Report No. 3: Opinions, Practices and Developments in the Supply Chain Related to Animal Welfare as a Product Attribute
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1. Introduction PART I and II

This report explores the opinions, practices and developments of animal welfare in the supply chain in Sweden. The question will be asked whether animal welfare is considered a product attribute which is used to differentiate animal welfare-friendly products from other products according to actors in the Swedish supply chain.

The supply chain includes all actors that play a role in producing, transporting and supplying the products to the end consumers whether the consumers are shopping for food in a supermarket, eating in institutions such as schools or hospitals or eat their food in a restaurant. Although all these actors are of importance the main focus in this report is, firstly, on the production chain which here refers to manufacturing companies but not farmers (presented in Part I), and, secondly, on the retail sector as well as institutional buyers (presented in Part II). The present report mainly builds on the Welfare Quality Reports number 2, 7 and 8 (Kjærnes et al, 2007; 2008; 2009). Thus, the information presented here is an attempt to wrap up what the Welfare Quality Project concluded for the Swedish case rather than presenting new research on animal welfare in Sweden.

PART I: THE PRODUCTION CHAIN

2. Introduction

The Swedish production chain is dominated by producer cooperatives and thus producer owned manufacturing brands play a major role in the market (Kjærnes et al, 2008, p. 154f). In the beef and pig sector the cooperatively owned Swedish Meat supplies 80-90 percent of the meat sold in retail under their own brand Scan, which is the best known meat brand in Sweden. In the dairy sector Arla, another cooperative owned by the Swedish milk farmers, dominates the market (Kjærnes et al, 2008, p. 232). In the poultry sector Kronägg is the dominating supplier for eggs while the broilers market is slightly more diverse with different suppliers (Kjærnes et al, 2008, p. 236f).

The domination of a few producer cooperatives in the market entails that they have much power over the supply, although a bit less so since Sweden’s entry into the EU in 1995. In addition, the domination of large producing companies in most sectors of the processing industry seemingly implies that there is an unwillingness to differentiate between products according to animal welfare. It is often seen as a poor business strategy to differentiate between products with lower or higher animal welfare standards since the company sells both types of products. Thus, in most sectors animal welfare is not referred to as a product attribute. However, Sweden has an expanding market of organic products which are perceived as entailing animal welfare standards (Kjærnes et al, 2008, p. 233).

3. Animal welfare in the production sector

3.1 Administration and motivations of animal welfare labels/schemes

In Sweden, animal welfare is seen as a governmental issue and the state is responsible for regulation and control. Animal welfare has traditionally been handled by the state and it is subject to strict

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1 Due to the reviewing character of this report the more recent developments as well as issues not discussed within the Welfare Quality® project have not been included.
legislation. One result of this is that no Specific Animal Welfare schemes, that aim at explicitly improving animal welfare standards, have been developed (Kjærnes et al, 2008, p. 280).

However, quality assurance schemes that include varying standards of animal welfare do exist in Sweden and are dominantly owned by cooperative producer groups. A few schemes are manufacture owned or handled by individual slaughterhouses (Kjærnes et al, 2007, p. 54). For cattle, pig and poultry production the schemes that exist can be classified as basic quality assurance schemes with regulation according to Swedish legislation, top-quality assurance schemes with regulations that go beyond national legislation, or organic schemes with standards that go well beyond national legislation and include specific concerns for the environment, food safety, health and animal welfare (Kjærnes et al, 2007, p. 76; Kjærnes et al, 2008, p. 263, 266; Kjærnes et al, 2009, p. 82, 96, 98). The lack of Specific Animal Welfare schemes could be explained by the perception of Swedish animal welfare legislation as stricter than most other countries and thus the lack of need for such schemes (See Table 1) (Synthesis Report WQ 1.3.1.1, 30 March, 2005).

Although quality assurance schemes exist in Sweden very few schemes have labels that are communicated to consumers to promote animal welfare (Kjærnes et al, 2009, p. 41f).

Table 1: Different schemes in Sweden.

