Animal Welfare at the intersection of Politics, Policy, Profit & People

Jennifer Walker DVM, PhD, Dipl ACVPM
Director, Dairy Stewardship
jennifer_walker@deanfoods.com

Copyright Jennifer Walker DVM PhD 2017
Dean is the only producer with a national footprint and the ability to launch fresh milk national brands.
FAST FACTS

Purchase 1 in 10 tankers

400,000 tankers Annually

1,100 tankers/day

45 tankers/hr

Receive 1 load every 80 seconds

Over 5,000 farms contribute to our supply

Nearly 1 Million cows work to produce the milk we buy
The Job
Customers

Source: Internal sales data. Based on 2014 Volume.

Large Format 61%
Small Format 12%
Foodservice 13%
School/Other 14%
What Keeps you up at night?

FOOD MOST AFFECTED BY RECALLS

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sauces, dressings, seasoning</td>
<td>4%</td>
</tr>
<tr>
<td>Sugar and confectionary products</td>
<td>3%</td>
</tr>
<tr>
<td>Milk and dairy products</td>
<td>5%</td>
</tr>
<tr>
<td>Grain mill &amp; bakery products</td>
<td>8%</td>
</tr>
<tr>
<td>Meat and poultry products</td>
<td>5%</td>
</tr>
<tr>
<td>Food supplements and food modified to have health benefits</td>
<td>10%</td>
</tr>
<tr>
<td>Fruits, vegetables, and nuts</td>
<td>12%</td>
</tr>
<tr>
<td>Ready-to-eat food (that which can be consumed without any additional cooking)</td>
<td>14%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
</tr>
<tr>
<td>Fish and seafood</td>
<td>21%</td>
</tr>
</tbody>
</table>

Swiss RE
What Keeps you up at night?

RECALL COST TO BUSINESS

Estimates include direct cost and loss of profit (U.S.)

- More than $100 million: 5%
- $50 to 99 million: 9%
- $30 to 49 million: 9%
- $10 to 29 million: 29%
- Less than $9 million: 48%
It Takes A Lifetime To Build A Reputation
And 1 second to Ruin it!

Blue Bell®
ICE CREAM SO DELICIOUS
THAT WE KILLED PEOPLE
AND YOU DON'T EVEN CARE.
The Goal Post

• Food Safety – PLANT issues vs FARM issues

• Milk Quality – SCC, PI, BF

• Antibiotic use –
  • Legal?
  • Judicious?

• Cull Cows

• Animal Welfare
Total domestic consumption of fluid milk has tumbled for six straight years and is forecast to drop again in 2017.
Why Animal Welfare Matters

- Food Safety
- Public Health
- Research BioTech
- Health of the Planet
- Good Welfare
Brand Management Continuum

- Abuses
- Neglects

Unethical Behavior

Risk Mitigation Unacceptable

Trust

- Animal Welfare
- Milk Quality

Social License Best Practices

Ideological

- Natural
- Pasture
- Organic

Market Advantage

Animal Welfare
The Current Environment

• Consumer & Customer expectations specific to the health and welfare of dairy cattle continue to evolve and mature.

• Special interest groups capitalize on this concern and advance their cause by associating customer/brands with farms accused of being bad actors.

• Industry has communicated broadly or implied that we are meeting social expectations. This allows special interest groups to continue to pressure customers on specific issues…create chaos, uncertainty and will increase cost in the long run.

Copyright Jennifer Walker DVM PhD 2017
What are you talking about?

Trust, but verify.
– Ronald Reagan
Animal Welfare Audit
Motivations

Create a Buffer
Market Advantage
Risk Mitigation
Improve Welfare

Animal Welfare Audits
Animal Welfare Audit Motivations

- Risk Mitigation
- Create a Buffer
- Market Advantage
- Improve Welfare

Animal Welfare Audits

Copyright Jennifer Walker DVM PhD 2017
Risk Mitigation

• Identify the high risk farms and remove them

• How?
  o Create Standards and Rules and require compliance

• What works?
  o Measurable Standards that are consistently enforced along entire supply internally with external 3rd party audits

• What doesn’t?
  o Pushes farm out of field of view, *doesn’t improve welfare*
  o Poor definition of “RISK”
  o Tend to ignore major welfare issues
  o Creates NEW problems - competition
Animal Welfare Audit
Motivations

Create a Buffer

Risk Mitigation

Market Advantage

Improve Welfare

Animal Welfare Audits
Create A Buffer

✓ Establish a “program” with limited if any enforcement, communicate principles broadly

• What works?
  o Establishes a facade of assurance
  o May provide the opportunity to ID HIGH RISK FARMS
  o Establish “CAUSE” – when something goes wrong the farm is dropped

