

TYSON FOODS INC
Filed by
HUMANE SOCIETY OF THE UNITED STATES

FORM DFAN14A
(Additional Proxy Soliciting Materials - Non-Management (definitive))

Filed 10/19/12

Address	2200 DON TYSON PARKWAY SPRINGDALE, AR 72762-6999
Telephone	479-290-4000
CIK	0000100493
Symbol	TSN
SIC Code	2015 - Poultry Slaughtering and Processing
Industry	Food Processing
Sector	Consumer/Non-Cyclical
Fiscal Year	09/30

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
(Amendment No. __)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

Tyson Foods, Inc.
(Name of Registrant as Specified In Its Charter)

The Humane Society of the United States
Wayne Pacelle
Matthew Prescott
Anna West
Kristie Middleton
Joshua Balk
Paul Shapiro
Matthew Penzer
Carl C. Icahn
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rule 14a-6(i)(4) and 0-11.

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- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
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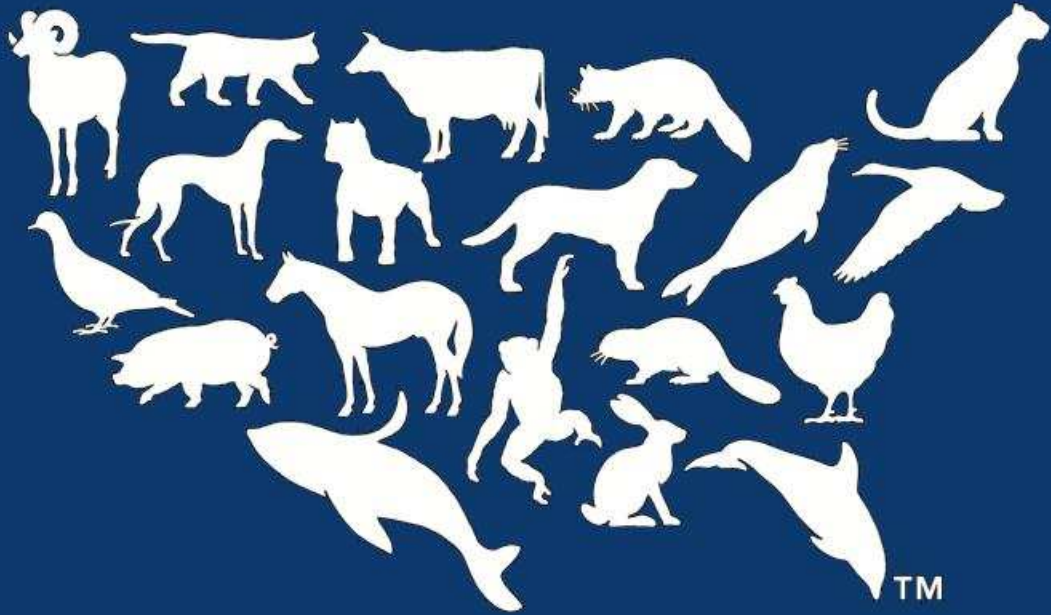
Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party:
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-

On October 19, 2012, The Humane Society of the United States delivered a presentation to certain stockholders of Tyson Foods, Inc. The presentation is incorporated herein and attached hereto as Exhibit 1. The presentation included several links to videos hosted on www.youtube.com. The transcripts of those videos are incorporated herein and attached hereto as Exhibit 2.

SECURITY HOLDERS ARE ADVISED TO READ THE PROXY STATEMENT AND OTHER DOCUMENTS RELATED TO THE SOLICITATION OF PROXIES BY THE HUMANE SOCIETY OF THE UNITED STATES FROM THE STOCKHOLDERS OF TYSON FOODS, INC. FOR USE AT ITS 2013 ANNUAL MEETING WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION, INCLUDING INFORMATION RELATING TO THE PARTICIPANTS IN SUCH PROXY SOLICITATION. WHEN COMPLETED, A DEFINITIVE PROXY STATEMENT AND A FORM OF PROXY WILL BE MAILED TO STOCKHOLDERS OF TYSON FOODS, INC. AND WILL ALSO BE AVAILABLE AT NO CHARGE AT THE SECURITIES AND EXCHANGE COMMISSION'S WEBSITE AT [HTTP://WWW.SEC.GOV.](http://www.sec.gov) INFORMATION RELATING TO THE PARTICIPANTS IN SUCH PROXY SOLICITATION IS CONTAINED IN EXHIBIT 1 TO THE SCHEDULE 14A FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 2, 2012. THE PARTICIPANTS HAVE NO INTEREST IN TYSON FOODS, INC. OTHER THAN THROUGH THE BENEFICIAL OWNERSHIP OF SHARES OF COMMON STOCK, PAR VALUE \$0.10 PER SHARE, OF TYSON FOODS, INC., AS DISCLOSED IN EXHIBIT 1 TO THE SCHEDULE 14A FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 2, 2012. THE SCHEDULE 14A IS AVAILABLE AT NO CHARGE AT THE SECURITIES AND EXCHANGE COMMISSION'S WEBSITE AT [HTTP://WWW.SEC.GOV.](http://www.sec.gov)



**THE HUMANE SOCIETY
OF THE UNITED STATES**

DISCLAIMER

Special note regarding this presentation

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We have not sought, nor have we received, permission from any third-party to include their information in this presentation.

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The Cone Nonprofit Power Brand 100

In collaboration with Intangible Business



The Cone Nonprofit Power Brand 100

To explore the unique relationship between nonprofit brand image and financial performance, Cone, in collaboration with Intangible Business, is pleased to share **The Cone Nonprofit Power Brand 100**, the first public ranking in the United States to value nonprofit organizations by more than financial standing alone.

At a time when donations are decreasing and nonprofits are continuously being asked to work across sectors to solve global issues, leading organizations are evolving and protecting their brands as powerful engines to raise critical funds in the near and long-term. In a sector where more than 1.5 million organizations compete for dwindling resources to carry out their missions, a solid brand identity helps tell an organization's story. It sets expectations, gains attention, fosters relationships and ultimately helps ensure long-term survival.

Available for download

- The Cone Nonprofit Power Brand 100 Report
- Full 100 list
- Executive Summary

Media Release

The Cone Nonprofit Power Brand 100 in the News

The New York Times - "An Analysis Ranks Brands of Nonprofits"
The Chronicle of Philanthropy - "YMCA Leads List of 100 Charities with Strongest Brands"
Marketing Daily - "YMCA, Salvation Army Dominate Nonprofit Brands"
PRWeek - "YMCA Tops Cone Nonprofit Brand Rankings"
Puget Sound Business Journal - "Nonprofit Brands Aren't Cheap"
Triple Pundit - "Cone Inc Ranks Top 100 Nonprofits by Brand Affinity over Financials"







**what about
farm animals?**

Consumer Preferences for Farm Animal Welfare: Results of a Nationwide Telephone Survey



Jayson L. Lusk

F. Bailey Norwood

Robert W. Prickett

Department of Agricultural Economics
Oklahoma State University



Table 11. Do you agree with the following statement?

It is important to me that animals on farms are well cared for.

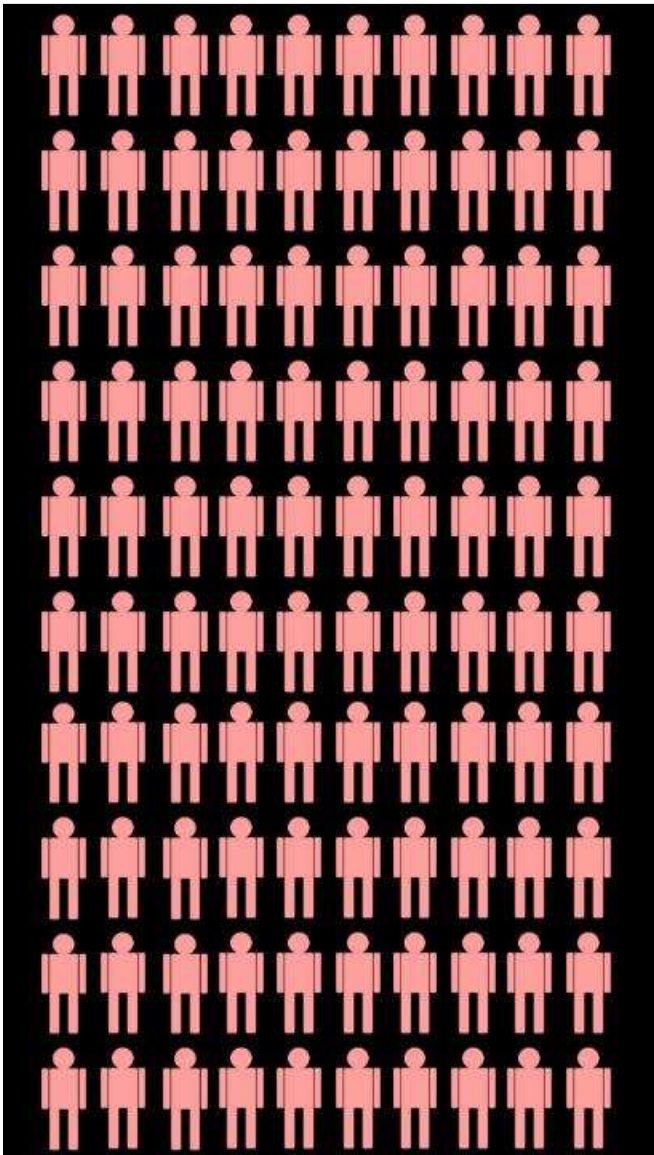


Table 11. Do you agree with the following statement?
It is important to me that animals on farms are well cared for.