<table>
<thead>
<tr>
<th></th>
<th>Basic quality assurance schemes</th>
<th>Top quality assurance schemes</th>
<th>Specific Animal Welfare schemes</th>
<th>Organic schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Poultry</strong></td>
<td>MHS</td>
<td>Svensk Fågels</td>
<td>None</td>
<td>KRAV</td>
</tr>
<tr>
<td></td>
<td>Not really QAS:</td>
<td>Omsorgsprogram (Swedish</td>
<td></td>
<td>Demeter</td>
</tr>
<tr>
<td></td>
<td>Obligatoriska</td>
<td>Poultry’s Care Scheme)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Salmonellaprogrammet</td>
<td>Svenska Äggs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Frivilliga</td>
<td>Omsorgsprogram (Swedish</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Salmonellaprogrammet</td>
<td>Egg Care Scheme)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pig</strong></td>
<td>MHS (Sveriges Bönders</td>
<td>SvDhv (Svenska</td>
<td>None</td>
<td>KRAV</td>
</tr>
<tr>
<td></td>
<td>Miljöhusesyn)</td>
<td>Djurhälsovården)</td>
<td></td>
<td>Demeter</td>
</tr>
<tr>
<td></td>
<td>BAS</td>
<td>Slaughterhouses’ schemes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KLS</td>
<td>BIS</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SLP</td>
<td>BISPlus</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ugglarp</td>
<td>SwedehamPlus</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cattle</strong></td>
<td>MHS</td>
<td>Slaughterhouse schemes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Naturbeteskott</td>
<td>Swedish Meats</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Swedish meats</td>
<td>Göurmdé</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KLS</td>
<td>Swedish Meats</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Several cooperative</td>
<td>Major</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>slaughterhouses</td>
<td>Swedish Meats</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 cooperative dairy factory</td>
<td>KLS Felfri hud (Flawless hide)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Several cooperative dairies</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


The reason behind the different quality assurance schemes can be divided into commercial or legislative (see Table 2). The visibility and number of quality assurance schemes reflect the need to differentiate between Swedish products and imported products on the grounds of animal welfare (Kjærnes et al, 2007, p. 68)
Table 2: The reasons behind the setting up of standards in Sweden

<table>
<thead>
<tr>
<th>Standard Setting Body</th>
<th>Standards</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturer</td>
<td>Parsons</td>
<td>Commercial</td>
</tr>
<tr>
<td>Producer and Manufacturer</td>
<td>Swedish Seal</td>
<td>Commercial</td>
</tr>
<tr>
<td>Producer</td>
<td>Frisk Ko; Svensk Fågel (Poultry); Swedish Meats (Scan)</td>
<td>Commercial</td>
</tr>
<tr>
<td>Inspection Body</td>
<td>KRAV; Demeter</td>
<td>Legislative</td>
</tr>
<tr>
<td>Industry Initiative</td>
<td>MHS Sweden</td>
<td>Commercial/Legislative</td>
</tr>
</tbody>
</table>

Source: Kjærnes et al, 2007, p. 63

3.2 Communication of animal welfare

Animal welfare is seldom used to promote certain products in the Swedish market. For example, the egg company Kronägg does not want to market free-range or organic eggs specifically for higher animal welfare standards since Kronägg represents all types of producers. Promoting one type of eggs as more animal welfare-friendly would implicitly mean that production of other types of eggs would be perceived as less friendly to animals. For Kronägg specifically marketing free-range or organic eggs, which make up only a small portion of their total sales, as better than their other products, is seen as a contra productive business strategy (Kjærnes et al, 2008, p. 236).

One example of how animal welfare has been communicated in Sweden is the research program ‘the Cow-Barometer’ which was run by the Swedish Dairy Association and its members Swedish milk farmers. The research program contributed to the marketing of Swedish milk which is perceived as being animal welfare-friendly by following the Swedish animal welfare regulations (Kjærnes et al, 2008, p. 237). Although ‘the Cow-Barometer’ is an example of how animal welfare can be promoted through the marketing of Swedishness it did not exclusively promote animal welfare. In addition, the food industry in Sweden believes that consumers do not want information about the production of animal products when shopping for food. Therefore the marketing strategies in use disassociate animal products from live animals (Kjærnes et al, 2008, p. 41).

3.3 Welfare brands of producer organizations

As seen above, Specific Animal Welfare schemes do not exist in Sweden. However, the quality assurance schemes that do exist include animal welfare criteria to a varying extent. These schemes have mostly been created and are administered by producer organizations and thus, products from producer brands dominate the market in Sweden (Kjærnes et al, 2008, p. 157; Kjærnes et al, 2007, p. 47).

