



September 13, 2017

Joe F. Sanderson Jr.
CEO
Sanderson Farms
127 Flynt Rd.
Laurel, MS 39443

Mr. Sanderson:

The undersigned investors (collectively representing more than \$46 billion in assets under management) are writing to urge Sanderson Farms to revise its policies regarding antibiotic use.

Sanderson Farms does not prohibit the routine administration of antibiotics in healthy chickens.¹ The company has publicly stated that “there is not any credible science that leads us to believe we’re causing antibiotic resistance in humans.” This stance ignores the fundamental principle that antibiotic use breeds resistant bacteria, which is recognized by every major medical authority. For example, the U.S. Centers for Disease Control and Prevention (CDC) report that “much of the antibiotic use in animals is unnecessary and inappropriate and makes everyone less safe.”²

Sanderson Farms’ position and marketing has led to criticism from public health experts, negative press,³ and investor concern. In January 2017, a shareholder proposal to phase-out the use of medically important antibiotics in healthy birds received 31.5% of the vote.⁴

We support the enclosed shareholder proposal and recommend that Sanderson Farms take immediate action to recognize the company’s responsibility to reduce unnecessary antibiotic use. We further recommend that the company report to shareholders on its plan to strengthen antibiotic stewardship policies. These actions will protect long-term shareholder value by reducing material risk to the company from reputational damage, litigation, and future regulation.

We request the opportunity to meet with you to further discuss this important issue. Please direct your response to Austin Wilson, Environmental Health Program Manager at As You Sow at awilson@asyousow.org.

Sincerely,

Danielle R. Fugere
President & Chief Counsel
As You Sow

¹ <https://www.sandersonfarms.com/policy-on-animal-welfare-and-antibiotic-use/>

² <https://www.cdc.gov/drugresistance/pdf/ar-threats-2013-508.pdf>

³ Ibid.

⁴ <https://www.reuters.com/article/us-sanderson-farms-antibiotics-vote-idUSKBN1501R6>



Adrian Dominican Sisters Portfolio Advisory Board

Australian Ethical

Azzad Asset Management

Walden Asset Management

Communitas Financial Planning PBC

Congregation of St. Basil

Congregation of St. Joseph

Daughters of Charity, Province of St. Louise

Dignity Health

Domini Impact Investments

Everence and the Praxis Mutual Funds

Figure 8 Investment Strategies

Friends Fiduciary

Green Century Capital Management

Maryknoll Sisters

Mennonite Education Agency

Mercy Investment Services

Natural Investments

NEI Investments

Northwest Coalition for Responsible Investment

Oxfam America

Progressive Asset Management

Region VI Coalition for Responsible Investment



Sisters of St. Dominic of Caldwell NJ

Sisters of St. Francis of Philadelphia

Sisters of St. Francis of Philadelphia

Sisters of the Presentation of the BVM

The LankellyChase Foundation

Tri-State Coalition for Responsible Investment

Trillium Asset Management

Trinity Health

Zevin Asset Management

Enclosure

- Shareholder Proposal to Sanderson Farms Regarding Antibiotics

**WHEREAS:**

The World Health Organization and the U.S. Centers for Disease Control and Prevention (CDC) 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.

Antibiotics are losing their effectiveness due in significant part to reckless overuse in farm animal production. The more that antibiotics are used, the faster that antibiotic-resistant bacteria evolve. If no action is taken, antibiotic resistance could cause 300 million premature deaths and up to \$100 trillion in global economic damage by 2050 (Review on Antimicrobial Resistance).

Over 70% of medically important antibiotics in the U.S. are sold for livestock use. Antibiotics are often used to prevent illness caused by unhealthy, stressful conditions on farms, rather than to treat illness.

Sanderson Farms has publicly stated that “there is not any credible science that leads us to believe we’re causing antibiotic resistance in humans.” This stance ignores the fundamental principle that antibiotic use breeds resistant bacteria, which is recognized by every major medical authority. Sanderson Farms’ position has led to substantial negative press. (*e.g.* “Poultry Producer Sanderson Farms Stands Its Ground: It’s Proud to Use Antibiotics”, The New York Times, 8/1/16).

Research has shown that poultry processing workers are 32 times more likely to carry antibiotic-resistant E. coli bacteria, meaning Sanderson Farms’ current use of antibiotics threatens the health and safety of many of its 11,000 employees.

Additionally, a recently filed lawsuit alleges that Sanderson Farms’ marketing misleads consumers to believe the company’s chicken is “100% Natural” when U.S. Department of Agriculture testing identified 49 instances in which Sanderson Farms’ contained residues of synthetic drugs. In 11 of these instances, the substance was a medically important antibiotic.

Sanderson Farms produces roughly 7% of the chicken eaten in the United States; to help protect public health from antibiotic-resistant infections, Sanderson Farms must quickly phase-out the use of medically important antibiotics for disease prevention throughout its supply chain.

Sanderson Farms risks losing market share to companies who have stronger policies in place, such as Perdue Farms; 95% of Perdue’s chickens do not receive any antibiotics. Consumers are increasingly concerned about injudicious antibiotic use, and restaurant brands are making changes to meet the demand: McDonald’s, Wendy’s, Burger King, KFC, and Taco Bell prohibit or have committed to phase out the use of medically important antibiotics in chicken; Chipotle Mexican Grill and Panera Bread prohibit all routine antibiotic use; Subway and Chick-Fil-A source only chicken raised without any antibiotic use.

A strong antibiotics policy will prepare Sanderson Farms to comply more effectively with a shifting regulatory landscape. Maryland and California have both passed legislation to ban the routine use of antibiotics in livestock.

RESOLVED:



AS YOU SOW

1611 Telegraph Avenue, Suite 1450
Oakland, CA 94612

www.asyousow.org
BUILDING A SAFE, JUST AND SUSTAINABLE WORLD SINCE 1992

Shareholders request that Sanderson Farms adopt an enterprise-wide policy to phase out the use of medically important antibiotics for disease prevention in its supply chain. Shareholders further request the company publish timetables and measures for implementing this policy.