

# **MARKET PRACTICES IN GLOBAL NETWORKS: A MEANS OR OBSTACLE TO IMPROVING ANIMAL WELFARE?**

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*Work-in-progress*

*to be presented at the 29<sup>th</sup> Industrial Marketing and Purchasing Conference, Atlanta, August  
30 – September 2 2013*

## **ABSTRACT**

The purpose of the paper is to explore the role market practices (can) play in relation to improving animal welfare. Specifically, we look at market practices in relation to pork. Recent changes in European animal welfare standards for sows have narrowed the differences in animal welfare between conventionally produced pork and production forms with a greater emphasis on animal welfare. Using the market practice approach proposed by (Kjellberg and Helgesson, 2007), we explore how the conditions for animal welfare are shaped by the representational, normalizing and exchange practices of various actors in the pork industry and how these practices can reshape the market with a view to improving marketing activities and increasing sales of pork produced to better welfare standards than mandated by regulators. We also draw on the literatures on inter-organisational interaction and business networks.

**Keywords:** Animal welfare, business networks, market practices

**Track:** Managing sustainability in global networks

## INTRODUCTION

Concern about the negative consequences of the current production practices of the agro-industrial complex for climate change, public health, social and economic inequality, the environment, bio-diversity and animal welfare is on the rise, as evidenced by the publication of such popular books as *Eating Animals* by Jonathan Safran Foer (2009) or *Fast Food Nation* by Eric Schlosser (2002). This is also the case with regard to the conditions under which animals are bred, reared and slaughtered. Public outrage is instant and vociferous when pictures of maltreated animals kept in overcrowded stables or suffering during long transports are shown on the news, but often this outrage is not expressed in the supermarket where ‘welfare meat’ remains a small niche and price is often the most important choice criteria.

It is thus possible to talk of an animal welfare paradox. On the one hand, in their role as citizens many people are very concerned about the conditions under which animals are reared. On the other hand, most consumers do not buy ‘welfare meat’ when they are doing their grocery shopping in the local supermarket.

Legislation has historically been the preferred tool for ensuring acceptable conditions for farm animals, initially through national regulations and later in the form of international agreements. However, there is growing recognition that animal welfare legislation is not sufficient to ensure the level of animal welfare that is desirable from public or political perspectives. There are several reasons for this (Christensen et al., 2012). First of all, the cheap, free or even profitable animal welfare improvements are typically implemented first and thus additional animal rights measures often involve significant extra costs for either primary or secondary producers. Secondly, increased cross-border trade of animal products has intensified price competition. Hence, costly, geographically focused animal welfare improvements risk undermining the international competitiveness of local products and lead to increased imports of products from countries with less strict animal welfare regulations. Thus, unless local producers can turn higher animal welfare standards into a competitive advantage, animals are unlikely to experience the desired welfare improvements overall. Thirdly, regulations only have the desired effects if they are observed in practice – and this requires effective monitoring and sanctions.

Considerations such as these and surveys that indicate that citizens are concerned about animal welfare and would like more information have made legislators and authorities look towards the market as a potential mechanism for improving animal welfare. There are several examples that demonstrate that the market can indeed contribute to improving animal welfare for large groups of animals – egg-laying hens and cows producing organic milk being cases in point.

The purpose of the paper is to explore the role market practices (can) play in relation to improving animal welfare. Specifically, we look at market practices in relation to pork. Recent changes in European animal welfare standards for sows have narrowed the differences in animal welfare between conventionally produced pork and production forms with a greater emphasis on animal welfare. Using the market practice approach proposed by (Kjellberg and Helgesson, 2007), we explore how the conditions for animal welfare are shaped by the representational, normalizing and exchange practices of various actors in the pork industry and how these practices can reshape the market with a view to improving marketing activities and increasing sales of pork produced to better welfare standards than mandated by regulators. We also draw on the literatures on inter-organisational interaction and business networks.

## THEORETICAL BACKGROUND

Kjellberg and Helgesson (2007) propose a threefold conceptualisation of market practices as exchange practices, representational practices, and normalising practices.