In Sweden, producers often pride themselves in having high animal welfare standards since the Swedish animal welfare legislation is perceived as stricter in comparison to the rest of the EU. Swedishness is thus used as a guarantee for good animal welfare, explicitly in marketing strategies and implicitly Swedishness is expected to be ‘known’ by Swedish consumers to entail good animal welfare (Kjærnes et al, 2007, p. 68). However, according to Kjærnes et al (2007; 2008; 2009), no
brands that specifically communicate animal welfare claims have been created by producer organisations or manufacturers in Sweden. There are several reasons for the lack of producer brands with animal welfare claims. One is the culture of equivalence which discourages a differentiation between products based on animal welfare which in turn could be explained by the general view that animal welfare is an issue to be handled by the state and not the market (Kjærnes et al, 2008, p. 152). In addition, farmers in general seem to distrust the potential of animal welfare labels in the market (Kjærnes et al, 2008, p. 315).

PART II: RETAILERS AND INSTITUTIONAL BUYERS

4. Introduction

Animal welfare in Sweden is regulated, monitored and controlled by governmental institutions. As such it is perceived as a basic common undertaking for the entire industry for animal products and thus it is not an issue upon which to base competition between producers or retailers (Kjærnes et al, 2009, p. 49). The Swedish retail sector is highly concentrated and together the four biggest retailers control over 95 percent of the food retail (Kjærnes et al, 2008, p. 233).

ICA 49.6 percent  
Coop 21.5 percent  
Axfood\(^2\) 16.7 percent  
Bergendahlsgruppen\(^3\) 8.3 percent

Retailers in Sweden are not proactive market-drivers but mostly reactive through the selling of suppliers’ products. However, due to their market dominance, retailers have some power over suppliers, and since Sweden’s entry into the EU their power has increased (Kjærnes et al, 2009, p. 45).

In Sweden a lot of food purchases are made by institutional buyers such as municipalities, regional or governmental actors. The will to include animal welfare and environmental claims in the public purchases has grown in recent years (Miljöstyrningsrådet, 2009-09-29). However, the European principles of proportionality, equal treatment and non-discrimination complicate the process of doing so (EMAS, Varor och tjänster, 2010-12-10).

5. Attitudes of retailers to animal welfare

According to the Welfare Quality Reports (2007; 2008) the Swedish retail market is characterised by a high trust in the Ministry of Rural Affairs (former Ministry of Agriculture) and the governmental institutions that carry out the control of safe food and animal welfare (Kjærnes et al, 2008, p. 231). The governmental animal welfare standards in Sweden are stricter than in most other countries and are also perceived as such by consumers as well as the industry. Therefore, Swedishness is connected to high standards of animal welfare and environmental concerns (Kjærnes et al, 2008, p. 154f, 232).

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\(^2\) Axfood’s retail business is conducted through the stores Willys, Hemköp and PrisXtra.

\(^3\) Bergendahlsgruppen conducts retail through for example the stores City Gross and Eko.
Due to this, animal welfare has traditionally been seen as a non-competitive issue or even a non-issue by most retailers and thus very few products carry animal welfare claims (Kjærnes et al, 2007, p. 46).

Sweden’s entry into the EU has resulted in an opening up of the food market and increased import of animal products. Animal welfare has since then become an issue of growing importance to retailers (Kjærnes et al, 2008, p. 232). For example, Coop makes animal welfare claims for all products sold in their stores. In addition, products that are considered controversial in a welfare perspective, such as goose liver, light calf’s veal and Belgian Blue, are boycotted by all Coop stores (Kjærnes et al, 2007, p. 37). ICA also makes animal welfare claims by not buying from producers that do not meet their standards of animal welfare (Kjærnes et al, 2008, p. 235). Thus, there is a growing trend of animal welfare as part of a commercial strategy which includes concerns about the environment, animal welfare and sustainability to support retailers’ private brand image (Kjærnes et al, 2009, p. 24).

However, the interest in animal welfare in particular differs between retailers. While ICA and Coop have promoted the issue, discount stores have shown no interest in the matter. In addition, the increased competition between retailers on prices has decreased the overall interest in animal welfare (Meyer von Bremen, 2005).

