

Feedstuffs

Ag needs new model to build consumer trust

By CHARLIE ARNOT*

Today, animal agriculture has a unique opportunity to re-define who we are to build the trust of critical stakeholders - those who grant the social license we need to continue to grow and prosper in the US. Our current model of public engagement too frequently relies solely on science or attacking our attacker as a strategy to protect our interests. As we have seen, those strategies are inadequate in dealing with a public that is uninformed and, at times, vocally opposed to who we are and what we do. We cannot abandon science as our foundation and we must hold critics accountable, but today's environment demands a broader strategic approach to building trust.

For the last 20 years we have seen a consistent escalation in the opposition to the changing structure of production agriculture. Our transition from an agrarian model to an industrial model of production has yielded tremendous improvements in productivity, efficiency, and food safety. At the same time, this transition

Key Points

- Opportunity exists to build trust.
- Consumers need reassurance.
- Leaders/stakeholders must step up.

from the traditional model has alienated the generations of Americans who had some connection to production agriculture. Our modern systems and extensive use of science and technology no longer look or feel like "grandpa's farm" or what many believe "grandpa's farm" should be.

The resulting disconnect and lack of understanding undermines the public trust and confidence we have traditionally enjoyed. The loss of connection and trust mean we are no longer afforded the benefit of the doubt on questions of animal well-being and environmental protection, and at times we have been slow to respond to the erosion in our foundation of public support.

Consolidation Changes the Rules of the Game

Consolidation and integration played a critical role in creating our new social, political and economic environment, but they are not unique to animal agriculture. The top ten food companies in the US now sell

more than 75% of our food. Consolidation is also a fact of life in the world of Non-Governmental Organizations (NGOs), also known as advocacy groups.

For example, the Humane Society of The United States, HSUS, is now the largest animal protection/animal rights organization in the world. Like many in agriculture, HSUS has followed the path of mergers and acquisitions to become the most powerful voice in the animal welfare debate. HSUS's motives and ultimate objectives may be topics for debate, and despite what some say is a move to a more strident protectionist position, their impact is hard to ignore.

HSUS merged with the 200,000-member Fund for Animals in 2005 and hired former United Animal Nations president Jennifer Fearing and Compassion over Killing leaders Miyun Park and Paul Shapiro. In 2006, the Doris Day Animal League merged with HSUS, bringing with it 180,000 new members.

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“Our members often wonder why groups and individuals with a common purpose do not join together, and we are heeding their call to do just that,” said HSUS’s Wayne Pacelle.

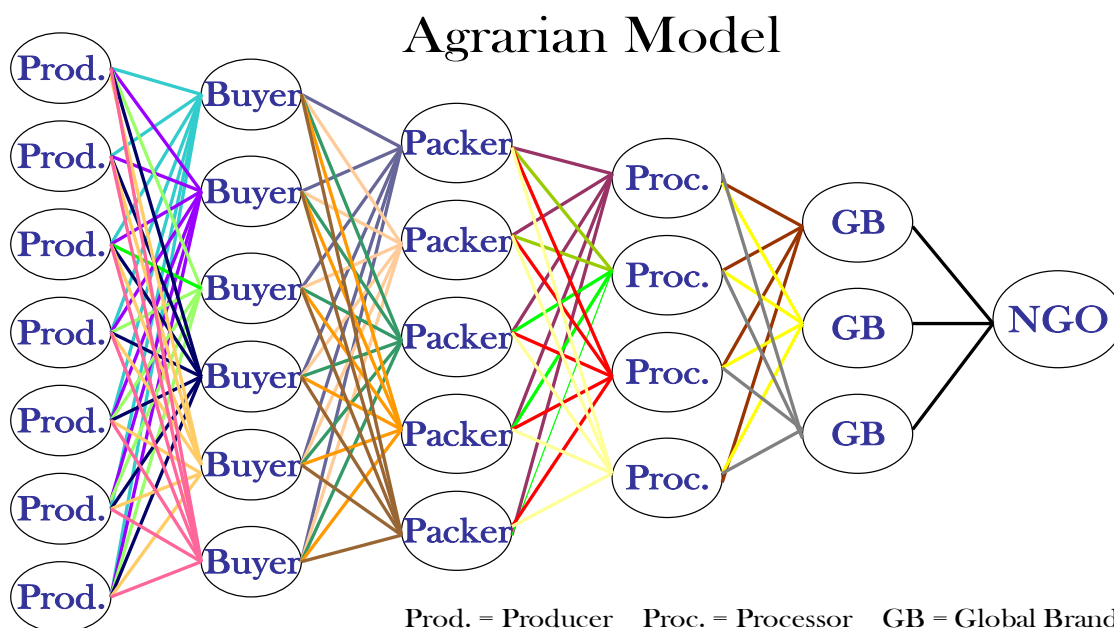
HSUS has pursued an aggressive growth strategy since Pacelle took over as president and CEO in 2004. The combination with the Fund for Animals led to the creation of a campaigns department that focuses on four major areas; animal cruelty, fur, factory farming and abusive sport hunting practices. HSUS has also created an in-house litigation team that has more than 40 active cases in state and federal courts.

