

**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.

Antibiotic-resistant infections cause at least 2 million illnesses each year in the United States. Experts estimate these infections will kill 10 million people per year worldwide by 2050.

A major factor in the spread of antibiotic resistance is the meat and poultry industry's overuse of these lifesaving drugs, with over 70% of medically important antibiotics in the U.S. sold for livestock use alone. Antibiotics are often used to speed animal growth or to prevent illness caused by unhealthy, stressful conditions on farms, rather than to treat illness. Sanderson Farms' policies do not prohibit these uses of antibiotics.

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", NYT, 8/1/16).

Additionally, 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.

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 growth promotion and 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 medically important antibiotics. Consumers are increasingly concerned about injudicious antibiotic use and restaurants are taking action. McDonald's recently achieved its commitment to source chicken raised without medically important antibiotics in the U.S. and Wendy's will make this transition by 2017. Panera Bread and Chipotle Mexican Grill prohibit most antibiotic use in their livestock supply chains.

A strong antibiotics policy will prepare Sanderson Farms to comply more effectively with a shifting federal regulatory landscape. Meat producers will have to comply with new federal guidelines that effectively limit the use of medically important antibiotics for growth promotion by the end of 2016. The FDA is also expected to address preventive uses of antibiotics. (William Flynn, FDA, 6/22/2016, PACCARB Public Meeting)

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