Today the division between retailers who make animal welfare claims and those who do not is still visible. According to information found on the four biggest retailers’ webpage it can be concluded that although both Axfood and Bergendahlsgruppen refer to environmental friendliness as part of their marketing strategy they do not refer to animal welfare in particular. ICA and Coop, on the other hand, include animal welfare as part of their quality standards and both market organic meat with welfare claims within their private brands (ICA, ICA tar ansvar, Frågor och svar, 2010-11-29; Coop, Coop vill främja en bättre djurhållning, 2010-11-29; Axfood, Miljö, 2010-11-29; Bergendahlsgruppen, Kvalitet och miljö, 2010-11-29).

6. Retailers’ attitudes/appreciation of animal based welfare quality systems

6.1 Retailers views of producer schemes for animal welfare

Due to the perception of animal welfare as a non-issue in Sweden, retailers in general do not perceive animal welfare as a criterion for differentiating between products in order to gain market shares (Kjærnes et al, 2008, p. 237).

However, some concerns are expressed on the need for a system of Swedish animal welfare standards in order for retailers to measure animal welfare practices in the supply chain of imported meat. Such a system is perceived as necessary for ensuring welfare-friendly imports and the possibility of retailers to stop selling products where problems with animal welfare have been detected (Kjærnes et al, 2008, p. 235f).

Currently both ICA and Coop require that producers guarantee a good animal welfare both for imported animal products and domestic production. Requirements comply with the regulations on
animal welfare which exist in Swedish law, but for products sold under their private welfare-friendly label regulations are stricter (ICA, Kvalitet, Säkra leverantörer, 2010-11-30; Coop, Coop agerar mot dåliga villkor för grisar, 2010-11-30).

6.2 Administration and motivations for animal welfare labels

In Sweden, there are no specific animal welfare labels. However, some products may include animal welfare claims either through specific statements or by referring to Swedishness. Manufacturing companies cooperatively owned by the producers dominate the market and as such products with a producer-owned label that often in some way include animal welfare claims (although rarely explicitly) have a high market presence (see Table 1) (Kjærnes et al, 2007, p. 47; Kjærnes et al, 2008, p. 157).

Table 3: Overview of the distribution of brands that include some animal welfare claims.

<table>
<thead>
<tr>
<th>Origin of AW brand</th>
<th>Producer brand</th>
<th>Retailer brand</th>
<th>Manufacturer brand</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of products</td>
<td>% of products</td>
<td>No. of products</td>
<td>% of products</td>
</tr>
<tr>
<td>Sweden</td>
<td>42</td>
<td>58</td>
<td>9</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: Kjærnes et al, 2007, p. 36

Schemes that include animal welfare criteria have been created and are administered mostly by producer organisations. For the individual farmer producer scheme participation is a prerequisite to access the market. However, no, or very few schemes in Sweden involve product labels for consumers. Some retailers have their own labels but the correspondence between producer scheme and consumer label is not obvious (Kjærnes et al, 2009, p. 41f).

7. Communication of animal welfare to the consumers through schemes and labels

7.1 Information and communication of animal welfare to consumers – forms of communication, problems and effects?

On individual products, animal welfare is rarely labelled as a characteristic of the product in Sweden. The claim for animal welfare which is generally used is Swedishness, since Swedish origin is used in marketing and expected to be known by consumers to entail high standards of animal welfare (Kjærnes et al, 2008, p. 154f, 232, 237). When it comes to eggs and pork the free-range label is used to emphasise animal welfare while it is rarely used for cattle (Kjærnes et al, 2007, p. 37, 40).

The large farmer cooperatives and the culture of equivalence is perceived as the reason for the lack of communicating animal welfare claims since claims of animal welfare on some products would implicitly mean that other products are produced with lower animal welfare standards. The labelling of products as organic is used but there are no claims of superior qualities of eco-labelled products (Kjærnes et al, 2008, p. 152).

The federative organisations of some retailers (Coop, ICA) allow individual stores some autonomy to meet local demands but the trend is towards more centralisation with a greater control over
purchases by the central office (Kjærnes et al, 2008, p. 233-235). Along with the centralisation some retailers increasingly use animal welfare as part of their branding strategy of their own concept-products (see Table 4) (Kjærnes et al, 2007, 38, 49).

Table 4: Four categories of welfare marketing characteristics, specific to products in-store that carry animal welfare claims on packaging, for different retailers.