The notion of *exchange practices* refers to the concrete activities related to the consummation of individual economic exchanges between actors. Exchange practices include both idiosyncratic activities related to specific economic exchanges and more general activities that contribute to shaping individual exchanges. In the present study, relevant exchange practices include the idiosyncratic activities related to specific economic exchanges between Danish pork producers and their customers in Denmark and on export markets. Examples of such idiosyncratic activities include the negotiation of product specifications, animal welfare standards or the negotiation of price structures and terms of delivery, and more general activities such as advertising and the physical distribution of goods. Material devices such as gestation crates, supermarket shelves, order forms and warehouses play an important role in shaping these exchange practices.

*Representational practices* comprise activities that contribute to depicting markets and/or how they work. Markets are abstract entities and it is necessary to produce images of the market in order to bridge temporal differences between individual exchanges (Kjellberg and Helgesson, 2007). Of particular relevance in the present project was on representations of intermediate and end-customers and their propensity to buy ‘welfare pork’ and how they were constructed.

Finally, *normalising practices* are activities that contribute to establishing ‘guidelines for how a market should be (re)shaped or work according to some (group of) actor(s)’ (Kjellberg and Helgesson, 2007). This refers to the establishment of normative objectives and is reflected in the numerous attempts made to change markets in specific directions. In the project at hand, various efforts to improve the animal welfare of sows reflect just such a normative objective.

The three types of practices should not be considered in isolation, as they are entangled and linked through chains of translations. Translation is here understood as the basic social process through which something spreads across time and space (Callon, 1986, Latour, 1987). Translation involves intermediaries, such as rules, tools, measures and measurements (Callon and Muniesa, 2005), and is an on-going and continuous process, i.e., the market is constantly evolving and changing and actors’ daily interactions influence how the market is shaped (Kjellberg and Helgesson, 2006). For instance, the normative objective of improving animal welfare is translated into concrete exchange practices between Danish pork producers and customers in Denmark and on export markets.

## RESEARCH SETTING AND METHODOLOGY

The conceptualisation of market practices outlined above provides the theoretical springboard for studying if and how exchange, representational and normalizing practices are reshaping the importance of animal welfare on markets for Danish pork.

### RESEARCH SETTING

We chose the Danish pork sector as the setting for our study because new animal welfare legislation prohibiting the use of gestation crates will be fully implemented in 2013. Studying how markets adapt to changing regulations is interesting in its’ own right. Furthermore, the new

legislation reduces the gap in animal welfare standards between mainstream pork production systems and niche production systems such as organic farming and free-range production systems with higher animal welfare standards.

Several brands of pork on the Danish market have at least in part been positioned based on meeting higher animal welfare standards than mainstream pork. Since the differences in animal welfare have been eroded because of the minimum requirements being increased, it is expected that the new regulation will motivate at least some actors in the industry to try to improve welfare standards over and above the minimum requirements in order to (re)gain a positional advantage and to be able to charge higher prices for the pork they are producing or selling.

Finally, the Danish pork sector is an interesting setting for studying market practices because the pork industry is increasingly global. Danish pig producers and processors have to compete with competitors from other countries with lower labour costs (Esbjerg and Grunert, 2008). It is also relevant to study export markets because of concerns within the pork sector as to whether it will be possible to recoup the extra costs that are (expected to be) associated with more animal friendly production systems.

#### GESTATION CRATES AND ANIMAL WELFARE

In conventional pig production, sows are currently almost always fixated when they farrow and suckle. Most stakeholders agree that from an animal welfare perspective this is not optimal. Alternative production systems, where sows are loose when they farrow and suckle do exist. However, a problem with these production systems is that they often involve significant extra costs for the farmer. In order for them to be economically viable, the farmer therefore has to get a higher price for the piglets and ultimately for the pork produced from these pigs.

Because the use of gestation crates in pig farming is considered an important animal welfare issues, it has or is being phased out in many countries. During the 1990s, Danish pig producers voluntarily began to phase out gestation crates, in part to meet requirements of the important UK market. As of January 1 2013, all sows reared in the European Union have to be loose during gestation. In Denmark, nearly all pregnant sows are now loose, but there are problems meeting the new requirements in several European countries.