Table with 2 columns: Response, Percentage. The table content is mostly illegible due to blurring.

Response	Percentage
Strongly agree	...
Agree	...
Disagree	...
Strongly disagree	...

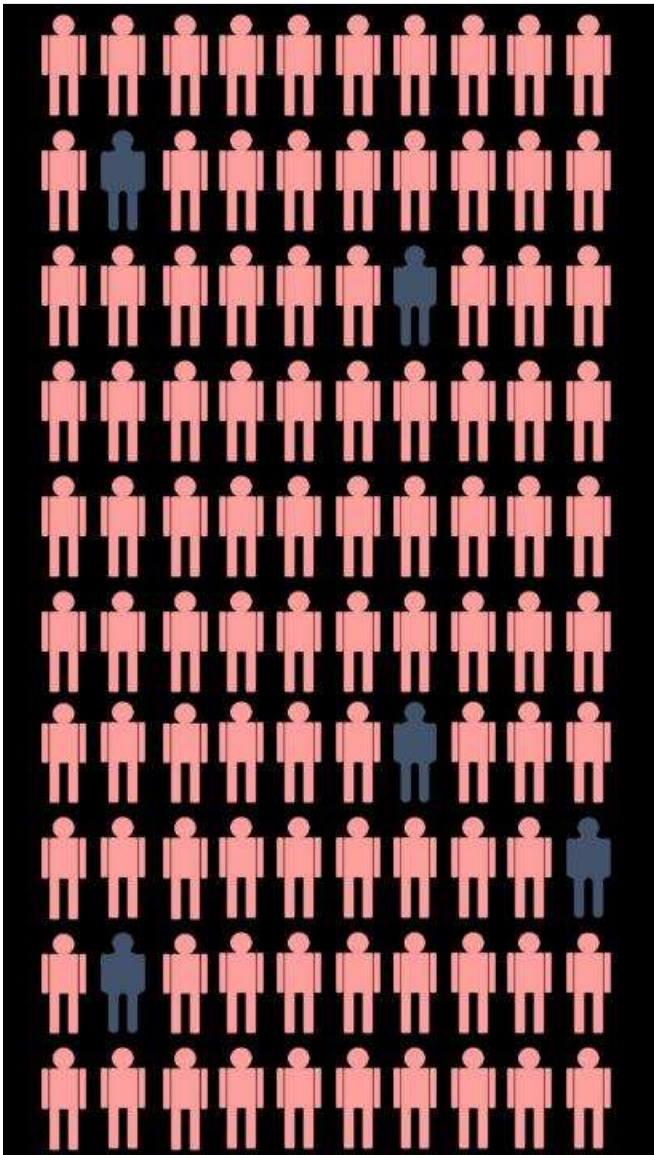


Table 11. Do you agree with the following statement?
It is important to me that animals on farms are well cared for.

Table with 2 columns: 'Strongly disagree', 'Strongly agree'. The table contains data for the statement 'It is important to me that animals on farms are well cared for.' The data is mostly illegible due to blurring.

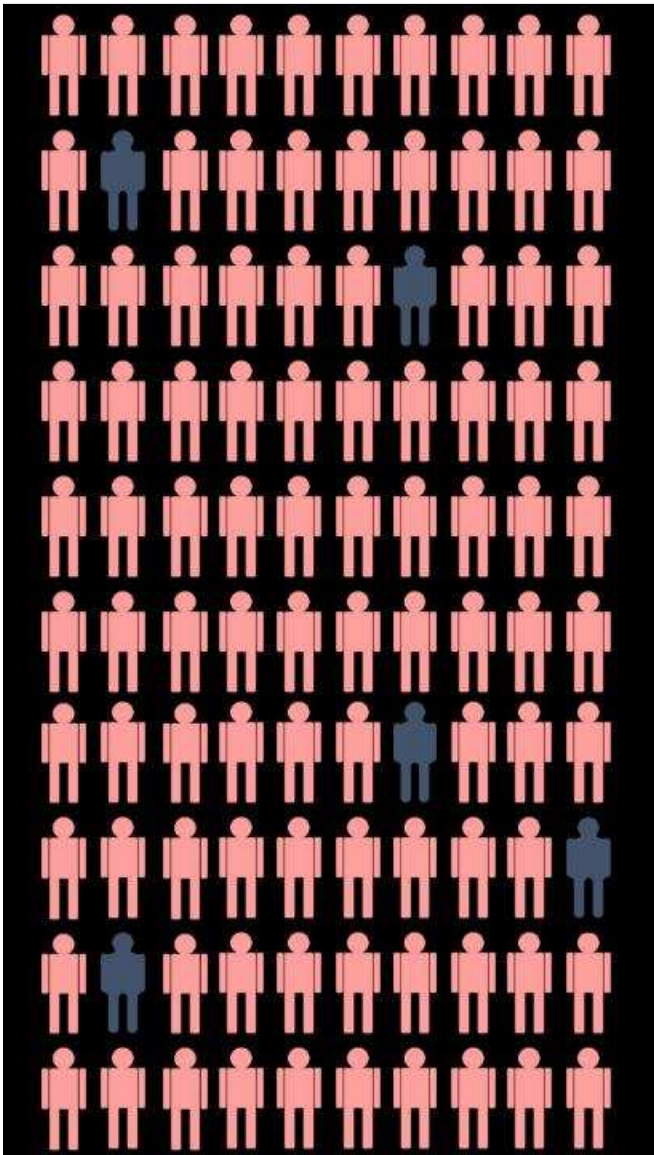


Table 19. Do you agree with the following statement?

Food companies that require farmers to treat their animals better are doing the right thing.

Response	Percentage
Strongly agree	12%
Disagree	1%
Strongly disagree	1%
Don't know	86%

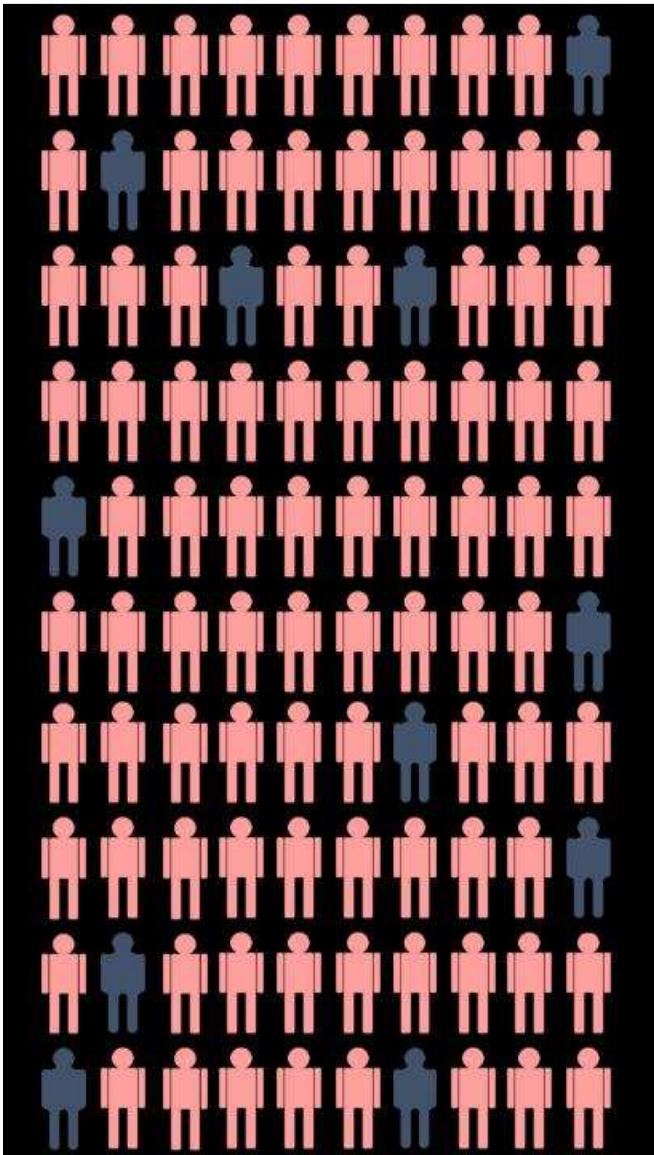


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Food companies that require farmers to treat their animals better are doing the right thing.

