

Ten Thousand Labels: Credence Attributes, Product Differentiation, and Information Flows in the Food System: *Animal Welfare*

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[Glynn Tonsor](#)

Dept. of Agricultural Economics
Kansas State University



Existing Information Provision

- Relatively few “animal welfare” labels on U.S. retail products
 - AW ranks low in broad food interest public surveys
 - No USDA PVPs with direct claims
 - <5% of eggs are “cage-free” ; mean WTP >50% ...
- “Debate” being carried out more in the media, ballots, and legislative arenas than retail shelf
 - “labels aren’t sufficient” view leads to bans...
- Distinct difference in “voting resident” and “food purchasing consumer” behavior...



Current Regulations

- Growing number of states with passed ballots or legislation restricting production practices
 - Unfunded implications for government
 - Interstate commerce law quickly comes to play...
 - Some groups think non-ballot states are safe production havens
- Discussion for national standards (UEP-HSUS)
 - Leads to growing tension across species...
- Europe is “ahead” by most timetables



Marketing Implications & Stakeholder Implications

- Consumers & Residents
 - Heterogeneous impacts abound
 - Price & Tax implications must be appreciated
- Producers
 - Pinch point of Consumer vs. Customer pressures
 - Most AW discussions involve fixed, not just variable cost adjustments ...
 - Unintended consequences abound: e.g. larger farms?



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animal slaughter.
Solves world
hunger. Looks
promising.

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move,
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Bell!

Americans
have been proven
to eat anything that
comes in a nice
package with
the right
marketing.

SOCIAL MEDIA

Man-Made Meat

A TIME.com piece on the world's first lab-grown burger, to be served in 2012, got our Google+ followers so riled up that they maxed out the site's 500-comment limit, with many answering our question, Would you eat test-tube meat?



Comments, clockwise from left: Brontae Hunter, Miss M, Gian Robinson, Phil DiNuzzo

Source: March 12, 2012 TIME magazine



Tonsor's Overall Take

- AW is one of several “social challenges” here to stay – also related to perceived others...
- Trend of pressure coming from sources “outside the retail shelf” also here to stay
- AW is not univariate yet most debates, bans, labeling schemes, etc. treat it as such
- Does AW fit into a “cost of doing business” category in US that areas of global meat demand growth simply don't care about???



More information available at:



This presentation will be available in PDF format at:

<http://www.agmanager.info/about/contributors/individual/tonsor.asp>

Glynn T. Tonsor
Associate Professor
Dept. of Agricultural Economics
Kansas State University
gtt@agecon.ksu.edu

