

# For the Record

Straight talk about antibiotic use in food-animal production  
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## INSIGHTS ON THE ISSUE

### Manipulating the market forces of fear

British communists of the 1960s repeatedly failed to persuade a majority of voters to support their agitation for global revolution. In response, they hatched a new political theory. Called "Democracy of the Committed," it went like this: If the Average Joe is too apathetic or too bogged down in "false consciousness" to follow you — that is, if he votes a desire simply to do nothing — then even if he represents a numerical majority, he has surrendered the moral authority to impose that decision on society. Instead, only those who are willing to commit themselves to actually doing something — *anything* — earn that authority. And because only those who act deserve a voice in the process, presto, the minority becomes the majority, morally justified in imposing its will on the public.

The economic mirror image of this political theory occurred in early August, when the nation's largest hog producer joined the continent's largest contract food-service company to announce they would stop some uses of antibiotics to produce their pork. Refereed and blessed by the environmental activist organization that has led a long campaign to outlaw the 50-year-old safe practice, the announcement received wide press coverage as bold private action to protect public health.

This new "Plutocracy of the Committed" is becoming a powerful weapon for opponents of modern farming technology to



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impose their will, which they have repeatedly failed to achieve through normal political channels.

By enticing restaurant chains, supermarkets, farms and processors to give in and just do something — *anything* — to show they're committed to guarding public health, the vocal minority who oppose farm antibiotic use leverage market power that's concentrated in a few hands to



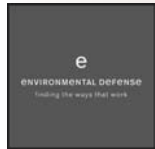
impose change on everyone's market. Their end-around on the normal, scientifically based process of consumer protection buys them that air of moral authority — whether or not their action is meaningful. At the same time, it bars the silent majority of average consumers from the benefits of more-affordable food, with little to no regard for how the majority votes daily with their food dollars.

### Also in this issue:

- The high-profile announcement in August of a large company's change in antibiotic policy continues to chip away at the right to use safe animal antibiotics.
- The hidden dangers of being too eager to appease.
- The thanks one company earned for being cooperative.

### For the record

As food production concentrates, activists are finding pressure points to force elimination of antibiotics, which they normally couldn't achieve through normal market channels or legislation.

 <p><b>Compass Group,</b> The Americas Division Charlotte, N.C.</p>	<ul style="list-style-type: none"> <li>■ \$6.7 billion annual sales in the United States, Latin America and Canada</li> <li>■ Subsidiary of UK-based Compass Group PLC, a \$21 billion company operating in more than 90 countries</li> <li>■ Caters Microsoft, Caterpillar, IBM, universities and school systems</li> </ul>
 <p><b>Smithfield Foods</b> Smithfield, Va.</p>	<ul style="list-style-type: none"> <li>■ \$11.4 billion annual sales</li> <li>■ Livestock-production subsidiary, Murphy-Brown, raises about 15.4 million market hogs per year, representing about 15 percent of the U.S. kill</li> <li>■ Compass Americas' main pork supplier</li> </ul>
 <p><b>Environmental Defense</b> New York</p>	<ul style="list-style-type: none"> <li>■ More than 400,000 members</li> <li>■ 272 full-time staff members</li> <li>■ Approximately \$50 million annual operating budget</li> <li>■ Advocates severe restrictions on large-scale livestock production</li> </ul>

## Applying market pressure at key points

### For the record

By putting pressure on only a handful of key decision-makers to change their companies' antibiotic policies, environmental activists are achieving what decades of legal lobbying has failed to gain: Unreasonable limits on farm antibiotics.

The *Boston Globe's* headline on page 1 of its Aug. 22 Health section read, TIDE TURNS IN BATTLE TO RID FARMS OF ANTIBIOTICS. The in-depth feature took note of two not-so-coincidentally back-to-back news events in early August:

■ The U.S. Food and Drug Administration stood on an administrative law judge's earlier findings and ordered enrofloxacin, an antibiotic used to treat sick poultry, pulled from the market, due to concerns about resistance to similar human antibiotics. Its manufacturer continues arguing there's no evidence to support the ban, and that chickens will suffer as a consequence.

■ The country's largest contract food-service company, Compass Group Americas, announced it was supporting a deal brokered by the stridently anti-antibiotic-use activist group Environmental

Defense to demand its pork producers end some antibiotic use. Compass said it would begin prohibiting the purchase of pork in which antibiotics that belong to classes of drugs used in human medicine have been used for growth promotion. It also will require those suppliers to report their antibiotic usage to the company. Compass' No. 1 supplier of pork—and the country's largest hog producer—Smithfield Foods, said it would conform.

Although the *Boston Globe* article repeated some of the conventional wisdom the media typically gets wrong about the farm-antibiotic issue—that a growing body of scientific research shows the practice is dangerous, or that use is more widespread than it really is—the newspaper did get one important point correct: This represents an ominous turn in the tide for livestock producers.