#### SOURCES OF EMPIRICAL DATA

The setting of this study is the Danish pork sector and its customers in Denmark and on selected export markets. Semi-structured interviews are being conducted with pig producers, slaughterhouses, processors, retailers and other important stakeholders in Denmark and with relevant customers on selected export markets. Furthermore, we collect and analyse relevant documentary materials.

At the time of writing, we have conducted 15 interviews with various Danish actors, including interviews with three primary producers, the sales managers of the two Danish slaughterhouse cooperatives, three retailers (separate interviews with category managers at the corporate level and store managers and butchers at the store level) as well as three stakeholder organisations (see Table 1 for a list of informants related to the Danish market).

**Table 1** List of informants, Danish market

<p><b>Primary producers</b>            Conventional pig producer            Free range pig producer            Organic pig producer</p>
<p><b>Slaughterhouses/food processors</b>            Danish Crown (largest Danish cooperative within the pork sector), sales manager            Friland Food (Danish Crown subsidiary, markets organic and free range meat), project manager            Tulip (Danish Crown subsidiary, produces and sells processed foods), corporate communications manager            Tican (the other Danish cooperative within the pork sector), sales manager</p>
<p><b>Retailers</b>            Soft discount chain: category manager (chain), store manager and category manager (store)            Upmarket supermarket chain: category manager (chain), store manager and butcher (store)            Mid-market supermarket chain: category manager (chain), store manager and butcher (store)</p>
<p><b>Other stakeholders</b>            Dyrenes Beskyttelse (largest Danish animal rights organisation), project manager responsible for pigs and communications manager            Danish Agriculture and Food Council (organisation representing Danish farmers and food industry), area manager for Food, Veterinary and Research Policy            Pig Research Centre (organisation in charge of research and development tasks related to the live pig and of communicating knowledge obtained through these activities), area manager for Housing and Environment</p>

In addition to the interviews with actors related to the Danish market, we will interview importers, wholesalers and retailers on several important export markets for pork from Danish pigs. The export markets we have chosen to study are Australia, China, Great Britain, Sweden and the United States. These markets have been chosen because they are expected to differ in terms of the importance of animal welfare for buying and marketing pork. Finally, we will interview the export managers of the Danish meat processors responsible for these markets (we expect to conduct six such interviews, five within Danish Crown and one with Tican). In total, we expect to conduct between 30 and 40 interviews.

#### ANALYSIS AND INTERPRETATION

In the generation, analysis and interpretation of the empirical material we focus on (1) current exchange practices, (2) how different actors understand the market for pork (in particular welfare pork) and (3) how various actors attempt to change practices in relation to animal welfare. More specifically, we are interested in the current interactions between primary producers, processors and retailers, the interpretations various actors have constructed about consumers and their meat consumption and various actors' views on and own ideas about how the marketing of pork from loose sows can be improved and increased.

#### RESEARCH FINDINGS

Data collection and analysis is still ongoing, but initial findings from Denmark suggest that the improvement in general animal welfare conditions for sows has implications for market practices. The recent changes in animal welfare requirements are seen to have eroded the

differences between conventionally produced pork and pork sold as welfare pork. In order to maintain the differentiation between conventional and welfare pork, one retailer has begun discussions with Danish Crown about how to improve the welfare standards for pigs to be sold as welfare meat. Changes in representations of the market for pork have thus led to discussions about how the market for welfare meat should be reshaped in the concrete interactions between retailers and producers. The initial findings also suggest that retailers have formed diverse representations of the effects that the changes have, leading to diverse adaptations in market practices (e.g. change in exchange and normalizing practices). Additionally, retailers perform different activities which allow them to form their own representation of the market. Hence, actors do not share the same representation of the market and thus not everyone see the potential of increasing voluntary the standards for animal welfare.

At the same time, both retailers and producers have constructed representations of the market for welfare meat that acknowledges that improvements in animal welfare have to be balanced with the extra costs that will be incurred. Retailers are competing heavily on price at the moment, which is seen as creating a barrier for producing welfare meat because of the higher costs associated here with. Also, there is a realisation that welfare pork is but a small niche production for the Danish pig sector. Efforts aimed at to improving animal welfare are thus tempered by representations of the overall market for Danish pork as comprising several different countries with very different requirements, not least in relation to animal welfare.

