

[Matthew Prescott is food policy director for The Humane Society of the United States.



Capitalizing on corporate responsibility

By Matthew Prescott

RETAILERS CAN TURN WHAT CUSTOMERS CARE ABOUT INTO BOTTOM LINE RETURNS.

Many people say that animal treatment will become the next major social issue to command consumers' attention. That raises the question, why is animal welfare so important today and how can companies address this increasing concern of their customers?

Today, the average consumer has more access than ever before to information about how the food he or she purchases is produced. This information influx has resulted in countless people feeling a sense of heightened responsibility in the checkout aisle. One area where this is clearly seen is in the rise of concerns about animal treatment. According to a Farm Bureau-funded study, 95% of consumers want to see farm animals treated well. Research firm Technomic found that animal treatment edges out the environment and other top-of-mind issues when people are making food choices.

However, in some agricultural sectors, what is happening to animals does not necessarily comport with what consumers want in terms of animal welfare. For example, most breeding sows used for pork production are confined on factory farms for years on end in tiny cages

called gestation crates. The cages are so narrow the animals cannot turn around. Most egg-laying hens used for egg production are stuck five to eight birds in a cage no larger than a file cabinet drawer, so tightly packed they cannot spread their wings.

As more consumers become concerned about these types of practices, so too are the companies they buy from; and smart companies are able to capitalize on the evolution.

A more humane food supply is emerging from the point where ethics and economics intersect. More than 60 of the largest food companies have announced to their customers plans to eliminate gestation crates from their pork supply chains. Many are decreasing the amount of eggs from caged hens on their shelves by more aggressively moving toward and promoting cage-free and free-range eggs.

For example, Safeway press releases and announcements in recent years have made clear that the company takes seriously its commitments to move away from cage confinement of farm animals and toward suppliers that provide their animals with a better quality of life.

At the same time companies are moving toward more humane products, many are also capitalizing on consumers' increased interest in eating healthier plant-based foods.

A recent Mintel study found that while 22 million consumers consider themselves vegetarian, 133 million report eating meat alternatives.

Restaurant chains like Burger King and Denny's now offer veggie burgers. Alongside Oscar Mayer in Kraft Foods' portfolio is Boca, maker of vegetarian meat alternatives ranging from burgers to plant-based "chicken" patties. Nestle is promoting the idea of eating more plant-based foods on some of its product packages.

This sector is now a booming business. As Randy Komisar, a partner at venture capital firm Kleiner Perkins, recently told the *New York Times*, these issues "represent big potential markets and strong opportunities for building great returns." His firm is investing heavily in the development of plant proteins, with Komisar noting that they have "venture-scale returns."

And it is not just venture capital firms that are getting in on the action. PayPal founder and billionaire

Peter Thiel is investing in plant-based products. Twitter founder Biz Stone is backing companies making tasty meat alternatives. Even Bill Gates is invested in the issue; his "Future of Food" program focuses entirely on how "meat is ripe for reinvention."

With industry observers citing consumer changes over pressing social concerns, it is natural that top food companies and savvy entrepreneurs are capitalizing on the intersections of ethics and economics. Whether it is improving how we farm by moving away from crates and cages to confine animals or improving the way we eat through the cost-efficient harnessing of plant proteins, or refining our diets by choosing products from sources that adhere to higher animal welfare standards, the food industry is leading the charge toward a more modern supply, and a more humane society—with consumers, the world around them and the companies they support all reaping the benefits. **GHQ**

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