*Environmental Defense has already begun its follow-up phase: Adding the carrot to the stick, by encouraging consumers to support Compass for making policy changes, further reinforcing the need to change among Compass' competitors.*

### Segment and conquer

The Compass announcement illustrates a classic example of a public-advocacy tool known as "audience identification and segmentation." Because resources are limited—even for a group backed by a \$50 million annual budget like Environmental Defense—it's critical to direct

## The thanks you're apt to get for cooperation

Though Smithfield may have little choice in meeting any demand made by its top pork customer and the 12th largest private employer in the world, it's important to remember that caving in to unreasonable edicts from activists cloaked as "consumer" demand has been known to earn companies a kick in the seat of the corporate pants. Case in point:

Responding to complaints by the animal-rights activist People for the Ethical Treatment of Animals, KFC in 2000 began instituting changes in its policy regarding chicken welfare. Many of those changes incorporated PETA demands, including:

- Specific, comprehensive welfare performance standards for processing chickens.
- Audits and inspections of its suppliers.
- Firing any supplier who failed to pass the audit.
- Creation of an Animal Welfare Advisory Council, which included animal-welfare advocates approved by PETA.
- Involvement of KFC's Yum! Brands umbrella corporation with industry associations to develop comprehensive guidelines for all farm animals.

As thanks, following not quite two years of

negotiation with PETA over details of the "industry leading" welfare plan, PETA eventually called for an international boycott against KFC. Among PETA's complaints: KFC insisted on including representatives of poultry producers on its advisory council in addition to PETA's stable of advisors. It also insisted on using the advisory council as advisors, rather than adopting its recommendations wholesale—which included ending use of antibiotics.



PETA's actions include advertisements, Web sites and billboards attacking KFC, protests—including vocal support after the Yum! Brands CEO was assaulted with fake blood and feathers during a protest in Germany—and legal action demanding KFC stop making "false claims" that it is working to improve the welfare of chickens.

efforts and messages at the smallest necessary audience.

One of the best examples of the tactic to date is Fenton Communication's "Give Swordfish a Break" campaign from 1998. Fenton, best known for its role in the '80s Alar apple scare, realized that trying to influence millions of consumers to apply political pressure to the National Marine Fisheries Service to drastically cut ocean fishing — the aim of its clients Sea Web and the Natural Resources Defense Council — would be expensive and futile. Fenton instead identified the smallest audience of influencers involved in the issue: trend-setting chefs. By convincing only about 750 chefs to remove swordfish from their menus, Fenton succeeded in finally catching the attention of the NMFS's boss, the U.S. Secretary of Commerce, who eventually ordered more than 130,000 square miles of the Atlantic closed to certain commercial fishing.

The Compass deal, similar to earlier non-antibiotic-use ones Environmental Defense brokered with McDonald's and Compass' high-end San Francisco catering subsidiary Bon Appétit, follows that model closely. Despite some loopholes you could drive a loaded potbelly through — Smithfield, for instance, has had a policy of prudent antibiotic use for years already and says the new deal will not necessitate any changes — Environmental Defense has scored PR points that will make it increasingly difficult for producers to maintain their ability to use this safe and effective production tool. That comes by influencing only a handful of executives in Compass and Smithfield.

### The end game

Even though the Compass agreement was heralded as the free market at work, it remains obvi-

## MEDIA RELATIONS THAT GET YOUR STORY HEARD

### And then, there's always this approach...

It's not a philosophy that has won much applause among the go-along-to-get-along public-relations community, but Washington crisis-management expert Eric Dezenhall believes there's a fatal flaw in the extraordinary lengths many corporations go to today to please activists: Most activists don't want to be pleased.

Instead, Dezenhall advises in his how-to for the activist age, *Nail 'Em: Confronting High-Profile Attacks on Celebrities and Businesses*, the end is often the attack itself. That's why appeasement — far from stopping an attack — is as often just as likely to embolden activists to return for more.

Founder of the crisis-management firm Dezenhall Resources, he counsels that although corporations must never stoop to the illegal tactics of their attackers, there's no reason not to punch back. To counter an attack, corporations must first understand they're in a fight, and they may not emerge without some negative publicity. However, the point is to blunt the damage by showing the public the activists are far from pure in their motives, and that they're usually promoting expensive, unrealistic and even dangerous positions.

"History teaches us that you don't win by surrendering," Dezenhall says. "You win by winning. Instead of trying to turn enemies into friends, corporations should find genuine friends and form strategic alliances. Appeasement and surrender today will only bring more appeasement and surrender tomorrow."



ous the final goal is legislation to force the changes that activists still haven't been able to accomplish through that market or by faithfulness to the normal regulatory process.