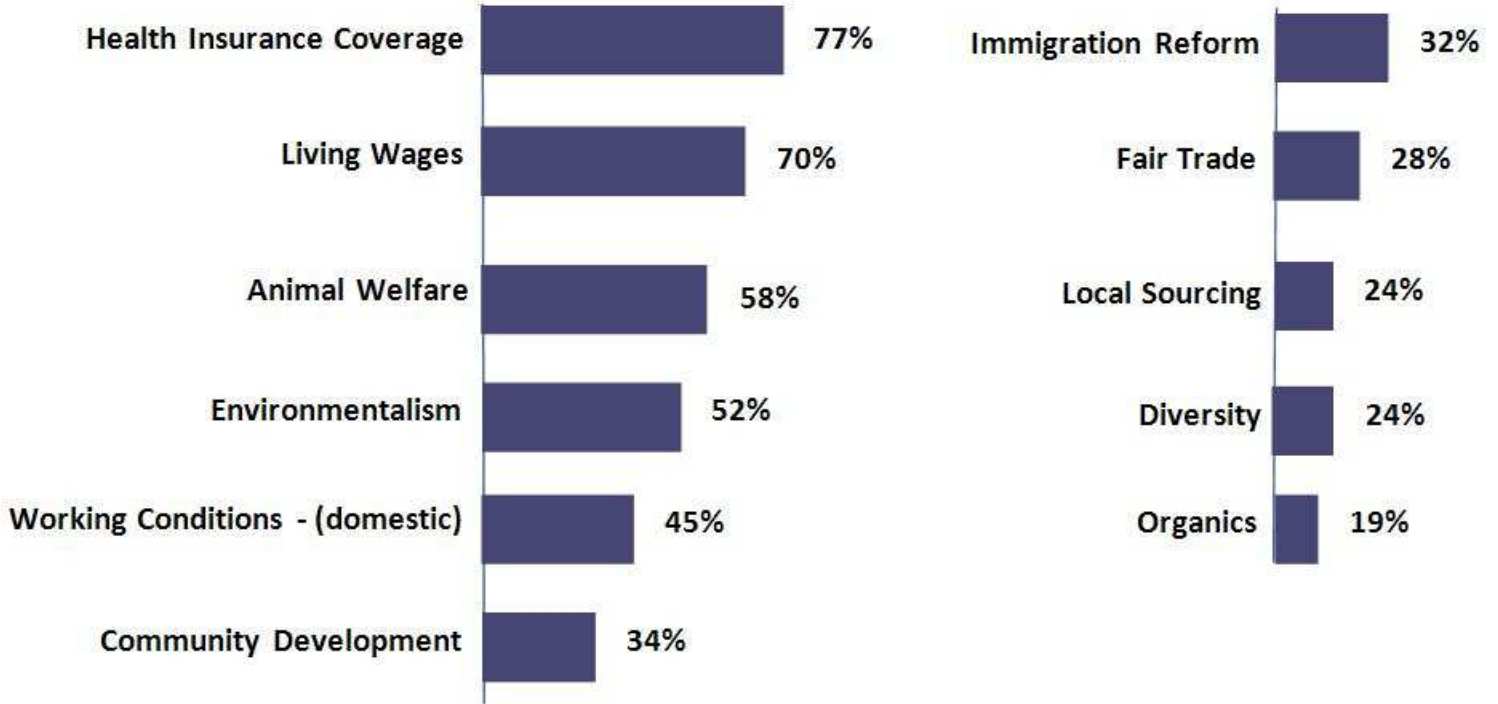
Response	Percentage
Strongly agree	12%
Disagree	1%
Strongly disagree	1%
Don't know	85%



future FOOD TRENDS

MOST IMPORTANT SOCIAL ISSUES TO RESTAURANT PATRONS

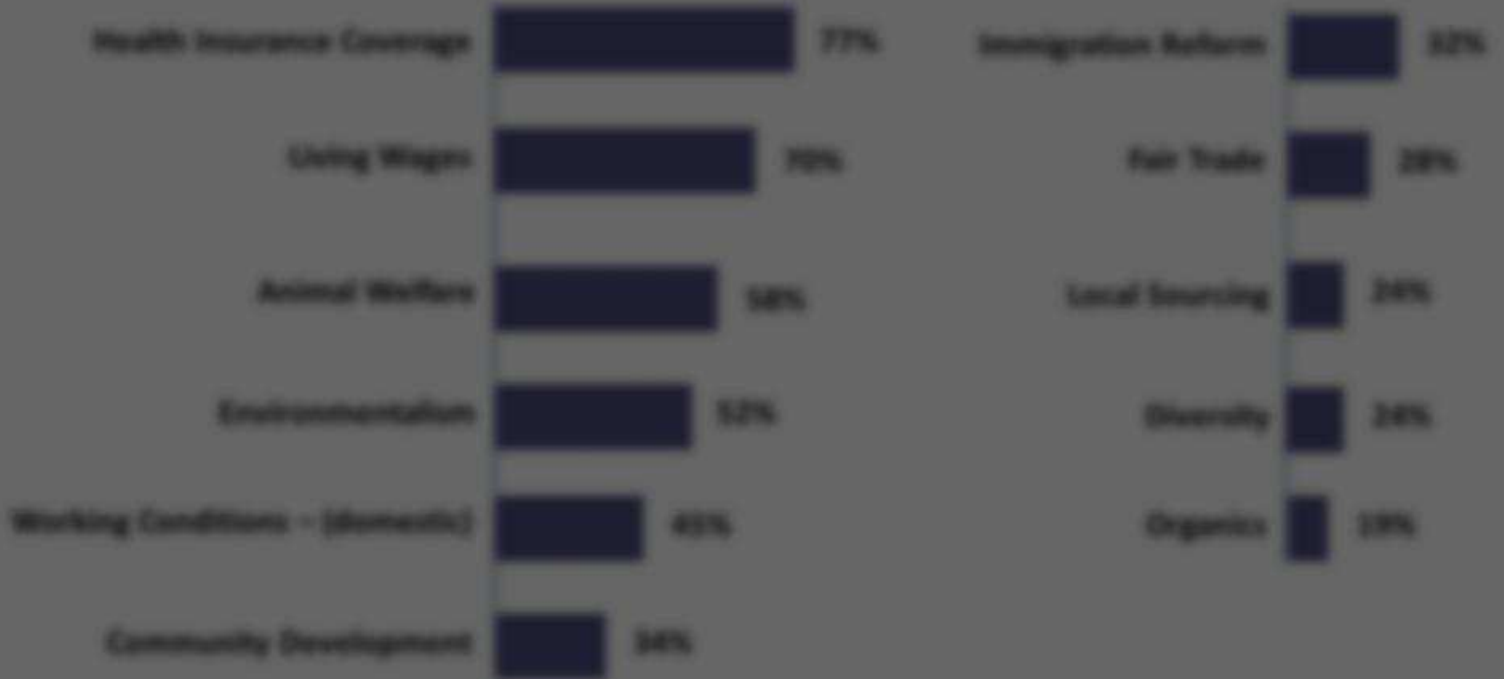
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future FOOD TRENDS