#### THE LOCAL AND THE GLOBAL MARKET FOR PORK

According to the category manager for the upmarket supermarket chain, Danish consumers can be divided into two distinct segments in relation to animal welfare: those who don't care that much and for whom it is all about price and then the rest. This second group only accounts for a couple of per cent of all consumers.

Although this segmentation is a bit crude, it reflects a widespread sentiment among our informants, namely that animal welfare is not a major concern for most Danish consumers, at least not if they have to pay more for their pork chops. Danish consumers are represented as being mainly interested in good taste and lean pork, but at as low a price as possible. Only a very small subset of consumers is thus seen to demand pork with better animal welfare than conventional pork and to be willing to pay a (small) price premium for this.

The limited demand for animal welfare is reflected in current production figures. The vast majority of the roughly 21 million pigs slaughtered in Denmark in 2011 were thus conventional pigs meeting the welfare requirements of the DANISH product standard or UK contract production (*sic*). Only about 88,000 pigs were organic and about 104,000 were free-range pigs, the two production systems with the highest animal welfare standards.

At the time of writing, farmers are paid DKK 11.30/kg for conventional pigs by the two big Danish slaughterhouses (June 2013). Friland pays a premium of DKK 3,50/kg for free-range pigs, while the premium is DKK 11.25/kg for organic pigs. In supermarkets, conventional pork is sold for around DKK 80/kg, while organic pork meat is typically sold at a 50% price premium, free-range pork at a premium of 10-20% over conventional pork.

If consumers were to place greater emphasis on animal welfare, informants from the industry are sure that supply of welfare meat would increase (if farmers were paid a premium to cover the additional costs associated with improved animal welfare), although Friland complain that

production of free-range pigs does not meet current demand. Dyrenes Beskyttelse, the largest Danish animal rights organisation, suggest that there is in fact a tendency that consumers are beginning to think more about how their pork was produced. Dyrenes Beskyttelse further argue that if consumers are to demand animal welfare they have to be better informed. Other informants stress that consumers are overwhelmed by information and have difficulty making sense of it all. There are many different labelling schemes that are ostensibly trying to make consumers more informed and help them make more informed choices, but most of these labelling schemes are not regarded as well-known, exceptions being the red Danish organic label and the Nordic keyhole label.

Some informants stress that if certain products are to be sold as being better in terms of animal welfare, it is important that the differences have to be big enough to be communicable and understandable to consumers and that it has to make a significant difference for the animals.

What is striking about the understandings that different actors have constructed about what the market looks like and how it works, is that they were constructed using very different representational practices (Kjellberg and Helgesson, 2007). At the one extreme, the category manager for the soft-discounter bases his understanding of consumers and what the retailer should do to succeed on what he believes in and would like to buy. This retailer does not conduct any formal market research, but rather bases its' understanding of the market on informal discussions in-house and with their main supplier, Danish Crown. At the other extreme, Danish Crown and the upmarket supermarket chain use a variety of different methods when constructing their understanding of the Danish market, including a copious amount of formal market research and regular discussions with partners.

Contributing to the lack of emphasis on animal welfare in Denmark is that the main retailers take a very passive stance. Three big retail groups dominate the Danish grocery market (Coop, Dansk Supermarked, SuperGros). All take a hard-sell approach and do not emphasise animal welfare in their overall positioning and strategies, several informants argue. It is left to smaller retailers to position themselves on animal welfare.

Informants describe retailers as only being interested in selling what their customers want. If their customers have no interest in animal welfare and are not willing to pay a premium for it, retailers will not offer it. However, as one informant suggests, retailers have not actually asked consumers what they want. Instead retailers are described as being guided by what is good for them and almost guiding what consumers mean and want rather than the other way round.

It is noteworthy that most informants explicitly draw a line between the Danish market and the global nature of the Danish pork industry. There is thus widespread recognition of the societal importance of the Danish pork sector, which accounts for almost 5% of total Danish exports, and that efforts to improve animal welfare therefore have to be made with an eye on maintaining the competitiveness of Danish pork production. As a consequence, several actors are against raising animal welfare standards unilaterally.

