

© 2018 Universities Federation for Animal Welfare  
The Old School, Brewhouse Hill, Wheathampstead,  
Hertfordshire AL4 8AN, UK  
www.ufaw.org.uk

*Animal Welfare* 2018, 27: 167-179  
ISSN 0962-7286  
doi: 10.7120/09627286.27.2.167

## ***Economic effects of participation in animal welfare programmes: does it pay off for farmers?***

*H Heise\*, S Schwarze and L Theuvsen*

University of Goettingen, Department of Agricultural Economics and Rural Development, Platz der Göttinger Sieben 5, D-37073  
Goettingen, Germany

\* Contact for correspondence and requests for reprints: [hheise@gwdg.de](mailto:hheise@gwdg.de)

### **Abstract**

---

*There has been an increased demand by some sections of society for higher farm animal welfare standards. In response, a number of programmes marketing products of animal origin, produced under higher animal welfare standards, have been established on the market in recent years. However, the market segments for products from so-called animal welfare programmes (AWPs) have remained small. Farmers are considered an important stakeholder group for higher market shares of more animal welfare-friendly products. Farmers' decision to adapt their production to the requirements of AWPs is multi-dimensional, but always linked to financial incentives. Since little is known about the financial attractiveness of higher animal welfare standards in livestock farming, this study investigates the perceived economic success of 579 conventional farmers keeping livestock on their farms. The survey data were analysed using propensity score matching to assess the average effect of participation in AWPs on a farm's perceived profitability, liquidity and stability from the farmer's point of view. No significant effect was found of participation in AWPs on the economic success of farmers. The implications of this result are two-fold. On the one hand, it suggests that it is of particular importance to create further financial incentives to encourage farmers to take part in these programmes. On the other, it shows that farmers' concerns that the required costly and highly specific investments will pay off are unfounded, as farmers participating in AWPs rate their own financial situation as equivalent to that of their colleagues not participating in AWPs.*

---

**Keywords:** *animal welfare, animal welfare programmes, economic effects, farmers, Germany, propensity score matching*