



## 2016 Shareholder Resolution

### HORMEL FOODS

Request: Antibiotics in Livestock

Lead Filer: Trinity Health

#### WHEREAS:

Antibiotic-resistant infections cause over 2 million illnesses and 23,000 deaths each year in the U.S., with a cost to society of \$55 to \$70 billion. *Estimates indicate these infections will kill 10 million people a year worldwide by 2050.*

The World Health Organization, the U.S. Centers for Disease Control and Prevention, and the President's Council of Advisors on Science and Technology have reported that antibiotic resistance is a global public health crisis that threatens to overturn many of the medical advances made over the last century.

A major factor of antibiotic-resistance is the overuse and misuse of these lifesaving drugs in meat production. Over 70% of human-class antibiotics in the U.S. are sold for use in livestock. Antibiotics are often not used to treat sick animals, but instead used to increase the rate at which animals gain weight, or to prevent illness caused by unhealthy conditions on farms.

Hormel's purchase of organic meat producer Applegate Farms demonstrates the growing value of meat raised without antibiotics or hormones. In its own operations, Hormel has committed to follow the U.S. Food and Drug Administration's Industry Guidance #209, and has stated that: "Compliance with guidance #209 will ensure that antimicrobials important to human health will not be used for production purposes after December 2016."

However, Hormel has not committed to prohibiting antibiotics used in human medicine for other routine purposes, such as disease prevention; therefore, our company continues to contribute to the global public health crisis of antibiotic-resistant infections, creating material risk.

In contrast, Tyson Foods and McDonald's will phase out human-class antibiotics in their poultry supply chains by 2017 and 2016, respectively. In September 2014, Perdue Farms committed to antibiotic-free chicken hatcheries.

Market demand for meat raised humanely and responsibly continues to rise. According to Consumer Reports, 86% percent of consumers polled said that meat raised without routine use of antibiotics should be available in their local supermarket. Chipotle Mexican Grill, a major fast casual restaurant chain, experienced a pork shortage earlier this year and cited a lack of domestic pork raised without antibiotics.

Research from the Department of Agriculture's Economic Research Service suggests most antibiotic use in animal feed provides little therapeutic benefit to the animals. This research concluded that if producers eliminated all non-therapeutic antibiotic uses, wholesale prices of pork and poultry would increase by less than 5 percent, and retail prices would increase by even less.

#### BE IT RESOLVED:

Shareholders request the board adopt a policy, for both the company's own hog and turkey production and (except when precluded by existing contracts) its contract suppliers of hogs and turkeys, to phase out the routine use of antibiotics in classes of drugs used in human medicine.

Shareholders request that the Board report to shareowners within six months of the annual meeting, at reasonable cost and omitting proprietary information, on the timetable and measures for implementing this policy.