<table>
<thead>
<tr>
<th>Welfare focused strategies in marketing of quality</th>
<th>Organic, less explicit welfare</th>
<th>Quality and welfare</th>
<th>Rare to find welfare or none</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden Hemköp, ICA Malmsborgs, ICA, Coop Forum/Hypermarket, Coop Konsum/Convenience store</td>
<td>Citygross/Hypermarket, Maxi ICA/Hypermarket, AGS/Supermarket</td>
<td>Willys</td>
<td></td>
</tr>
</tbody>
</table>

Source: Kjærnes et al, 2007, p. 38

7.2 Presence of animal species in the market for welfare friendly food

Strict legislation for animal welfare implies that animal products with a Swedish origin comply with at least some sort of animal welfare standard. However, products are rarely labelled as animal welfare-friendly but rather as Swedish. Swedish Meats supplies beef and pork to all major retailers either labelled with their own brand Scan, retailers own brands (e.g. ICA’s Sunda Naturbeteskött [Naturally Grazed Beef]) or the organic KRAV-label. Swedish Meats adheres to high welfare standards although they do not specifically label their products as such (Kjærnes et al, 2008, p. 235).

In the egg sector the supply is differentiated according to animal welfare lines by stating the mode of production. However, welfare-friendly products (such as free-range) are not labelled as better than other products (Kjærnes et al, 2008, p. 236). For chicken meat the brand Bosarpskyckling carries animal welfare claims as well as the organic KRAV label (Kjærnes et al, 2008, p. 26f).

In the dairy sector the market is dominated by Arla (a Swedish Dairy Farmers Cooperative). Arla does not put specific animal welfare claims on their products but the individual farmers follow the Swedish government’s animal welfare regulations. Some of the dairy production is organic and as such carries the organic KRAV-label (Kjærnes et al, 2008, p. 237).

Table 5: Percentage of different animal-based product types present in the market of products that carry welfare-claims.

<table>
<thead>
<tr>
<th>Food product typology</th>
<th>Pork No.</th>
<th>Pork %</th>
<th>Eggs No.</th>
<th>Eggs %</th>
<th>Dairy No.</th>
<th>Dairy %</th>
<th>Beef No.</th>
<th>Beef %</th>
<th>Chicken No.</th>
<th>Chicken %</th>
<th>Combination products No.</th>
<th>Combination products %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>18</td>
<td>27</td>
<td>15</td>
<td>23</td>
<td>11</td>
<td>17</td>
<td>8</td>
<td>12</td>
<td>6</td>
<td>9</td>
<td>8</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: Kjærnes et al, 2007, p. 39

Table 6: Welfare friendly products from retailers’ private brands
Retailer | Name of private label | Examples of animal products
--- | --- | ---
ICA | ICA Selection | Gårdsgris (pig)  
Naturbeteskött (beef)
Coop | Coop Ånglamark | pig, beef, lamb, egg

Source: ICA, ICAs egna varor, 2010-11-29; Coop, Coop Ånglamark, 2010-11-29

7.3 Welfare bundling on packaging

In general there is little information about animal welfare on packaging in Sweden. Some brands are implicitly claiming to be welfare-friendly because of its Swedishness (i.e. Scan) and, thus, known by consumers to be animal welfare-friendly, as well as caring for the environment (Kjærnes et al, 2008, p. 154f).

One label which is commonly used is the KRAV-label for organic food. Although it is an eco-label KRAV implicitly includes animal welfare claims (Kjærnes et al, 2008, p. 233).

Claims of animal welfare in Sweden could be indirect, such as the eco-label, or direct through reference to on farm animal welfare (see Table 7).

<table>
<thead>
<tr>
<th>Welfare claim</th>
<th>Product sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecological</td>
<td>Dairy</td>
</tr>
<tr>
<td>From free-range indoor hens</td>
<td>Eggs</td>
</tr>
<tr>
<td>Ecological</td>
<td>Chicken</td>
</tr>
<tr>
<td>Enjoy a well tasting beef from a beautiful countryside</td>
<td>Beef</td>
</tr>
<tr>
<td>Healthy and happy pigs</td>
<td>Pork</td>
</tr>
</tbody>
</table>

Source: Kjærnes et al, 2007, p. 40-43

7.4 Welfare brands of retailers

Due to the domination of producer-owned food industry and labelling of products in Sweden few retailers have developed their own brands and even fewer welfare-brands (Kjærnes et al, 2008, p. 235). According to ICA and Coop animal welfare is an important issue but they have both been reluctant to label products as animal welfare-friendly. According to them, consumers expect retailers and producers to deal with the animal welfare quality of products instead of leaving it to the consumer to decide whether to buy animal welfare-friendly or not (Meyer von Bremen, 2005).

