

Animal Welfare

AIC White Papers on California Agricultural Issues

Animals play an important part in California agriculture. Dairy, cattle and calves, poultry and egg production are major industries in the state. As shown in Table 1, these industries account for 30 percent of total California agricultural cash receipts, with dairy alone accounting for about 20 percent. In recent years, lawmakers, industry groups and other non-governmental organizations have focused attention on the treatment and welfare of farm animals. For example, undercover footage released in early 2008 showed the mistreatment of culled dairy cows in Chino, California in violation of state and federal laws. The subsequent investigation led to the largest meat recall in national history.

Table 1: 2007 Cash receipts for selected animal industries in California

Product	Cash Receipts (\$ thousands)	Share of Total Cash Receipts (percent)
Dairy products	7,328,474	20.1
Cattle and calves	1,784,101	5.0
Broilers	712,943	1.9
Eggs	323,708	0.9
Turkeys	195,712	0.5
Hogs and sheep	74,159	0.2
All commodities	36,574,850	100

Source: ERS 2009.

The public has always supported the humane treatment of animals. However, views about the treatment of farm animals seem to have changed. Many advocates view self-guided behavior of the animal industry and current federal and state laws governing the treatment of animals as insufficient to ensure their welfare, and these advocates have embarked upon campaigns to enact more stringent laws. At the same time, animal production industries, such as the egg industry, have developed new industry guidelines meant to improve treatment of farm animals. The United Egg Producers, a trade association, has developed its own set of guidelines for augmented cage and non-cage egg production. Restaurant buyers have expressed interest in developing private standards. For example, Wendy's announced that at least two percent of its eggs will come from hens raised in non-cage systems, and McDonald's announced plans to work with a panel of scientists, egg producers and academics to study the feasibility of non-cage systems.

The federal Animal Welfare Act specifically exempts farm animals used for food production. The only federal statutes that deal with the treatment of farm animals regulate their slaughter and transport (Appleby, Hughes and Elson p.95; Tomaselli). State anti-cruelty statutes forbid the intentional abuse of farm animals. However, most such statutes exclude common husbandry practices for farm animals. California's anti-cruelty statute is formalized in California penal

code §597. A new approach was undertaken in November 2008, when California voters approved a ballot initiative, the Treatment of Farm Animals Statute (Prop 2), that prohibits the confinement of pregnant sows, veal calves and egg-laying hens in a manner that prevents them from freely turning around, lying down, standing up, and fully extending their limbs.

The Treatment of Farm Animals statute is scheduled to take effect on January 1, 2015. Similar laws on treatment of veal calves and sows have been passed in Florida, Arizona, Colorado and Oregon. However, veal production in California is virtually non-existent, hog production is very small and sow gestation crates are not known to be used in California. Therefore, the statute is important only to regulate the housing conditions for egg-laying chickens that are kept in cages in California. The cages used to house laying hens have been viewed by some as detrimental to hens' welfare because they restrict the hens' natural behaviors. The share of "non-cage" production is quite small, about five percent of the total, including the non-cage eggs that also qualify as organic (Sumner et al.) (Eggs that meet organic standards necessarily also meet the welfare standards of non-cage egg production, since organic production requires hens to have access to the outdoors.)

Adopting mandated housing standards for hens raise costs at the farm. Hen welfare is a multifaceted concept and mandating standards beyond what farms now do will involve increased costs. Sumner et al. found that the Treatment of Farm Animals Statute would raise farm costs of egg production by at least 30 percent. Since the cage ban applies only in California and would require substantial new housing investment, it would disadvantage California producers relative to out-of-state producers. With higher production costs in California, out of state producers would replace California eggs with little or no added cost to consumers. Therefore the statute will eliminate egg production in California, except for a small residual of specialty producers that would partially supply the small market for non-cage eggs. Furthermore, since the eggs would continue to be produced in cages in other states, hen welfare would not be improved.

Products from animals raised under mandated treatment standards are available now and some buyers (a relatively small share) are willing to pay the necessary price premium. Little data is available on the willingness to pay for enhanced treatment standards by the average consumer.

As table 1 makes clear, the most important issue for California farms would be treatment mandates for dairy cows. Any regulations that substantially raised the cost of milk production in California relative to costs in other states would almost surely encourage more dairy products to be shipped in and would cause a reduction in the size of the California industry. This would lead to upstream effects on the hay and silage industries and downstream effects on milk processing industries. Milk used to make such readily transportable products as butter, milk powder and cheese would likely shift out of state. Milk for fluid beverage products, which are more costly to transport, would face increased competition from border regions but some California producers would likely remain and retail prices would rise.

The pressure to change animal treatment on farms is not limited to California. Many regulations under consideration restrict farm management options and impose added costs. No simple summary can analyze implications or even review all the proposals. States, including Ohio, Arizona, Maine and several others have either passed or are considering legislation or ballot

initiatives. As the analysis above makes clear, national standards would likely be required to affect the treatment of animals significantly, given the potential for interstate trade. However, costly standards would also raise consumer prices of animal-based foods. Depending on how much the new standards raised costs, one result would be less consumption of animal products and consequently less demand for animal feed and other associated inputs. The other consequence would be increased demand for direct human consumption of plant-based foods, especially those that provide proteins and other nutrients now derived from animal products in the human diet.

Sources:

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