Animal welfare plays a role on some export markets, most notably the United Kingdom, Sweden and Australia. On other markets, animal welfare is not considered an issue or even to be a liability because it is seen as adding unnecessary costs to products. Instead buyers are understood to be interested in issues such as traceability and food safety.

## FREQUENT CONTACT AND LONG-TERM RELATIONSHIPS

Current exchange practices are characterised by persistent interaction between retailers and suppliers (slaughterhouses, processors) and quite complex relationships with many points of contacts between buyers and sellers.

On the home market, Danish Crown and Tican are in frequent contact with most of their retail customers. Often they talk several times a day to discuss issues related to day-to-day operations. In addition they meet to discuss future initiatives and developments on a regular basis. It is noteworthy that collaboration and interactions between slaughterhouses and retail customers often involve people at many organisational levels. For instance, the sales manager for Danish Crown stated that he had many different points of entry into a particular retailer, including the CEO, two operations managers, four regional managers, store-level butchers, central retail buyers and marketing people.

The retail buyers/category managers interviewed also emphasise frequent interaction and the good, long-standing relationships they have with the slaughterhouses. Personal, face-to-face meetings are frequently on home market due to short geographical distances, but buyers and sellers also use e-mail and telephone to interact.

The retail chains covered by our study all sell one or more specialty lines and there are indications from our interviews that they are not representative of Danish retailing as a whole.

For Danish Crown it is very important to always service the big three retailer in Denmark (Dansk Supermarked, Coop and SuperGros), neither of which emphasise animal welfare. The slaughterhouses/suppliers thus express a general interest in developing and maintaining long-term relationships with retail customers, which is not surprising given the gatekeeping role they play. However, some retailers are only interested in getting the lowest price here and now. Hard discounters Aldi and Lidl in particular focus almost exclusively on price and it is therefore difficult for suppliers to discuss other issues such as quality with them. Besides price, hard discounters are interested in stable supplies and national origin (that they sell Danish pork, at least now and again).

One sales manager argued that it is sometimes be difficult to work with retailers on issues of a more long-term nature because retail buyers are often evaluated on buying at low prices. Furthermore, he said that some retailers had difficulty accepting price increases despite higher costs to farmers and higher world market prices for pork. In the latter half of 2012 there were large price increases of pork due to decline in supply coupled with increasing demand (the decline in supply is linked to higher welfare requirements by some informants). Therefore slaughterhouse held meetings with customers (retail chains) in order to explain price increases and discuss of how to deal with them, specifically how suppliers could help retailers if these cannot increase prices to consumers by selling them different (i.e., cheaper) cuts of meat. In the spring of 2013 prices began to soften again due to higher than expected production forecasts for China and Russia. Because of fluctuations in the price of pork (due to variations in production volume and changes in raw material prices), the slaughterhouses consider the market for pork to be turbulent and difficult to predict.

In Denmark the discount sector have gained market share in recent years. Discount chains have different cost structures than supermarkets/superstores, therefore it is difficult for supermarket chains to compete on price and according to Danish Crown (some) supermarket chains are realising that they have to compete on something different than price.

According to Danish Crown, retailers would like to offer their customers something unique. In order to satisfy this demand, Danish Crown has a number of specialty production lines (Antonius, Den Go'e Gris, Bornholmergrisen, free range pigs, organic pigs, forest pigs) in addition to pork from conventional production systems.<sup>1</sup> In most cases, specific retailers have exclusivity selling the pork from the different specialty production lines. Danish Crown has ongoing discussions with the respective customers about what the production requirements for each speciality production line should be at the farm level in terms of, e.g., space, flooring, feed or weight at slaughter. The specialty production lines have been shaped over many years in collaboration with the respective customers. Animal welfare standards for all specialty production lines is higher than for conventional pigs, although how much better differs.