MOST IMPORTANT SOCIAL ISSUES TO RESTAURANT PATRONS

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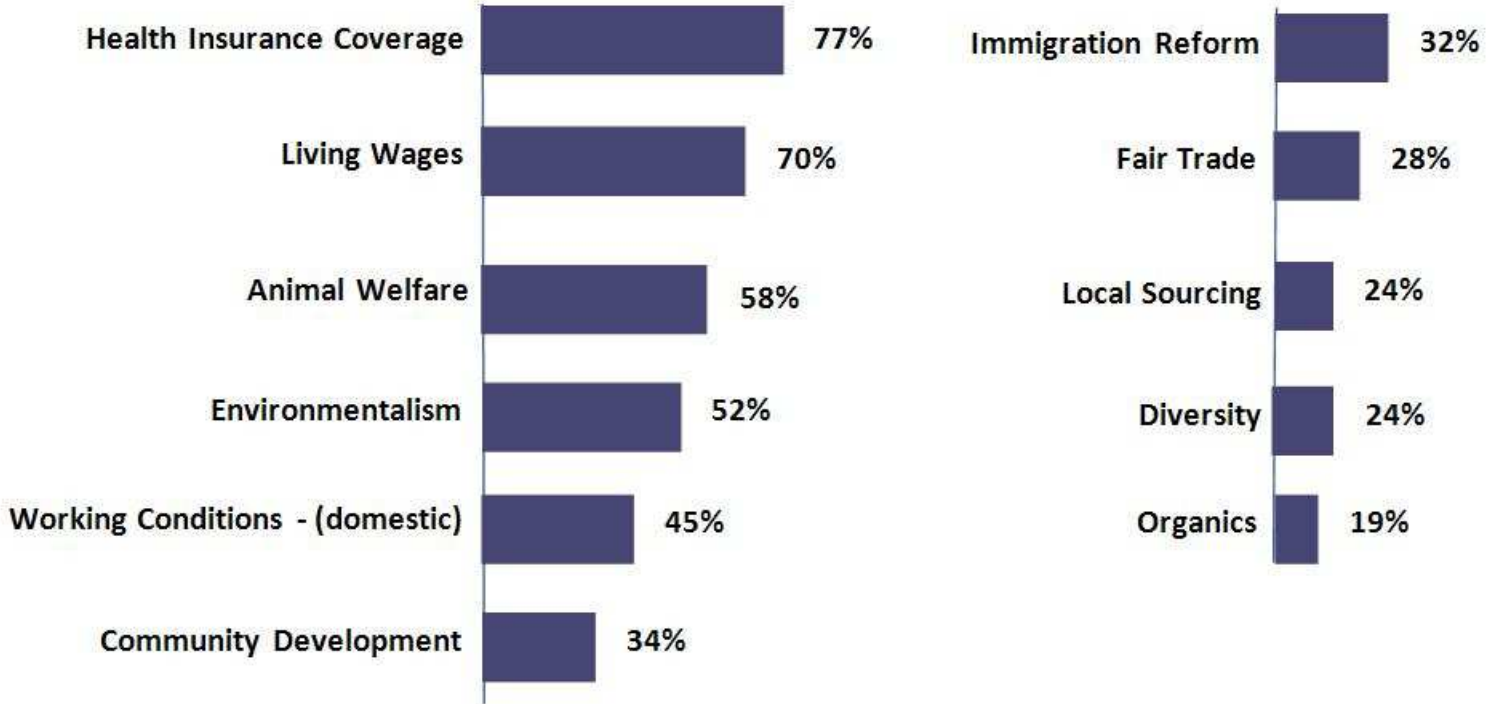




future FOOD TRENDS

MOST IMPORTANT SOCIAL ISSUES TO RESTAURANT PATRONS

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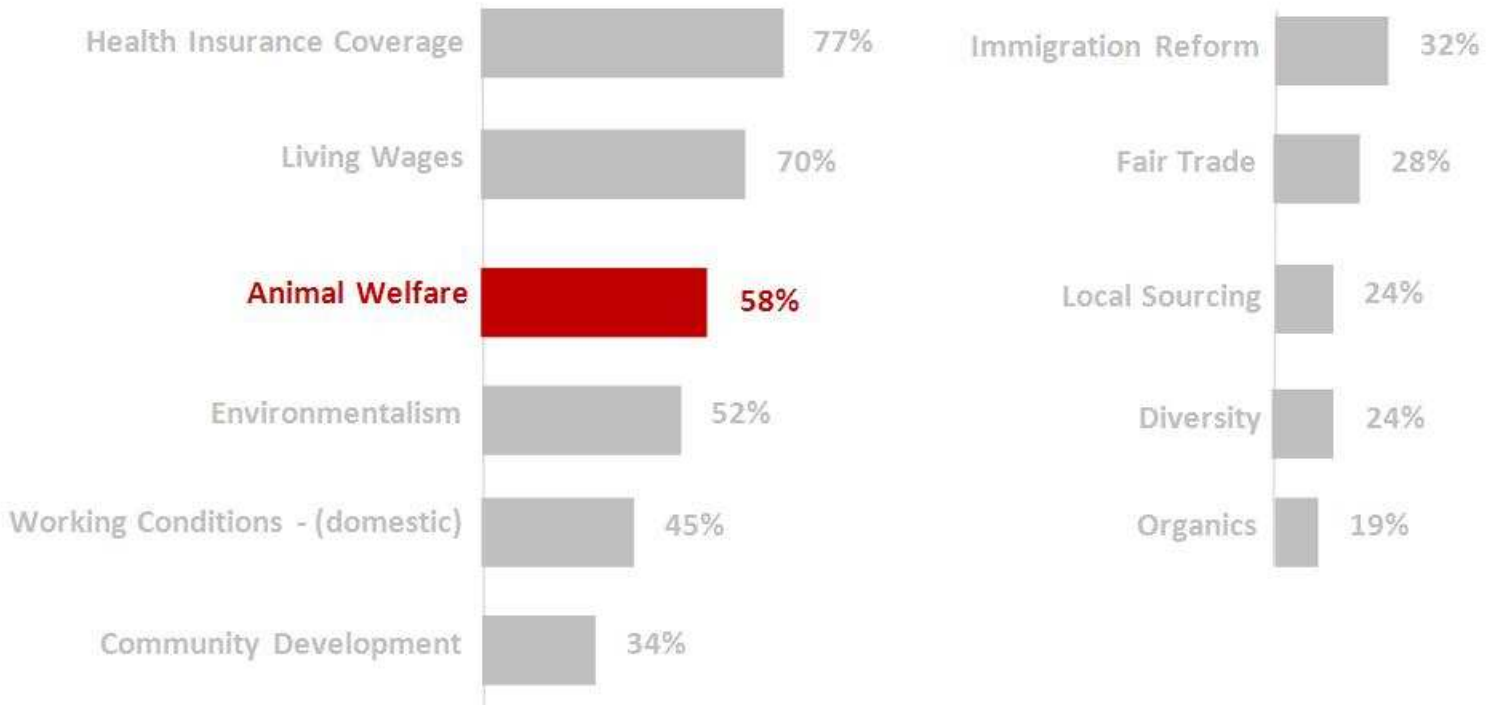




future FOOD TRENDS

MOST IMPORTANT SOCIAL ISSUES TO RESTAURANT PATRONS

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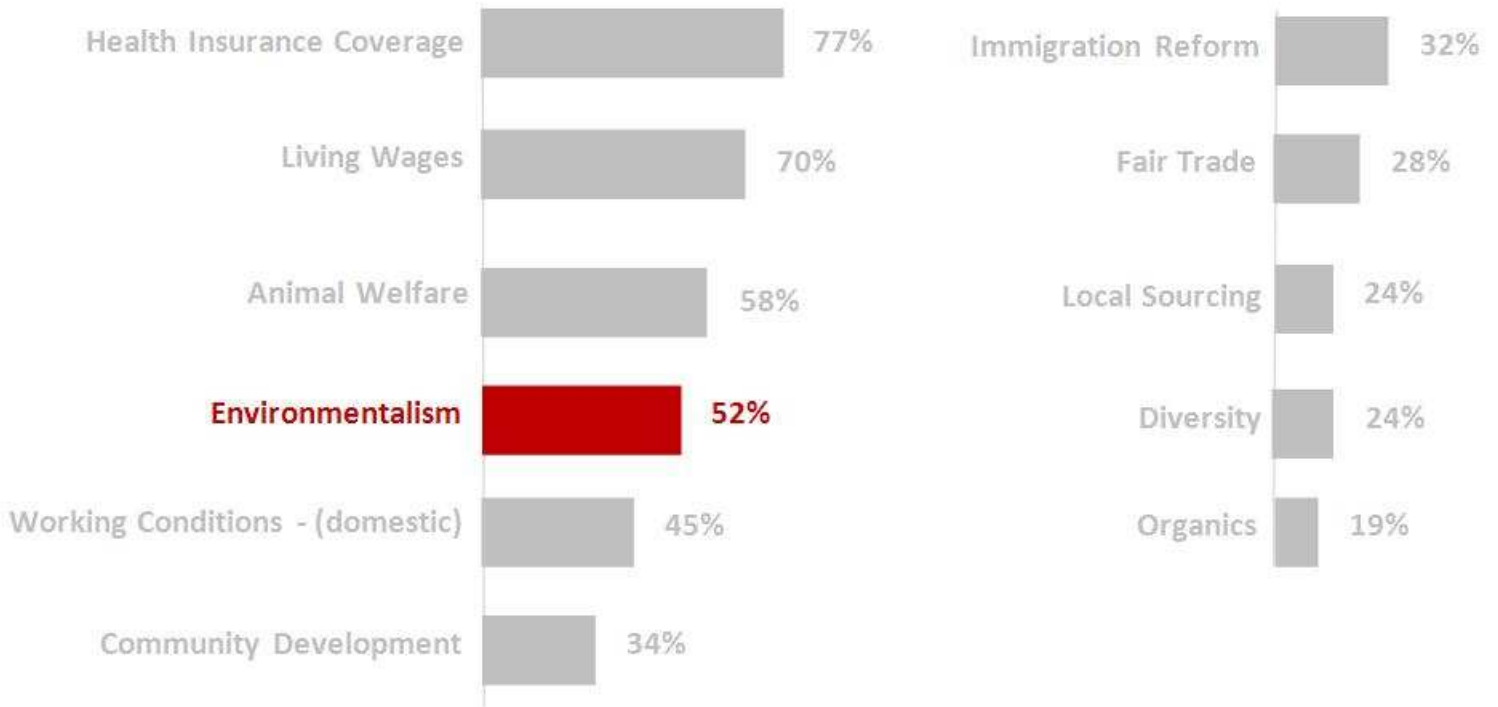