However, today, two examples of welfare brands of retailers can be found in the Swedish market. ICA has the private brand ICA Selection and Coop has the brand Coop Ånglamark with animal welfare claims for animal products (see Table 6). Both ICA Selection and Coop Ånglamark are marked with the organic label KRAV which has stricter animal welfare regulations than Swedish legislation (ICA, ICAs egna varor, 2010-11-30; Coop, Coop Ånglamark, 2010-11-30).
8. Developments

Developments in the retail sector in Sweden could be classified within two branches. Firstly, growing centralisation of retailers which include the growing of manufacture brands (Kjærnes et al, 2007, 36, 68; Kjærnes et al, 2008, p. 235), and, secondly, the increasing use of animal welfare as a commercial strategy as well as a growing organic sector (Kjærnes et al, 2008, p. 233; Kjærnes et al, 2009, 24). Although there seems to be an increasing attention on animal welfare the growing centralisation of retailers could counteract the positive development since it prevents individual store owners within the retailer chains to stock locally produced products. The opening up of the food market with Sweden’s entry into the EU also implies increased food imports as well as greater price-competition between the traditional retailers and newly established discount stores (Kjærnes et al, 2009, 24). The developments within the supply chain will be further discussed in Report no. 6 on Trends and Future Developments.

9. Institutional buyers

In Sweden a lot of food purchases are done by institutional buyers such as municipal, regional or state actors through public procurements. In recent years there has been a growing will of these actors to be able to make public purchases according to environmental and animal welfare criteria (Miljöstyrningsrådet, 2009-09-29). However, the possibility to include such criteria is debated since the actors have to take the European principles of proportionality, equal treatment and non-discrimination into account (EMAS, Varor och tjänster, 2010-12-10).

According to the Swedish inquiry on procurements (Upphandlingsutredningen, 2006) products can be required to fulfill certain environmental or social criteria which will give the purchased product different characteristics than others. Although criteria can mainly refer to the final product, demands can be made on the production of food products, for example organic farming, since the final product is then assumed to include less pesticide due to the production method. Special mention is also made of animal life, which for example implies the possibility to discourage painful animal trials (Upphandlingsutredningen, 2006, p. 216ff). According to Miljöstyrningsrådet (the Swedish Environmental Management Council) public actors can include animal welfare demands when purchasing products by mentioning specific animal welfare criteria as part of the treaty but not by referring to a certain label or Swedish animal welfare legislation (Miljöstyrningsrådet, 2009-09-29).

However, although Miljöstyrningsrådet emphasizes the possibility of including animal welfare as criteria in public purchases the situation remains unclear especially when non-Swedish actors are involved. According to Upphandlingsutredningen (2006, p. 226) there is no possibility to require the fulfillment of certain criteria, such as environmental or animal welfare-friendliness, for production or transport outside of Sweden. Thus, for public purchasing there is still uncertainty regarding the food sector since imported products often make up a large part of the competition.

To clarify the situation the parliamentarian Cecilia Widegren proposed a motion to the parliament to include the possibility for institutional buyers to include animal welfare criteria in the legislation for public procurements (Motion 2010/11:Fi220). She claims that it is an important measure to guarantee that products used in Sweden are produced according to the standards of Swedish legislation and to enhance the possibility for local institutions to promote locally produced food.
10. Conclusion Part I: The Production Chain, Transport and Slaughterhouse

The production chain is mostly dominated by producer owned companies that thus have large power over what products are presented to the market. This is reflected in animal welfare control since most quality assurance schemes are owned and run by producer groups. Although the producer companies administrate the schemes, animal welfare is in general viewed as a governmental issue, regulated and controlled by the state and thus also part of the state’s responsibilities.

Quality assurance schemes in Sweden can be classified as basic-quality, top-quality or organic animal welfare schemes, but there are no Specific Animal Welfare schemes. Very few of the existing schemes are connected to a specific brand or label that communicates animal welfare claims to consumers. There is a general unwillingness of large producer companies to differentiate between products produced in an animal welfare-friendly way and products that are not. Thus, animal welfare is rarely used as a product attribute. A possible explanation for this is the culture of equivalence connected to the view of animal welfare as a non-competitive issue. In addition, since the large producer companies market both animal welfare-friendly products and other products they have little incentives for marketing one of their products as better than the rest. Since the differentiating of products based on animal welfare claims is uncommon in Sweden, the animal welfare claim that is communicated to consumers is Swedish origin. Swedishness implicitly proclaims animal welfare-friendliness since it is assumed that consumers ‘know’ that Swedish production is animal welfare-friendly by following a strict animal welfare regulation, stricter than that in most other countries.