Danish Crown works closely with Dyrenes Beskyttelse in relation to organic and free-range pigs, both in relation to formulating requirements and joint research and development efforts. Danish Crown sees Dyrenes Beskyttelse as having very high credibility, which brings legitimacy to these products. In contrast, a retail informant is critical of Dyrenes Beskyttelse. He argues that Dyrenes Beskyttelse makes life difficult for firms trying to do their bit for animal welfare by setting the bar too high and criticising products that do not live up to the standard of organic pigs. According to this informant, Dyrenes Beskyttelse set the bar too high. Not surprisingly, Dyrenes Beskyttelse rejects this criticism. On their homepage, Dyrenes Beskyttelse (2011) argue that the marketing for some of the pork sold as being better than conventional pork, but not on par with free-range or organic pork, is close to deceiving consumers, as the differences in animal welfare from conventional pork (e.g., the pigs have slightly more room to move than conventional pigs and tail-docking is not standard) are only marginal.

One of the other category managers we interviewed lamented that other retailers did too little to improve animal welfare. Even though retailers have a lot of power, they do not want to use it (at least not to make a difference in relation to animal welfare). The Agriculture and Food Council echo this view, as they identify only a couple of smaller retailers as using animal welfare proactively. Overall, Danish retailers are described as simply having an expectation that Danish pork meets basic animal welfare requirements.

Dyrenes Beskyttelse describes retailers as tough negotiators that are only interested in what they can make money from. This is also true when it comes to animal welfare. Suppliers and organisations such as Dyrenes Beskyttelse therefore have to justify the benefits that retailers can derive from animal welfare, if retailers are to become more proactive.

That retailers in general do not do more to further animal welfare reflects their understanding that most consumers are more interested in low prices and taste than animal welfare and as unwilling to pay a premium for welfare.

Several informants from different positions in the supply chain argue that it is important that consumers have to have a choice of different types of pork. Even the upmarket supermarket chain selling organic and free-range pork has to sell conventional pork, the category manager says, even though he finds conventional pork uninteresting. Consumers want a choice and on the occasions when the retailer has made choices on behalf of consumers, it has suffered. However, the retailer tries to influence consumers through focusing on the products it cares most about in its marketing (both circulars and in-store), hoping that this will be self-reinforcing.

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<sup>1</sup> Tican only slaughters conventional pigs because it only has one slaughterhouse and the costs and effort required to manage separate production lines is deemed to be too high.

The general implementation of the new regulations regarding pregnant sows means that the difference between conventional pork production and specialty production lines has narrowed. However, if there are no differences in animal welfare standards between different products, animal welfare becomes uninteresting from a marketing perspective. Several informants thus argued that you cannot use meeting basic animal welfare requirements for marketing purposes. The category manager for the soft-discounter thus suggested that it was a challenge for him that the difference between conventional pigs and the specialty production line sold by the retailer had narrowed. He was therefore in negotiations with Danish Crown about how to re-establish a difference, but progress was slow because Danish Crown is a large, bureaucratic organisation that has to reconcile different interests. While this retailer fundamentally wants to make a positive difference in relation to animal welfare, the store manager we interviewed from the same retail emphasises that he also has to remember that there is a commercial aspect to what he is doing: he has to move some products over the counter.

There are costs associated with specialty production lines throughout the entire value chain because different production lines have to be handled separately in the slaughterhouses. In addition there are costs associated with meeting documentation requirements, having different packaging and specific labels etc. These costs have to be covered from part of the pig, because only some cuts/products from the pig can be sold at a premium to consumers. Other parts are used for processing or exports, but without customers paying a premium.

Retailers and slaughterhouses have annual contracts that settle general terms of business. The volume of business is not laid down. The same is true for prices, which are settled on a weekly basis based on the market price for pork.

On the Danish market, there is close collaboration between suppliers and retailers about product development, marketing efforts and in-store activities as well as training of in-store personnel. As part of their collaboration, Danish Crown/Friland have thus developed a training programme together with Dyrenes Beskyttelse and SuperBest in order for butchers in SuperBest stores to be prepared to engage in dialogue with consumers about the conditions under which free range pork is produced and how Dyrenes Beskyttelse as an independent party regularly controls that pig producers meet the rules on animal welfare conditions that have been developed in collaboration with them. A similar programme has been developed in cooperation with Irma.