Today HSUS boasts 10 million members in the United States and an annual budget of \$120 million, which has tripled since 1996. That gives them a powerful war chest, thousands of members in each congressional district and mainstream, principle-based messages that currently appeal to the rational majority.

Brands as agents of social change

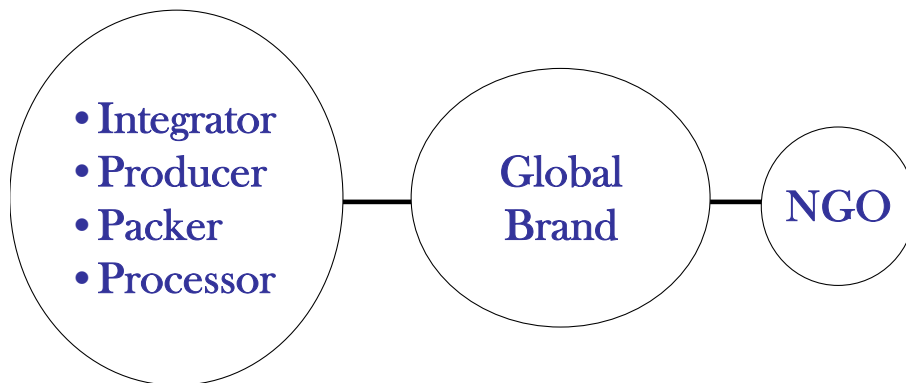
The combination of consolidation in agriculture, the food system and the advocacy community has created a perfect storm where brands are now replacing regulatory and legislative bodies as agents of social change. We have seen this played out frequently in the public arena over the last several months. On January 25, Smithfield announced they were phasing out gestation stalls. On February 23, Dean Foods said they would not accept milk from cloned cows or the progeny of clones. On March 22, Wolfgang Puck announced his Humane Farm Animal Treatment Program which mandates a variety of production practices. On March 28, Burger King announced it would begin sourcing more pork and eggs from suppliers who did not use stalls or cages. Production-related announcements by Cargill, Bon Appetit and Wendy’s have been added to the list in the last few weeks. Global brands are establishing policy that impacts livestock production practices in increasing number and frequency.

In the agrarian model of production, prominent in the US until the late twentieth century, (pictured below), we had millions of producers selling to thousands of buyers who aggregated loads and sold to packers who then sold primal cuts to processors who ultimately sold to a global brand or other retail outlet. If you were an NGO and you wanted to impact the behavior of the production segment, you



had to do so through legislation or regulation. There was no way for the market to send an efficient signal through the complex market channels to influence producer behavior. That is also why we struggled with carcass consistency, quality and other issues.

Improvements in science and technology allowed us to move to an industrial model, (shown below), which integrates and coordinates channels to drive efficiency. The resulting increases in productivity, efficiency and food safety have been truly remarkable. Today, the United States enjoys the safest, most abundant, most affordable food system in the history of man. However, the very market systems that created the opportunity for dramatic improvements in productivity and efficiency also provide a direct connection between the activist community, global brands and their supply chain, including producers. The result is an entirely new environment that requires new strategies and new ways of engaging to protect and promote our interests.



Not only do we need to understand the new market environment, but we need to appreciate what drives the success of NGOs who frequently oppose what we do.