future FOOD TRENDS

MOST IMPORTANT SOCIAL ISSUES TO RESTAURANT PATRONS

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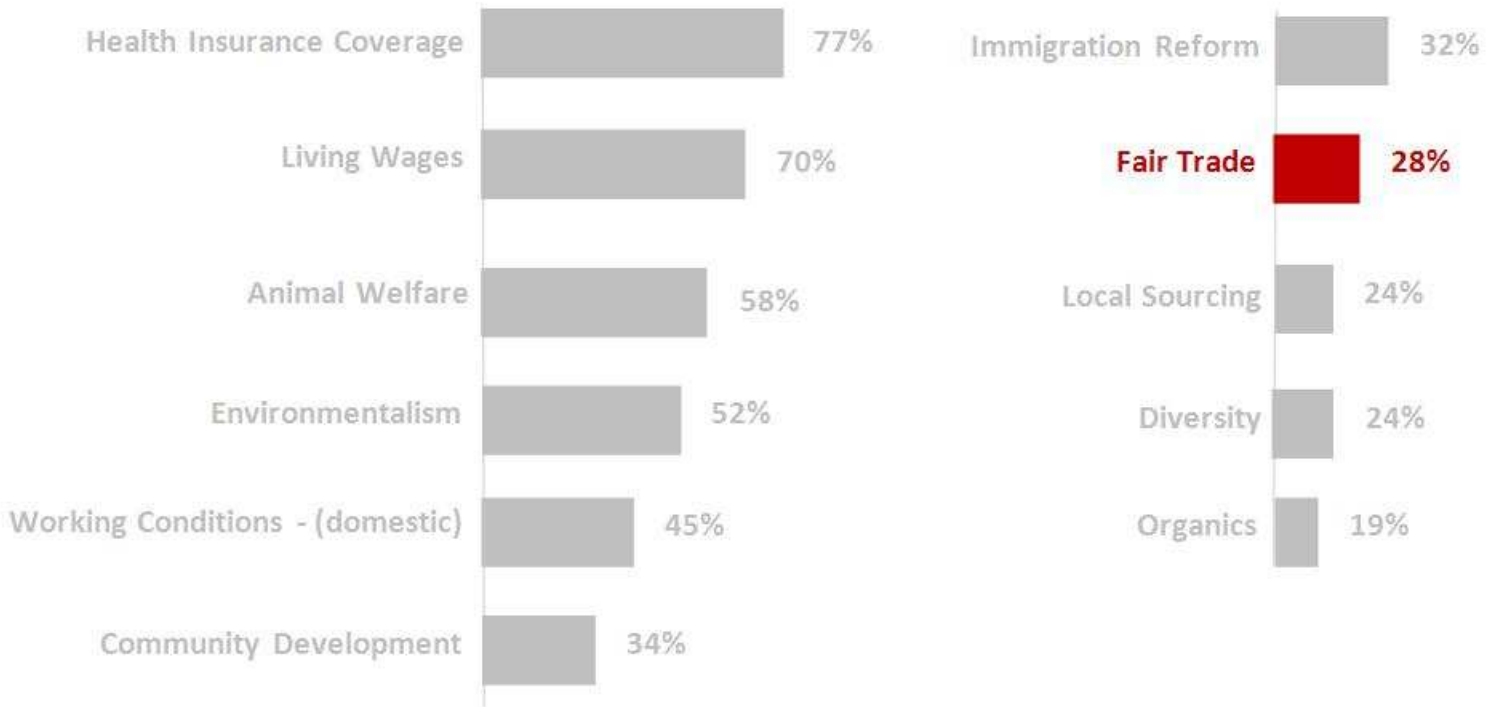




future FOOD TRENDS

MOST IMPORTANT SOCIAL ISSUES TO RESTAURANT PATRONS

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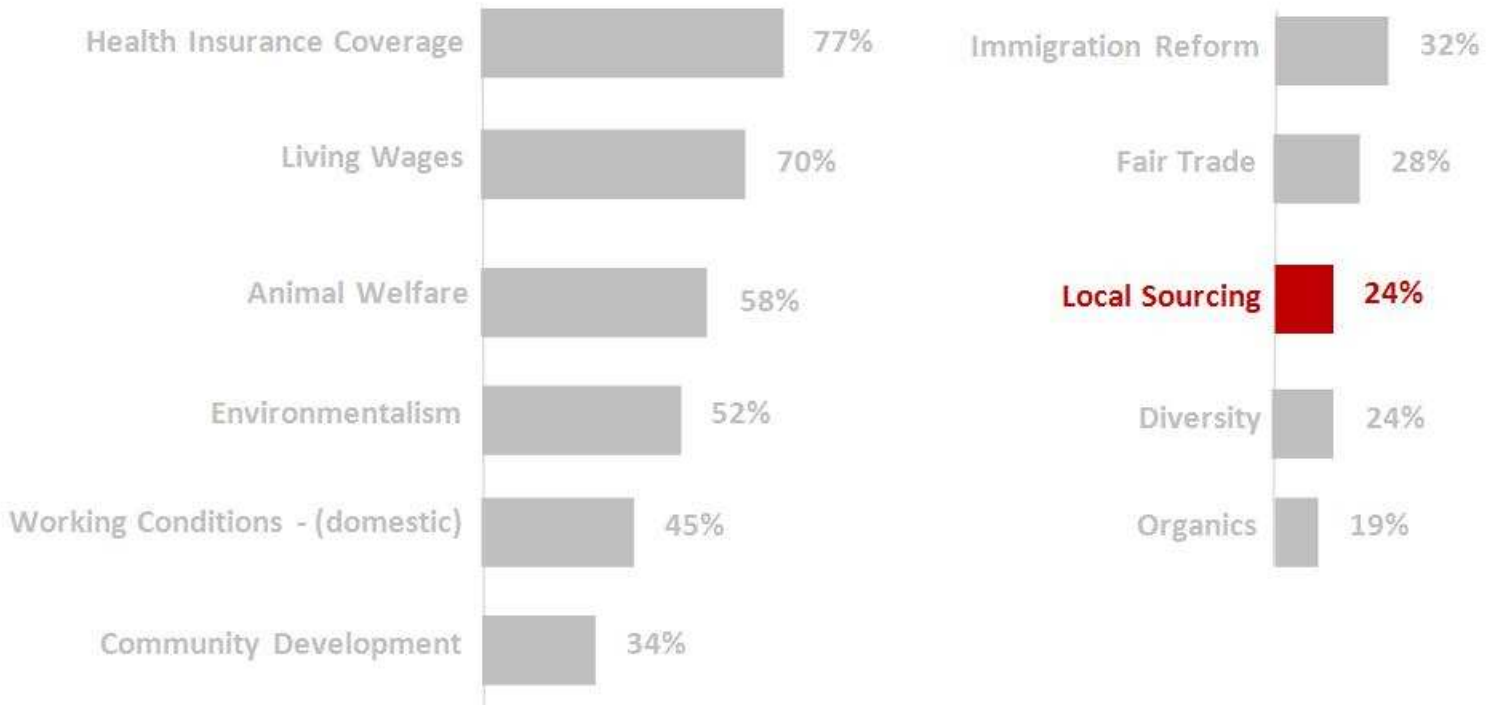