The enrofloxacin ban illustrates. When Sen. Hillary Clinton and Rep. Sherrod Brown earlier this year pressured USDA to demand that all chicken purchased for the School Lunch Program be proven not to have been produced using the class of drugs enrofloxacin belongs to, they were unable to provide any scientific basis for their request. Their rationale instead? The McDonald's/ Environmental

Defense announcement included a similar proscription on the drugs. USDA agreed to their request.

"The food industry...cannot do it alone," a representative for the activist group Center for Science in the Public Interest said after the earlier McDonald's announcement. "Only the federal government can level the playing field."

The *Globe*, likewise, in another instance of accidental media honesty, editorialized about the Compass deal two weeks before its Health section story ran: "As welcome as these steps are, the best route to stop agricultural misuse of these drugs is legislation pending in Congress."

### For the record

One prominent PR expert believes the danger in trying to please activists is that they really don't want to be pleased.

*For the record*

Activists may couch their fear campaigns in the language of consumer choice, but they do not believe consumers should have real choice.

*Feed the activists, and they'll be back*

By inundating food companies with so-called "consumer complaints," anti-technology activists are succeeding, as they define success, by either adding



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significant costs, imposing burdensome regulation or even winning outright product bans.

Food companies have made marketing changes, convinced either there was a genuine ground swell of consumer health concern or that conceding was the only means to avoid further controversy and negative press. Either way, yielding to activist pressure, although it seems

like the easiest and quickest response, may well hurt the bottom line and only makes the company a more attractive target.

In the short term, abandoning a cost-effective and safe technology only implies to consumers there were justifiable reasons to reject it, thus making them distrustful of you for using it in the first place. Longer term, feeding the activist machine hampers the overall industry when it comes time to adopt future technologies that improve production efficiency, quality and food safety. Special-interest-group demands to abandon productivity supplements—whether rBST in dairy cattle, feed-related technologies, or animal-health products like antibiotics—will most certainly continue to grow beyond these specific demands tomorrow.

A company should never trust activist-driven "consumer" complaints. They should rely on hard data they themselves gather. If they find consumers are truly concerned, their first response should be to educate their customers. Explain why farmers use the technology and the extensive scientific basis for its safety and, in the case of antibiotics, how the technology actually conserves natural resources by making production capable on less feed.

Activist groups couch their fear campaigns in the language of consumer choice, but they do not believe consumers should have real choice. They continue to spread misinformation and target producers and food retailers they view as vulnerable to their pressure tactics. The only way to stop them is to stand up to them.

*For the Record*

*For the Record*, sponsored by a grant from ALPHARMA, is designed to help unite the industry and provide a unified, rational message on behalf of producers whose freedom to use safe, effective, economical production methods is at stake. Working together, we can set the record straight on antibiotics.

Questions or comments? Contact Steve Kopperud at [skopperud@poldir.com](mailto:skopperud@poldir.com). Want to read past issues or link to more information on this issue? Visit us online at [www.alpharma.com/ahd](http://www.alpharma.com/ahd)

## INSIGHTS ON THE ISSUE

*True market trend, or passing fad?*

Compass and Smithfield, like McDonald's before them, said their decision to limit or end antibiotic use is merely a response to customer demands. This trend toward addressing what's called "ethical consumerism"—consumers who use their purchase dollars to reward and punish companies for how they respond to social issues—may seem at first glance to be a winning proposition. Yet, according to British economists Marylyn Carrigan and Ahmed Attalla, the Ethical Consumer remains largely a myth. Why?

■ Confusion over who's the bad guy vs. who's the good guy. Although activists have the luxury of painting good and bad in black and white, the real world of ethical consumerism often deals simply in trading benefits to one group against another. Carrigan and Attalla, for example, point to the case of "overpriced" human drugs. On one side, activists and politicians demand the "ethical" company give away or sell medications to the poor at prices they can afford. Yet if those prices can't support stockholder investment in long-term research and development needed to create those medicines in

the first place, everyone eventually suffers from their absence.

In the case of banning farm antibiotics, appeasing consumer activists by eliminating their use will lead to additional animal suffering, as well as economic hardship on smaller farmers, who are least able to absorb the additional costs.

■ Boundaries of responsibility. Another reason such ethical marketing remains a grey area is the uncertain line between who is responsible for adverse effects. If the women's fashion industry promotes unhealthy weight trends in young girls, Carrigan and Attalla ask, are they then responsible for the eating disorders those women suffer? If the relatively high fat levels in McDonald's food contributes to an "epidemic" of obesity among youth, should McDonald's refuse to sell them those foods—or as some have suggested, compensate "victims" for their obesity?

Small wonder, they note, that little research has demonstrated expressed interest in ethical consumerism actually translates into purchasing changes.