The Power of Principles

Every NGO in the world from HSUS, the American Red Cross, Pheasants Forever, the American Cancer Society to the Sierra Club is able to channel the passion of their members because they share a commitment to a common principle or belief. NGOs capture the hearts, minds and resources of a community of people who share similar values. These communities of “people like me” claim the moral high ground of any argument and that ground cannot be taken by science or public relations alone. To compete at that level, we have to demonstrate our commitment to similar principles and shared values. The power of principle trumps science and public relations every time. We must fundamentally re-define who we are and what we do as driven by principle and not just profit.

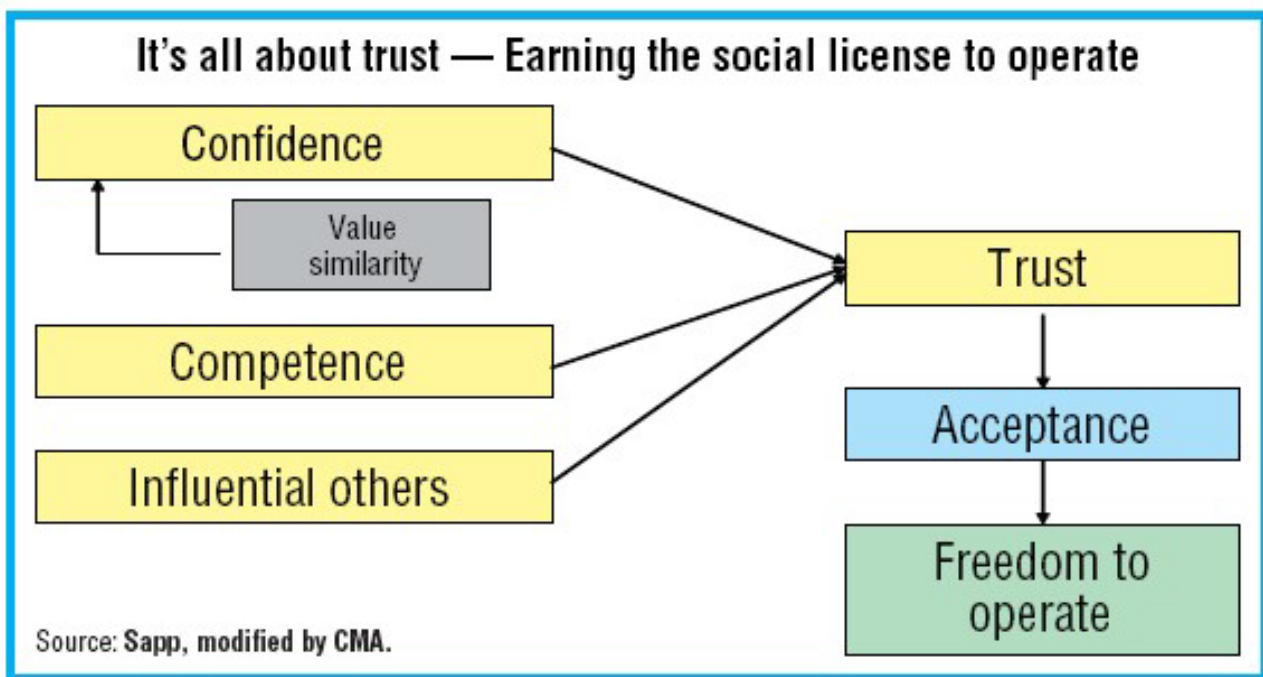
This does not mean we abandon science, or apologize for making a profit. On the contrary, we cannot abandon science, it is largely responsible for the productivity we enjoy today, and without profit society will not have the benefit of the safe, abundant and affordable food system we all enjoy. It does mean we

have to fundamentally shift the debate so we can play to win and stop playing not to lose. We need to understand that the rules of the game have changed. We need to learn those rules and position animal agriculture for a long successful future by building trust with those stakeholders who will grant the social license we need to grow and prosper in the future. We need science to verify that we are principle driven and we need effective, values-based public relations and communications to tell our story in a way that connects with our stakeholders and gives them permission to believe that those of us engaged in production agriculture are “people like me.”

