

This document has been excerpted from the confidential LEI report VR2015-137.

## Background

In 2014, the non-governmental organisation Wakker Dier in the Netherlands criticised ING for financing animal farms outside the European Union (EU). The NGO expressed its concern that local regulation would not sufficiently guarantee animal welfare standards up to the level guaranteed under EU regulations.

Early 2015, LEI Wageningen UR was requested to identify potential detrimental activities in the United States of America (USA) animal husbandry sector due to gaps between EU and USA legislation and local animal welfare standards applied in the USA. Activities covered by ING clients in the USA and thus in scope of this research involve pigs, layers, broilers, veal calves, dairy cows and beef cows.

## Goal

The aim of this report is to provide a qualified comparison of animal welfare standards in the USA and the EU and to identify animal welfare and other potential ethical issues within animal farming in the USA and to identify critical issues on which ING is advised to take a strategic position.

## Conclusions

Overall welfare standards in the USA cannot simply be rated lower than in the EU. Legislation is very limited, but together with industry standards, retailer requirements and science-based best practice guidelines, form the fundamentals for animal welfare requirements.

Specific industry standards are considered a good starting point to comply with European legislation level of animal welfare. Remaining gaps, if defined as 'critical issues', are listed below for each animal category. Critical issues are defined as animal welfare issues addressed in European welfare regulations but neither addressed in the US regulations nor covered or sufficiently addressed in the so-called 'industry standards', and if these issues are scientifically related to animal discomfort, and secondarily to mutilations.

## Pigs

Based on the Pork Quality Assurance Plus (PQA+) industry standard for pigs, the following issues are considered critical: Living area, group housing of pregnant sows, manipulable material for rooting and playing and pain control at castration.

## Laying hens

The industry standard of the United Egg Producers (UEP) for laying hens shows gaps regarding the following critical issues: Living area within the cage, and an enriched environment including a nest and perching space.

#### Broilers

Although the National Chicken Council (NCC) Animal welfare guidelines are substantially compliant to EU legislation, remaining critical issues are a minimum light intensity and minimum dark periods.

#### **Veal calves**

The Veal Quality Assurance (VQA) industry standard shows the following critical animal welfare issues: minimum light period and area requirements.

#### **Dairy cows**

The National Dairy FARM - Animal care Reference Manual (FARM) industry standard is considered to sufficiently comply with the European legislation on animal welfare.



## Beef cattle

The Beef Quality Assurance (BQA) industry standard is considered to sufficiently comply with the European legislation on animal welfare.

### **Final Considerations**

 ING is advised to inform its own clients about the critical issues per sector as described in this report, check customers' compliance and promote standards and best practices to tackle critical issues.

As such, ING could refer to the main industry standard per animal type, i.e. PQA+ for pigs, UEP for layers, NCC for broilers, VQA for veal calves, FARM for dairy cattle, and BQA for beef cattle.

For the critical issues, since they are not covered in industry standards, ING is advised to promote best practices through client engagement, a round table sharing network and/or knowledge, publications or other means. From a scientific point of view the main and most critical issue to promote improvement of animal welfare relates to enriched cages for laying hens.

- ING may consider discussing and promoting third party audits for each of the relevant industry standards per client and/or its suppliers.
- As companies may have different customers, with different requirements regarding compliance with ethical issues, it is important to ensure that the entire business of clients complies with the defined critical issues.

# Method

Animal welfare legislation and policies in the USA are different from those in the EU. To be able to assess animal welfare policies of USA companies involved in animal husbandry and/or processing, an assessment framework has been set up, based on the framework of the Business Benchmark on Farm Animal Welfare (BBFAW). The assessment covers the use of industry standards and auditing thereof, as well as detailed animal welfare related issues.

A survey has been undertaken to collect publicly available information on animal welfare policy of a sample of USA companies involved in animal husbandry and/or processing. With the defined framework, companies have been assessed on apparent compliance with EU animal welfare legislation.

As more EU legislation is issued for intensively kept animals (i.e. pigs, laying hens, broilers and veal calves), the company assessments in these animal types are more detailed than for dairy cows and beef animals. Critical issues have been derived per animal type, where the different industry standards are not compliant with EU legislation.

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