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MOST IMPORTANT SOCIAL ISSUES TO RESTAURANT PATRONS

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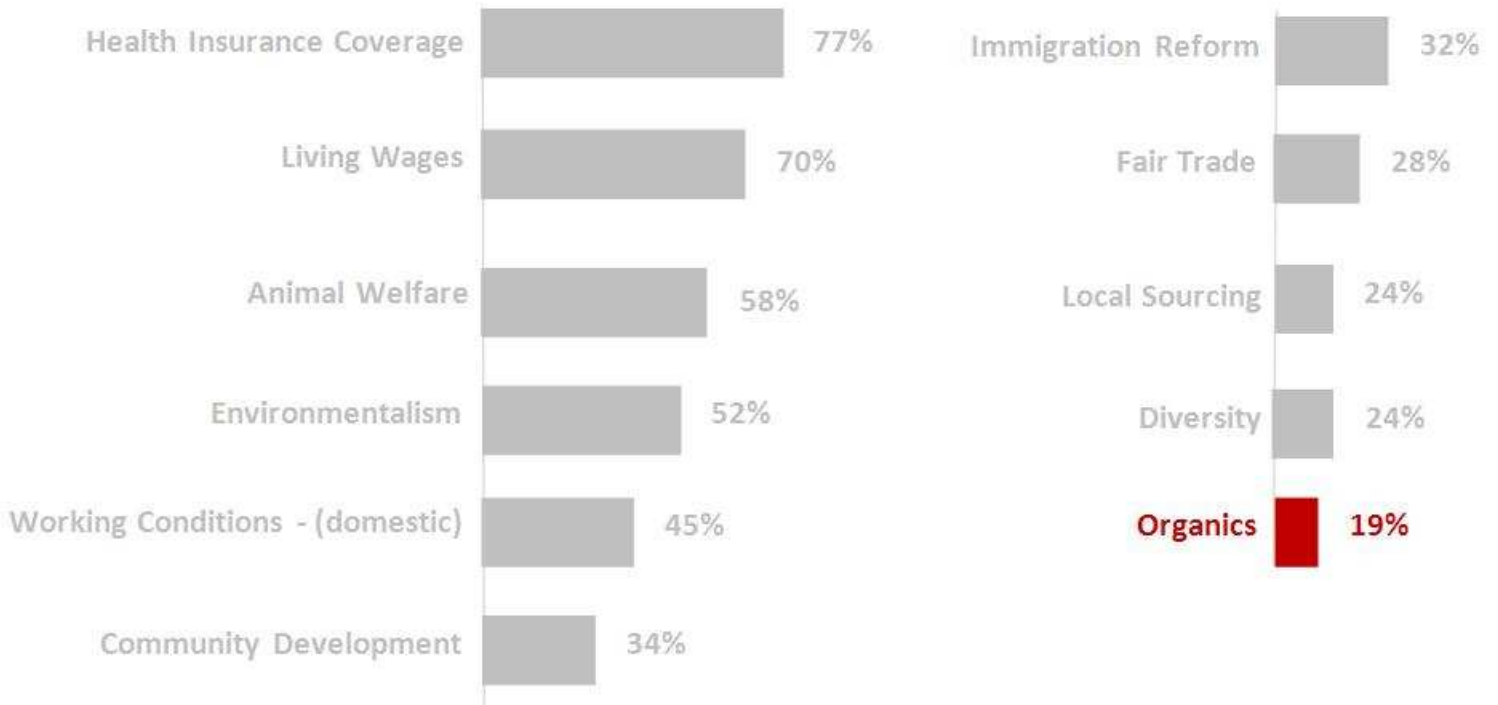




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MOST IMPORTANT SOCIAL ISSUES TO RESTAURANT PATRONS

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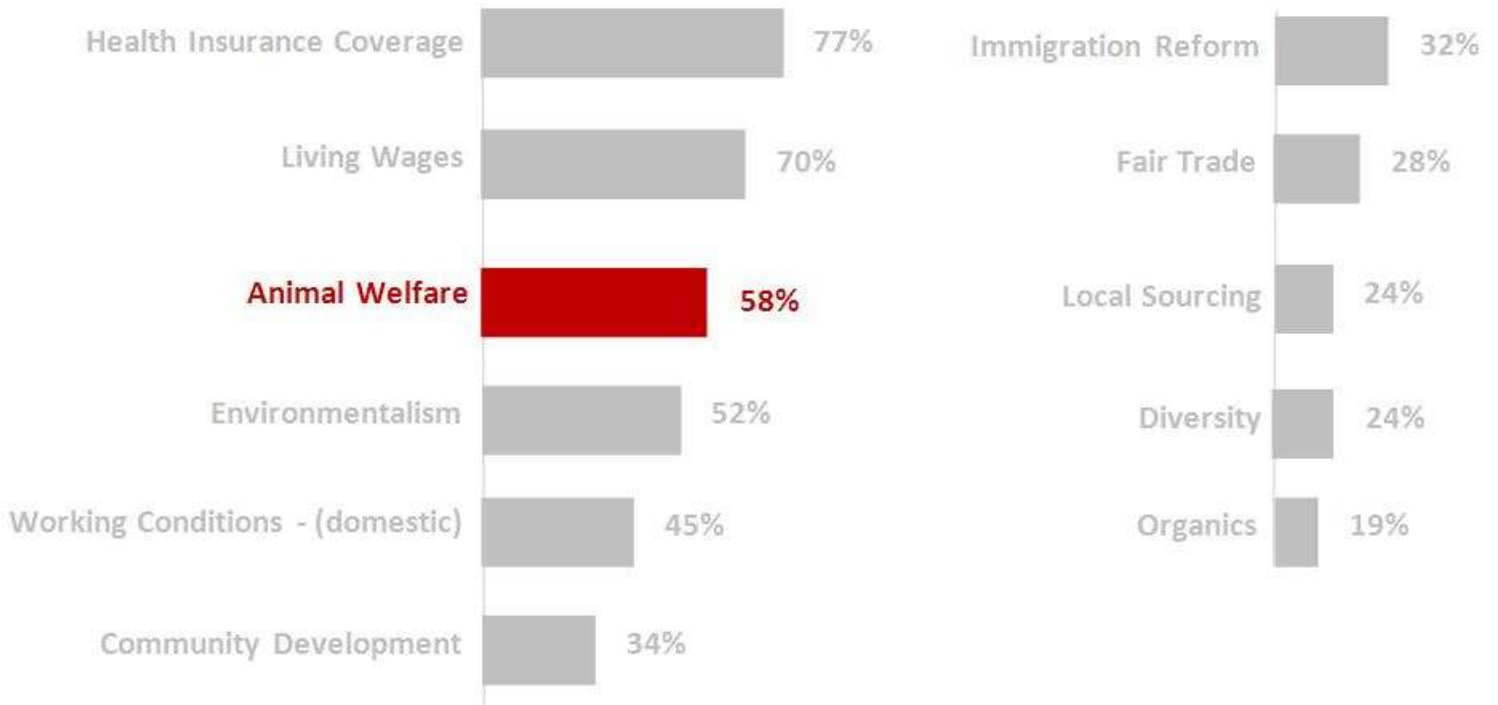




future FOOD TRENDS

MOST IMPORTANT SOCIAL ISSUES TO RESTAURANT PATRONS

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Industry Focus

Restaurants

Restaurant Industry Initiation

- **Restaurant Initiation** — We are initiating coverage of the restaurant industry. We rate Burger King a Buy/Medium Risk (1M), McDonald's a Hold/Low Risk (2L), YUM! Brands a Hold/Medium Risk (2M) and Domino's Pizza a Hold/Speculative Risk (2S).
- **Secular Winds of Change** — In our view, much of the outsized growth in domestic dining out trends has largely passed, due to greater competition from non-traditional channels and moderation of growth in dual-income families.
- **Significant Longer-Term Int'l Opportunity** — The current domestic landscape is highly saturated, leaving little room for pricing power and unit growth. We feel int'l expansion, particularly into emerging markets, offers tremendous long-term growth opportunities as these areas are largely underpenetrated today.

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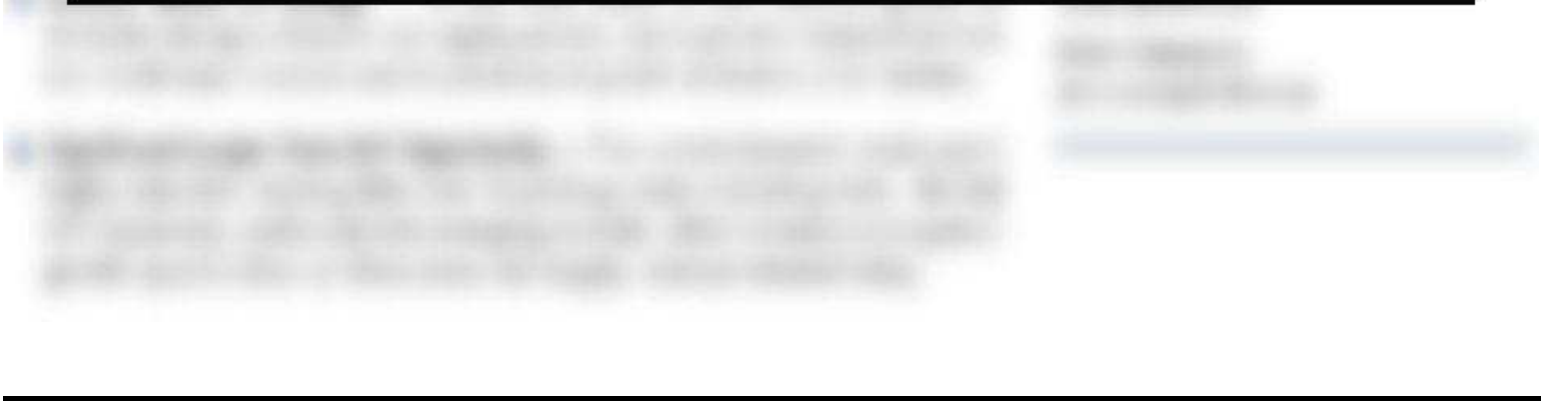
alvin.c.concepcion@citi.com