Building Trust

One model for building trust focuses on three primary elements. They are confidence, competence and influential others, (see model below). Value similarity plays an important role in determining confidence. Value similarity is defined as wanting the same outcome from a given situation. Trust leads to acceptance and acceptance translates to freedom to operate.

Confidence is a measure of reliability and dependability. Competence is related to technical capacity or expertise and influential others includes both “people like me” as well as trusted organizations like FDA, USDA, The American Heart Association *and* today HSUS.



Professional Principles Build Trust

We know from our experience of the last 20 years that public trust in contemporary agriculture has declined as we transitioned from the agrarian model to the industrial model. Knowing that the industrial model is not a principled position from which to build public trust, we began researching models that have sustained public trust over time. Time and again we came back to the professions. People generally

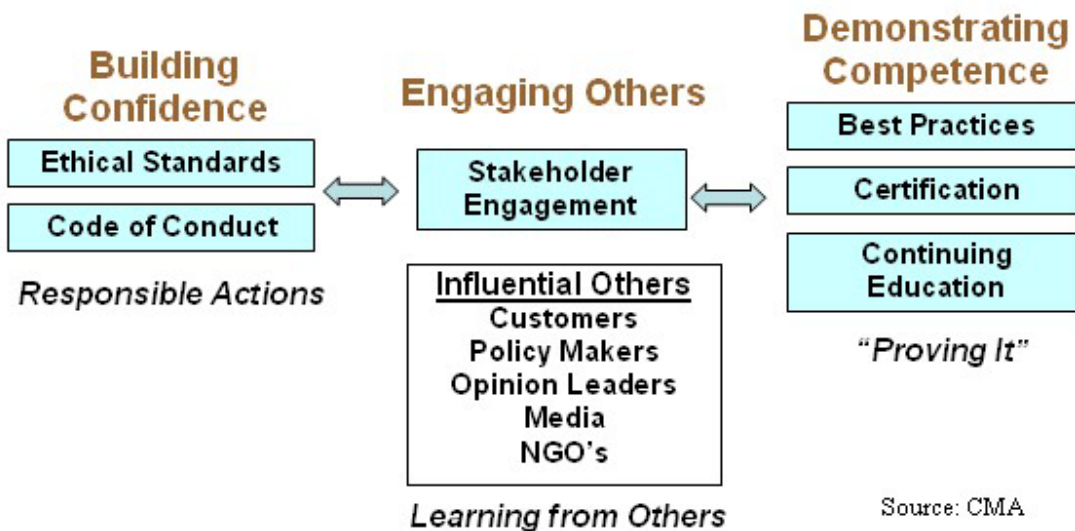
trust their doctor, lawyer, accountant, etc. Regardless the occupation, the professional model shares six similar attributes, and each of those attributes relates directly to the elements of trust. The six professional attributes and their related element of the trust model are:

Professional Attribute	Related Element of Trust Model
1. Ethical Standards	Confidence – Value Similarity
2. Code of Conduct	Confidence – Value Similarity
3. Accountability to Stakeholders	Confidence, Influential Others
4. Best Practices	Competence
5. Certification	Competence
6. Continuing Education	Competence

Let’s consider the medical profession for the sake of illustration. Medical doctors have articulated clear ethical standards and a code of conduct around such issues as consent, dignity, autonomy and others to guide the profession in the treatment of patients. When dealing with larger issues such as pandemics or paying for health care, the medical community engages a broad range of stakeholders to discuss and develop solutions. Best practices and board certification are common, especially among specialists, and doctors are required to continue their education to maintain their license and certification.

CMA has developed a model of trust building for the food system that incorporates the six shared professional attributes into three actionable elements; establishing our principled foundation, engaging with stakeholders and proving our commitment through verified best practices.

