

Animal welfare does not damage competitiveness

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EU farmers hold their own well in competition with the rest of the world, despite the comparatively high demands the EU places on agricultural production.

"We have investigated the connection between animal welfare regulation in the EU and <u>competitiveness</u>. We have seen that the impact on competitiveness and on trade is very minor, if it exists at all", says Anna Andersson, researcher at the AgriFood Economics Centre.

The aim of the report is to investigate whether trade barriers for certain products can be economically justified in order to protect a society's values. For example, should <u>farmers</u> who are required to comply with stricter animal welfare legislation be compensated so that consumers do not snub EU products?

"In the debate, it is often said that we cannot defend our own values at home, but the study does not support that view."

The cost of protecting domestic products, for example by introducing higher tariffs, is very high.

"More trade barriers would increase prices, <u>consumers</u> would have less choice, the use of our agricultural resources would become less efficient and reduced competition would lead to a less dynamic industry when the pressure for improvements falls. EU protection of <u>agricultural products</u> already hits poor countries the hardest and increased trade barriers would



risk further worsening the situation", says Ms Andersson.

The EU has a negative trade balance, i.e. it imports more than it exports, and this is due to large imports of products such as bananas, coffee, salmon and prawns, which are not produced, or only produced on a small scale, within the Union.

Provided by Lund University

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