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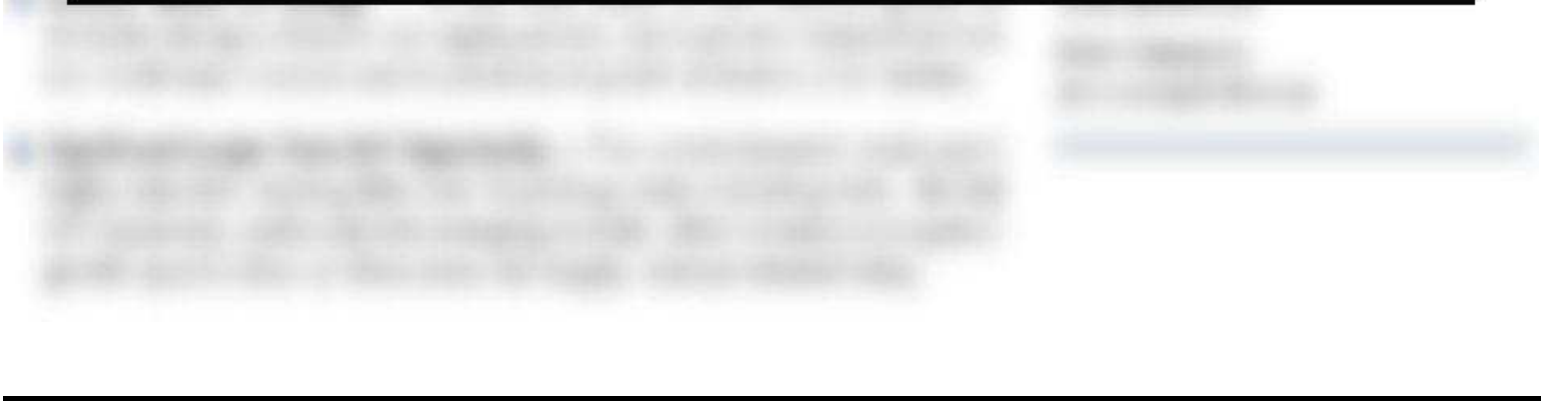


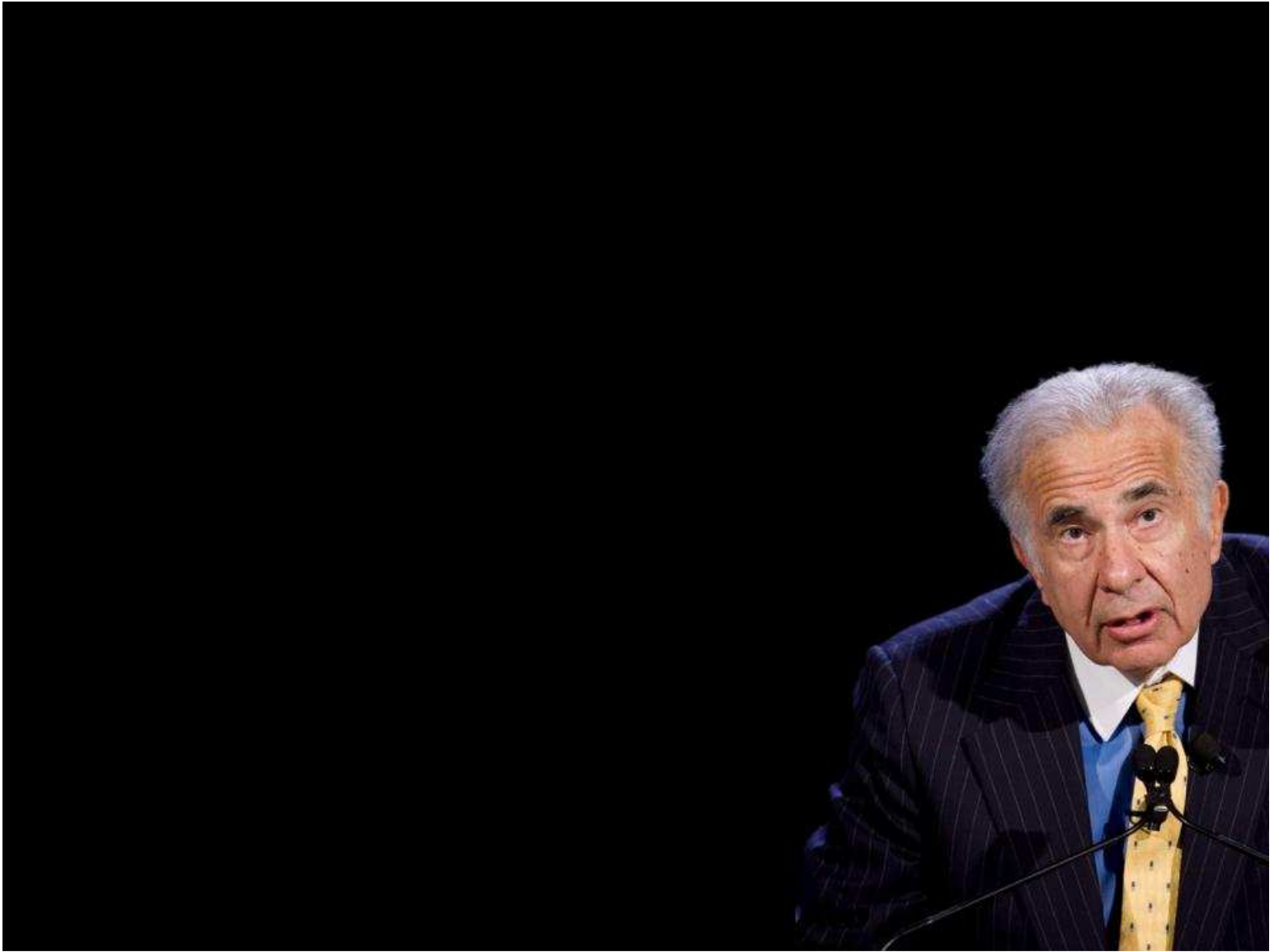


2020
Annual Report



There are also a number of potential headline risks that could tarnish the image of restaurant companies, including **concerns over animal cruelty.**





October 2, 2012

HSUS President Wayne Pacelle Announces Candidacy for Board Seat at Tyson Foods, Renowned Investor Carl Icahn To Advise

Wayne Pacelle, president and CEO of The Humane Society of the United States, announced that he has filed paperwork as a candidate for election to the board of directors of Tyson Foods. Pacelle will urge the company to commit to a definite time frame to phase out the confinement of sows in gestation crates—tiny cages so small that the breeding pigs cannot even turn around for essentially their entire lives. Renowned investor Carl Icahn has agreed to serve as an advisor in Pacelle's efforts to join the board.

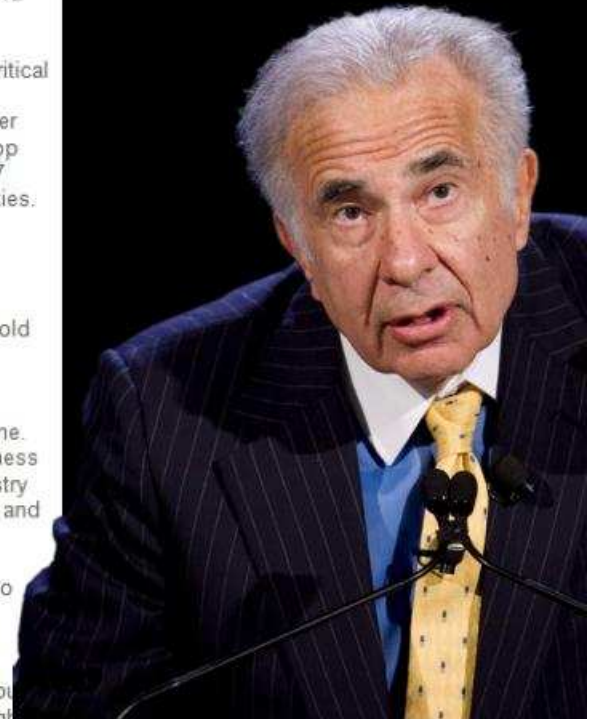
"It's certainly unusual for a lifelong animal advocate to run for the board of the second-biggest meat company in the world," said Pacelle, who has been CEO of The HSUS for more than eight years. "Nonetheless, it is imperative that a voice on Tyson's board speak for the company's many customers, partners, and investors who are demanding the end of gestation crates and more humane treatment of animals."