• What doesn’t work?
  o 1st party, herd vet self reporting
  o Doesn’t actually mandate improvement
  o Does not offer the farm any protection
  o Establishes an expectation!!!
Market Advantage

Create a Buffer

Risk Mitigation

Animal Welfare Audits

Improve Welfare

Copyright Jennifer Walker DVM PhD 2017
Market Advantage

✓ **Develop a certification or “label”**
  - Establish claims
  - Audit against claims

**What works?**
  - Establishes a standard that must be adhered to
  - Requires more than just 3rd party verification
  - Certified auditors

**What doesn’t?**
  - Requirements often focus on consumer perception rather than animal welfare
  - Who sets the standards? Transparent?
  - Tends to provide an opportunity to farms that are already doing well…doesn’t actually improve welfare, merely verifies it
  - All you need is 1 good day!!! Auditor Consistency ????
Animal Welfare Audit

Motivations

Create a Buffer

Market Advantage

Risk Mitigation

Animal Welfare Audits

Improve Welfare
Improve Welfare

• Develop a program that requires **continual attention to animal welfare**
• Standards developed by **animal welfare experts in that species** with input from **all stakeholders**
• Standards set to a **high bar**, not the average or a “minimum standard”
• **2nd Party Assessment** identifies problem areas and requires a corrective action plan (CAP)
• Follow up to ensure CAP’s are being implemented
• **3rd Party Auditing** to verify integrity of reporting **at the farm level**
• **Accept single national format**
Improve Welfare

• **What works?**
  - Compliance is mandated throughout supply chain – **avoid pushing farms out of sight**
  - 2\textsuperscript{nd} & 3\textsuperscript{rd} Party Assessment performed by licensed professional
  - Licensing requires **sufficient training and shadowing to demonstrate competence**
  - Able to provide feedback and direction (true 2\textsuperscript{nd} party)
  - Milk buyer is responsible for the integrity of the program
  - Develops chain of evidence

• **What Doesn’t Work?**
  - Poor or no follow up
  - **No data to prove efforts have been made**
  - Poor training – agreement among evaluators is critical
J.B. Walker¹, Cook, N.B.², C. B. Tucker³, M. A. G. von Keyserlingk⁴

¹Dean Foods Company, Dallas, Texas, USA.
²School of Veterinary Medicine, University of Wisconsin, Madison, USA.
³Department of Animal Science, University of California, Davis, USA.
⁴Animal Welfare Program, Faculty of Land and Food Systems, University of British Columbia, Vancouver, British Columbia, Canada,
Leadership Position

F.A.R.M.
- Require – 1 year
  - VCPR
  - CCEA
  - Tails
  - Every 3 years

Dairy Stewardship
- Require F.A.R.M. +
  - Critical Areas
  - Records
  - Drugs list
  - Training
  - Humane Euthanasia
  - Down cow care
  - Dehorning
  - Re check 6mos – 2 years
Early Results

Started Jan 2016
- 203 On-Farm Audits completed
- 38% of farms scored in the top (2 year re-check)
- 49% of farms scored in the middle (1 year re-check)
- 13% of farms scored in the bottom (6 month re-check)

10 Farms already re-evaluated based on performance
- 7/7 Corrected Cow Care Agreement
- 6/10 Now using NSAIDs for dehorning
- 9/10 Moved from bottom to middle benchmark!!!
DVM & Farmer Training in Kentucky March
74 Farmers
✓ Dehorning Demo – Paste/Local/NSAIDs
✓ Down Cow Protocol workshop
✓ Humane Euthanasia
✓ Milk Quality
✓ Lameness

Local DVMs & Industry Experts

\[ P = (K + S) \times A \]
Performance = (Knowledge + Skill) x Attitude
Lameness

- Average of % Lame 2
- Average of % severe
- Max of % Lame 2
- Max of % severe

Total:
- 17
- 2
- 50
- 33
Dehorning

For NSAID:
- Yes: 18%
- No: 78%
- N/A: 4%

For Local:
- Yes: 30%
- No: 66%
- N/A: 4%
What I Need to Hear and See

- We each accept our responsibility and will be held accountable

- When you make a mistake you own it

- I need to see that you care, not just hear that you care
What I Don’t Want to Hear or See

It is better to offer no excuse than a bad one.

~George Washington
Excuse #1

• **Blame** - We fired the worker

I accept the responsibility but not the blame. Let me explain the difference. Those who are to blame lose their jobs. Those who are responsible do not.

(David Frye)

izquotes.com
Everything happens through people
Excuse #2

- Blame
- It was staged!

It's easy to say "It wasn't me"

Courage is blaming your older brother...
Excuse #3

• Blame
• It was staged!
• We just need to educate the public
You do the best you can until you know better.
And then when you know better, Do Better

Maya Angelou