11. Conclusion Part II: The Retail Sector and Institutional Buyers

Within the retail sector animal welfare is traditionally also viewed as a governmental issue and thus it is not an issue used for strategic marketing of certain products or retailer stores. The concentration of the Swedish retail market to a few actors means that the few actors have great power in the market. However, when it comes to animal welfare Swedish retailers have a reactive role rather than proactive.

In recent years this has slightly changed and today both ICA and Coop make animal welfare claims for some of their products or brands. However, the increased competition from discount stores counteracts the interest that retailers might show for animal welfare through an increased focus on lower prices.

In Swedish stores today there are few labels that communicate animal welfare claims to consumers. As in the producer sector, Swedishness is the label which is most commonly communicated as an animal welfare claim. Retailers motivate the lack of communication of animal welfare by claiming that consumers do not expect it to be an issue that they will have to deal with through consumption choices but it is rather an issue which should be dealt with within the supply chain.

The trend in the retail sector is towards more centralized retailer companies but also an increasing interest in animal welfare. However, there is a significant difference between the expressed interests in animal welfare between different retailers. The two biggest retailers ICA and Coop both have their own brands which include animal welfare claims. Other retailers such as Axfood and
Bergendahlsgruppen lack both such brands and a publicly expressed will to emphasize good animal welfare.

For institutional buyers in Sweden the situation is rather different than in the retail sector. The will to buy animal welfare-friendly food in public procurements is growing. Through the inclusion of environmental criteria in the process of procurement, EU regulations state that it is possible for institutions to purchases only organic food. In the same way there is a possibility to include social criteria in the procurement as well but whether these criteria can demand suppliers to guarantee an animal welfare-friendly production is less clear, especially if food is imported, and needs to be further researched.

12. Conclusions Part I and II: The Supply Chain, Opinions, Practices and Developments

Animal welfare is, by all actors in the supply chain, perceived as something which should be part of all animal management and not something which should be used as a claim to differentiate some products from others, a view shared by both the producer sector and retailers.

The way animal welfare is communicated to the consumers is mostly by referring to Swedish origin, both by producer companies and retailers. There are very few labels that carry animal welfare claims in the retail sector and producer schemes that explicitly aim at guaranteeing good animal welfare standards do not exist in Sweden. Although both retailers and production sector claim to care about animal welfare the view that animal welfare is essentially a non-competitive issue for which the government carries the main responsibility results in very few activities to promote animal welfare to consumers.

On the other hand, some institutional buyers express a strong will to promote animal welfare-friendly production through their public purchases. However, the paradox is that these state institutions are often hindered by other EU legislation to demand non-Swedish suppliers to follow Swedish animal welfare regulation.

Thus, Sweden’s entry into the EU has resulted in new dilemmas for public purchases but it has also created new challenges in the rest of the supply chain. In the production sector an increased competition from imported EU or non-EU animal products is challenging the producer sector’s dominating position as suppliers to the Swedish market. The animal welfare standards that the Swedish legislation ensures for Swedish production is thus no longer an evident part of animal products sold in Sweden. The emphasis in Swedishness has been a response from producers to the increased foreign competition which in addition is used to communicate animal welfare.

For the retail sector the entry into EU has increased the competition from foreign retail chains (often discount stores) which has resulted in an increased price-competition between retailers. However, the EU membership has also entailed that retailers can more easily import food which might not be a positive trend for the sales of animal welfare products. For some retailers the increased variation in products available has also led to an increased interest in animal welfare. Both ICA and Coop today market their own brands including animal welfare claims.

Form the expressed opinions and practices in the Swedish supply chain it can be concluded that animal welfare is, in general, not perceived as a product-attribute to differentiate animal welfare-
friendly products from others. There are a few exceptions but the presence of big producer companies as well as the increased price-competition in the retail sector discourages such a development. However, recent developments suggest that animal welfare is receiving increasing attention in the retail sector as well as within institutional buyers. If this trend continues, it might suggest that retailers could move from their present reactive role of supplying animal welfare to a proactive role of promoting animal welfare.

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