Future of Indiana
Animal Agriculture

Farm Policy Study Group

December 7, 2010
Agenda

- Introduction – Nicole Olynk
- Trends in Livestock Production – Chris Hurt
- Environmental Pressures – Tamilee Nennich
- Social Pressures – Nicole Olynk
- A Producer Perspective – Dave Hardin
Introduction/Setting the Stage

Animal agriculture has experienced a number of recent challenges
- Feed costs
- Volatility in markets
- Environmental pressures
- Social Pressures
  - Animal Welfare
  - Regulatory changes versus market changes
Goals

- Updates on trends
- Implications for livestock going forward

What areas do we need to be aware of moving forward?

Discussion!!!
Animal Agriculture Looking Outward: Social Pressures

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Before we get started …

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Clickers
- Instant response
- Anonymous
How long did you travel to get here today?

1. Less than 1 hour
2. 1 – 2 hours
3. 2 – 3 hours
4. 3 – 4 hours
5. Greater than 4 hours
Neighbor Relations and Social Pressures

Farms are under increased pressure

- Environmental concerns
- Health concerns
- Animal welfare
- Socially acceptable practices
- Neighbor concerns
- Volatile input prices (i.e. fuel and fertilizer)
- Volatile output prices

Source: alsart.org/images/pics/Farm%20near%20City.jpg
Motivation

- Production agriculture is facing increased pressure to adopt significant changes to production processes
  - Pressure for changes relating to the “production process” rather than the “output characteristics of the product”

- This is not unique to agriculture
- This is not unique to food
- This is not unique to livestock
Motivation

Need better understanding of consumer perceptions, beliefs, and behaviors
- Is there a perceived quality difference in the product?
- Do consumers have a positive willingness to pay for processes?

Perception is Reality
Motivation

Assessment of current **producer** sentiment is needed to:

- Assess ability and willingness to respond to changes in consumer perceptions and demand
- Examine economic impacts from potential adjustments
Motivation

Producer Reality

Consumer Reality
Summary of Survey Questions

Survey respondents were:

- 71% female
- Avg Age of 53 years
- 61% when was their last farm visit?
- Avg household: 2.5 children
- Proportion of respondents: 61%
Have you seen a label like this?

1. Yes
2. No
Have you seen a label like this?

1. Yes
2. No
Have you seen a label like this?

1. Yes
2. No
What are we really talking about?

- Food safety?
- Animal welfare?
  - What is animal welfare?
    - Handling
    - Housing
    - Consumer perception of animal well-being
Consumers are concerned with the well-being of animals?

1. Strongly Agree
2. Agree
3. Disagree
4. Strongly Disagree
Farm animals should be treated in a way that prevents them from experiencing pain.

1. Strongly Agree
2. Agree
3. Disagree
4. Strongly Disagree
Farm animals should be able to lay down, stand up, and fully extending his or her limbs and turn around freely for the majority of any given day.

1. Agree/Yes
2. Disagree/No
SECTION 2. PURPOSE
The purpose of this Act is to prohibit the cruel confinement of farm animals in a manner that does not allow them to turn around freely, lie down, stand up, and fully extend their limbs.

SECTION 3. FARMANIMALCRUELTY PROVISIONS
Chapter 13.8 (commencing with Section 25990) is added to Division 20 of the Health and Safety Code, to read:

CHAPTER 13.8: FARMANIMALCRUELTY
25990. PROHIBITIONS.- In addition to other applicable provisions of law, a person shall not tether or confine any covered animal, on a farm, for all or the majority of any day, in a manner that prevents such animal from:
(a) Lying down, standing up, and fully extending his or her limbs; and
(b) Turning around freely.
Regulation versus Marketplace

Motivations changes when we move into a legal arena

There is a distinct difference between consumers and the voting public
Research is ongoing at Purdue

Collaborative efforts between Ag Econ and Animal Science

- Determine profitability of providing welfare attributes
- Assess market forces versus legislative changes in animal welfare arena
- Unique approach: If we can understand the demands of the consumer, we as producers can adapt to provide those attributes which can be provided profitably