CMA Model for Building Trust



Putting the Model to Work

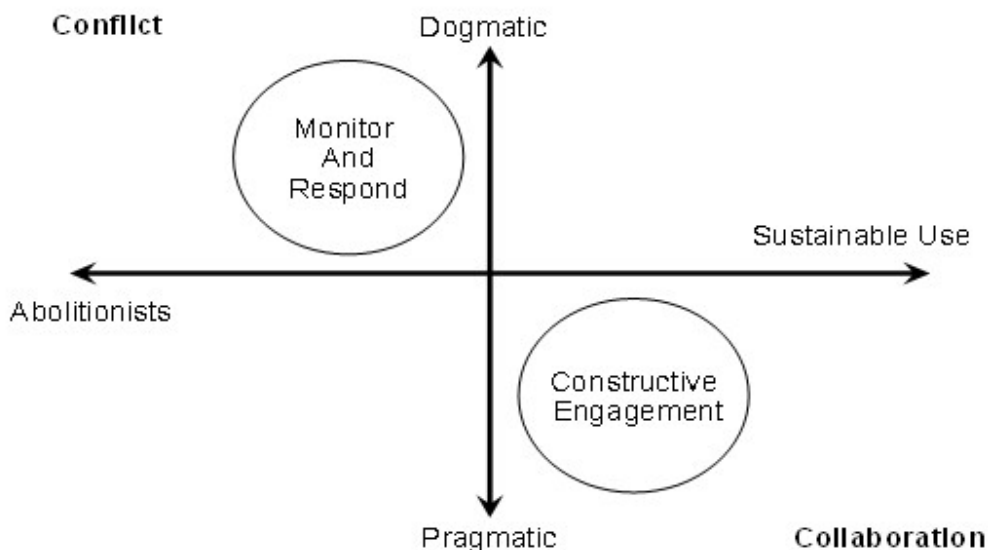
Food system leaders must be involved in each of the three elements to build trust. Ethical standards must come from within the organization or industry. They have to reflect an ethical commitment of the organization to be credible with external stakeholders. The ethical standards and code of conduct provide the principled foundation that creates a platform for producers to communicate their commitment to shared values.

Engaging stakeholders to understand their needs and expectations and to help them understand industry issues and the commitment to principles is critical to sustainable success. Stakeholders include any person or organization that has a direct interest in your activity or who can be impacted by your activity. It includes employees, customers, policy makers, opinion leaders, media, NGOs and others.

There are many stakeholder groups, customers, opinion leaders and policy makers, who clearly share the goal of having robust production agriculture in the United States.

There are others who may share the goal, but have genuine concerns about specific practices, and then there are those groups that believe livestock production and the consumption of animal protein should be banned by law.

It's important to clearly define the approach to stakeholder engagement. Acknowledging concern is not the same as accepting blame, and addressing issues does not equal surrender. As illustrated below, there is little opportunity for productive discussion with those who do not believe the industry has a right to exist. On the other hand, building relationships with those who support sustainable use can help the industry demonstrate our commitment to shared values and adjust both practices and expectations to build support for livestock production. Closing the gap between stakeholder expectation and industry performance builds credibility, enhances trust and fosters acceptance.



Source: Heissenbuttel modified by CMA

It is not always easy to determine where an advocacy organization fits on the above grid, and their position may change over time. Past experience, personal relationships, published positions and information from others help identify those groups that fit in the collaboration sector. Over time those in other sectors may want to participate in the process, but specific rules of engagement have to be in place to assure the process remains constructive. If they don't believe you have a right to exist, it is difficult to agree on common objectives.

Proving It

Finally, we have to prove our commitment through best practices, certification and continuing education. We live in a world where if it is not documented, it did not happen. "Trust me, I'm a farmer" is not sufficient for customers and others in the food chain who face increasing pressure for source verification and food safety. Food system stakeholders are demanding increased assurance on a number of issues including health and nutrition, the environment, employment practices and animal well-being among others.

Certification of best practices with the involvement of a third party is already common in most parts of the food system and it is coming quickly to the farm. We have an opportunity to help determine what practices will be certified and what standards will be used. Our credibility in establishing reasonable and meaningful standards is enhanced by a robust ethical platform that demonstrates our commitment to principles that are important to our customers.

Trust Requires Commitment

We live in a new world with new demands for everyone in the food system. Consolidation, integration and globalization create a new social, political and economic environment where brands face increasing pressure and in turn demand more from the supply chain.

This new environment creates new opportunity and that opportunity will be captured by those who establish a principled foundation, engage with stakeholders and prove their commitment through verified best practices. This new model offers an opportunity to build trust with those who grant the social license we need to continue to operate and grow. It's the opportunity to continue our tradition of providing a safe, abundant and affordable food supply that feeds the world.