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A formal model for assessing the economic impact of animal welfare improvements at bovine and porcine slaughter

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Abstract

The relationship between animal welfare at slaughter and slaughterhouse profitability is complex, with potential trade-offs between animal welfare costs and benefits. Slaughterhouses currently lack data support for decisions on investments that can improve both animal welfare and profitability. Therefore, this study mapped the economic impacts for slaughterhouse businesses of improved cattle and pig welfare at slaughter. Specific aims were to: (i) highlight the possible economic impact of animal welfare improvements, based on the scientific literature; (ii) develop an economic model demonstrating the theoretical contribution of animal welfare to slaughterhouse profitability; and (iii) validate the economic model through focus group interviews with slaughterhouse personnel in Sweden. The findings indicated that investing in animal welfare improvements could result in accumulation of an intangible asset that can be considered together with other production factors in the economic model. Model validation stressed the importance of selling by-products for the economic outcome and of smooth workflow for productivity. The study thus improves understanding of the economic impacts of animal welfare at slaughter and incentives for slaughterhouse businesses to improve animal welfare. The results are important for public and private policy-makers interested in enhancing animal welfare at slaughter.

Keywords: *abattoir, animal welfare, cattle, economic impact, pigs, profitability*