



Sanderson Farms shareholder proposal on antibiotics fails

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A Sanderson Farms Inc shareholder proposal requesting the third-largest U.S. poultry producer phase out the use of medically important antibiotics for growth promotion and disease prevention failed to pass on Thursday, the company said.

Sanderson is the only large U.S. chicken producer that has not made a commitment to limit its use of those drugs, as public health experts raise the alarm about the link between farm use of antibiotics and the rise of human infections from drug-resistant bacteria called superbugs.

The non-binding proposal submitted by activist group **As You Sow** on behalf of the Gun Denhart Living Trust and other investors received the support of 30 percent of votes cast, Sanderson Chief Financial Officer Mike Cockrell told Reuters.

Cockrell said the company, which repeatedly has said that the preventative use of antibiotics in food animals has not been shown to harm human health, received a "clear directive from shareholders" and would not be making changes to its policy as a result of Thursday's vote.

Sanderson says it is a low-cost producer of quality, wholesome and safe poultry products, and that its customers are not demanding antibiotic-free chicken.

The company, which recommended a vote against the proposal, said it does not use antibiotics for growth promotion but that it does use them to prevent disease in its chickens.

Two of the antibiotics it uses are considered "highly important" to fighting infections in humans - gentamicin and virginiamycin.

Tyson Foods Inc, the nation's largest chicken producer, in 2015 removed gentamicin from company hatcheries.

Some 70 percent of antibiotics vital for fighting infections in humans are sold for use in meat and dairy production.

Scientists have warned that the routine use of antibiotics to promote growth and prevent illness in healthy farm animals contributes to the rise of dangerous human superbug infections, which kill at least 23,000 Americans each year and pose a significant threat to global health.

Institutional Shareholder Services (ISS), a major proxy advisory firm, recommended that investors vote yes on the antibiotic policy proposal, saying Sanderson is lagging its peers and faces reputational and regulatory risks related to its antibiotic use.

John Ferguson, a principal of Saratoga Proxy Consulting in New York, said the result could lead to some antibiotic policy adjustments by the company because it sends a message from investors.

The support level of 30 percent, he said, "has evolved as a test of whether shareholders are paying attention."