The main actors in the pork sector are not interested in increasing overall welfare standards at the moment. Danish Crown, Tican and the Agriculture and Food Council are happy for Danish production to meet legal requirements because this is deemed to be more than enough to meet demand on the world market. Because of the high relative costs of Danish production, these actors are afraid that unilaterally improving animal welfare will result in deteriorating competitiveness. These main actors have constructed an understanding of how Denmark is perceived on world markets – as the standard against which others are measured in terms of animal welfare, standardisation, regulation, monitoring. That customers on export markets have constructed this understanding is a competitive advantage.

Actively promoting animal welfare can also have negative consequences, as Danish consumers can begin to question whether animal welfare is not as good as they expected. On some export markets, emphasising animal welfare is as having potentially negative consequence because buyers are not willing to pay for this.

## EFFORTS TO IMPROVE ANIMAL WELFARE MEET ECONOMIC REALITY?

How good animal welfare should be is a matter of contention. Actors on the production side are happy with the current situation and argue that the implementation of the new regulations regarding pregnant sows is a major improvement and that additional improvements will have to be made incrementally and with a long time-frame in order to provide farmers with stable conditions. Other actors are unhappy with the current situation and want significant improvements in animal welfare, e.g., with regard to castration of piglets, tail docking and the banning of farrowing pens.

As an animal rights organisation, Dyrenes Beskyttelse works on the political level to influence the framework conditions for animal welfare. Dyrenes Beskyttelse is not fond of voluntary efforts to improve animal welfare, preferring binding regulation. However, given that 'market-driven animal welfare' is a mantra for the government, Dyrenes Beskyttelse see it as their responsibility to inform consumers about animal welfare in order to stimulate consumer demand. In addition, Dyrenes Beskyttelse has been behind the launch of a range of 'welfare delicacies' sold through local networks and farmstores. Dyrenes Beskyttelse is a large organisation, spanning a broad spectrum of opinions on how pragmatic it should be in relation to animal welfare. Unlike some animal rights organisations, Dyrenes Beskyttelse acknowledge that eating animals it is fundamentally acceptable as long as they have had a good life. However, what is good enough is a matter of considerable debate.

Different actors are constructed as playing different roles in relation to improving animal welfare. For instance, the category manager for the upmarket supermarket chain sees the Danish Agriculture and Food Council as doing something, but not to be leading the line, in relation to animal welfare. This informant would like the Council to do more, but on the other hand he recognises that the Danish pork sector has to compete on the world market and that you cannot expect the sector to undermine its own position. The Agriculture and Food Council itself emphasises that in order to maintain competitiveness (and hence jobs and export earnings), animal welfare has to be improved incrementally. Initially, improvements should be made on a voluntary basis in order to gather experience with new production systems and routines (as was the case with loose sows). Once sufficient experience has been garnered, legislation can come to play a role.

Because of the significant capital investments needed to build pens, it is considered important that welfare standards are not changed every two years. Several informants thus stress that farmers have to know what requirements they have to meet now and in the foreseeable future, which in this case is construed to be around ten years. When a farmer builds new pens they expect to be able to use them for 20-25 years. Because of their capital investments in buildings, many farmers are considered to be reluctant to increase animal welfare standards. On the other hand, several informants express an understanding that most farmers actually consider the 2013-requirements to be reasonable. Meeting them has been challenging for some farmers because of banks being reluctant to lend money to farmers in recent years.

That most informants draw a line between the Danish home market and export markets is thus reflected in their efforts to improve animal welfare. Furthermore, there is recognition that improving animal welfare takes long time because of the investments

## CONTRIBUTION

Through our case study, we will be able to say something about the potential of markets to improve animal welfare. In Denmark regulators and politicians have great hopes for the role markets can play in this regard, thus also diminishing the responsibility they have to take on. We will also be able to say something about the interplay between regulation and market practices, specifically how an improvement in minimum requirements can lead to renewed differentiation efforts and thereby to increases in animal welfare (or more theoretically, how successful normalising efforts can lead changes in representational practices and exchange practices). Finally, given that the Danish pork sector is oriented towards different markets with (what we expect to be) very different requirements for animal welfare, we will be able to say something about how businesses in a global industry cope with heterogeneous customer requirements.

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