of agricultural production conditions wished for by consumers helps spotlight the theme “welfare based animal production“. To this background, the “Initiative Tierwohl“ (Animal Welfare Initiative) is a logical commercial initiative, exceptionally exemplary in conception as well as in implementation. The only factor limiting financial reward in this context is the inability in “selling” this clear added value concept to consumers.

To picture the situation clearly, one has to bear in mind a few facts: Self-sufficiency is over 110% in Germany, thus export demand determines actual price. In other words, the 10% “overproduction” decides the price for German pig meat on the home market. Price sensitivity is extremely high in the export business so that the world market price plus required logistic costs defines maximum achievable price. Hereby, the German “export meat” directly competes with meat from Spain or even Brazil. Higher husbandry standards for German livestock producers, that unilaterally increase production costs, are thus directly damaging to business income. In this way, initiatives such as the Federal Council (Bundesrat) initiative towards amending the Animal Welfare Agricultural Livestock Act (May 2013) directly threaten international competitiveness, and initiatives such as “Animal Welfare - Barn Equipment Approval Act” (commonly called: Barn Equipment Certificate”) hide the eventual danger of raising standards “through the backdoor”.

At the same time, the expressed wishes of consumers for higher husbandry standards should by no means be ignored. In fact, it is in particular the requirement of politics, while considering the continued desirability for international competitiveness, to directly reward the livestock farmer for attaining those higher standards. While there exist in a variety of forms, programmes enabling the conversion of consumer-perceived improved husbandry conditions into added value and thus higher price, none of these has managed to emerge from their niche status and thus such programmes, in the short-term anyway, represent no overall concept. The development in Britain at the end of the 1980s, whereby welfare in pig production was markedly increased, gives an idea of the market reaction that may be expected. A clear reduction of over 40% in pig production was the direct consequence of associated increased production costs in that country. There also resulted, however, a much more stable production level and clear market channels for the meat produced from different husbandry conditions with significantly higher prices. These showed the possibility (often not imagined in Ger-

many) for exploiting consumers' purchasing decisions and realizing the added value through clear market differentiation. Necessary for stimulation of an economically viable, welfare based and socially acceptable pig production, and of its sustainable establishment, are therefore: a) higher prices at the shop counter, but also for producers, b) differentiation of production conditions, c) transparency for consumers.

What might this mean for German consumers? A legally based payment system rewarding husbandry standards above the level required by the Animal Welfare Agricultural Livestock Act could help meet the desire for more animal welfare without international competitiveness being impacted. The additional income would be achieved from end sales, the added value applied equally to all products according to clearly defined criteria and passed on to the producers through a redistribution system, i.e. pay-as-you-go system. Should, additionally, a purchase differentiating of the consumer be enabled according to clear, legally established criteria, reflected in a small price increase in the beginning and then gradually approaching a realistic return in line with changing consumer behaviour, the interest groups "consumer" and "producer" could thus be brought together in consensus. Fitting neatly as a "piece" in such a jigsaw picture would be the "Animal Welfare - Barn Equipment Approval Act" whereby this might be used to establish a point system reflecting the standard of the barn system in question with a standard system awarded 0 points and increases in welfare rewarded with more points. Thus, on the one hand, could be established a transparent, legally based, point award system and, on the other, moderating of a pure certification system with its emerging tendency towards higher standards (when in doubt, the preferable solution).

This conception offers the charm of permanently establishing the "Animal Welfare Initiative" on a firm financial basis whilst also addressing the oft-spoken criticism of no choice being offered to the consumer. In this way, international competitiveness remains protected AND the wish for more animal welfare can also be catered for. The concrete design of such a conception is at the moment being worked on by the interdisciplinary "Barn and Society" forum.



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