Pacelle decided to run for Tyson's board to encourage management there to take certain critical steps to improve the treatment of animals in its supply chain, and not fall behind its major competitors. The HSUS's primary focus has been for the company to join the scores of other companies who have committed to end the use of gestation crates, including the nation's top pig producer and Tyson's main competitor in this space, Smithfield Foods, which set a 2017 timeframe to complete its transition to group housing systems for its company-owned facilities. Hormel Foods also announced the same policy, and Cargill has been at least 50 percent gestation crate-free for five years now.

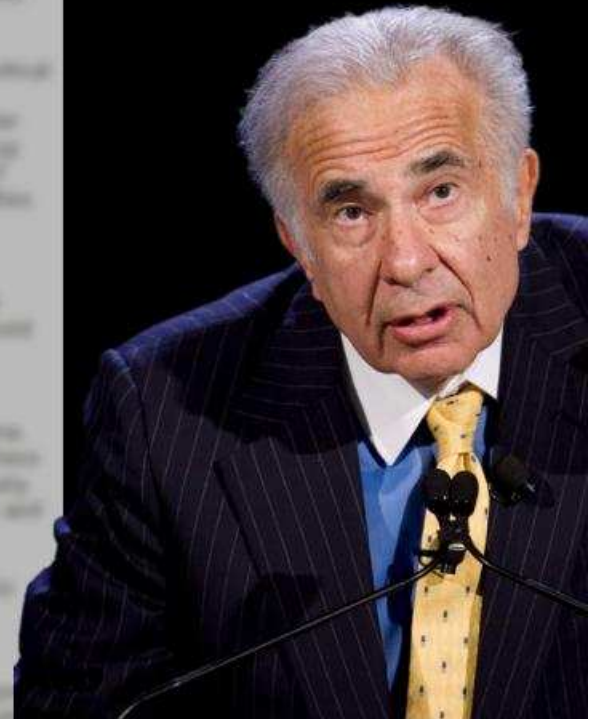
Mr. Icahn stated: "When Wayne Pacelle reached out to me as a long-time supporter of The Humane Society to advise HSUS on the possibility of seeking a board position at Tyson, I told Wayne that given the existence of A/B (low vote/high vote) stock at Tyson, it would be extremely difficult to elect him as a director through a proxy fight.

However, I firmly believe that the position of HSUS regarding gestation crates is the right one. Eliminating those crates will both prevent cruelty to animals, and will improve Tyson's business prospects by putting the company on an equal competitive footing with the bulk of the industry that is already rejecting gestation crates. Further, in my experience, corporate governance and transparency at companies with A/B stock is often poor and those companies in particular benefit from the sunshine of shareholder examinations as permitted under Section 220 of Delaware's corporate laws, which may be useful in this situation and which HSUS intends to seek."

Mr. Icahn further commented: "A fresh voice on the Tyson board would be good for the company, and I am hopeful that enough shareholders will be receptive to the campaign to put Wayne Pacelle on the board so that either he will be elected, or that Tyson will reach the point



I firmly believe that the position of HSUS regarding gestation crates is the right one.





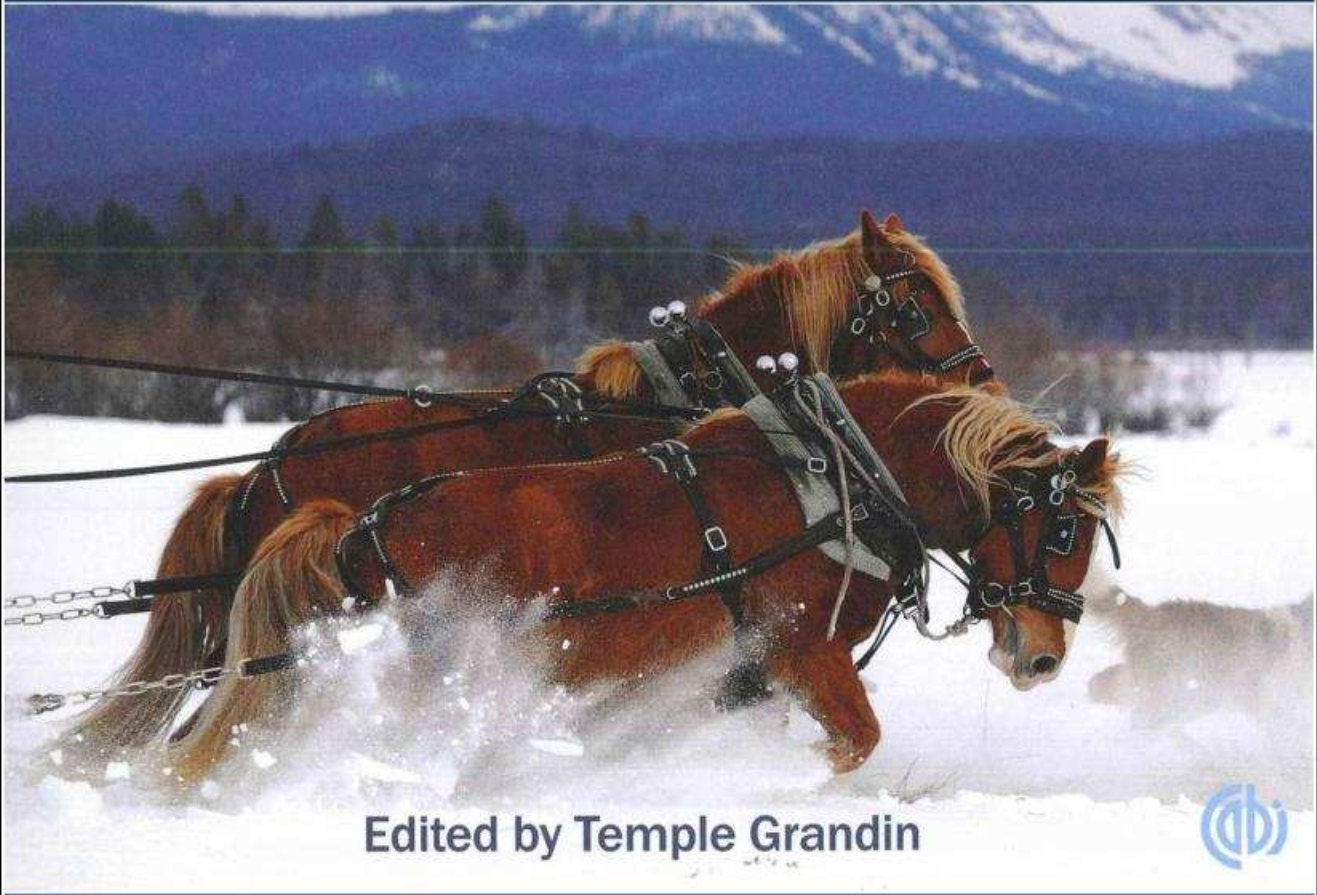
**what is
the solution?**





Improving Animal Welfare

A Practical Approach



Edited by Temple Grandin



food animals and working animals with a decent life that is worth living. Confining an animal for most of its life in a box in which it is not able to turn around does not provide a decent life.

Making Ethical Decisions

Scientific research shows that some behavioural needs are more important to the animal than others. For example, providing a secluded nest box is more important for a hen than providing a place to dust bathe (Widowski and Duncan, 2000). O'Hara and O'Connor (2007) state that there are priority behaviours that must be provided for in order to satisfy the minimum requirements for behavioural needs. The author recommends that the list in Box 1.3 would satisfy the minimum behavioural requirements for livestock and poultry. Higher welfare systems would provide for additional behaviours such as dust bathing in poultry or mud wallows for pigs.

Science can provide information to help people make good decisions about animal welfare. However, there are some ethical concerns that science cannot answer (see Chapter 2). To help make good decisions, many governments and large meat buyers have animal welfare advisory councils. The author has served on these councils for livestock industry associations, major retailers and restaurant chains. Most councils consist of scientific researchers in the field of welfare, animal advocacy groups and lay people. They provide advice and guidance. In Europe, advisory councils make recommendations on legislation. In the UK, the Farm

would be permitted to pass a welfare audit. With good management, very low levels of lameness are possible.

From an ethical standpoint, interpretation of physiological measures such as cortisol levels or heart rate is more difficult. What level of cortisol should be permitted? The most practical way to help people make ethical decisions about physiological measurements is to compare the stressful or painful treatment to a control condition that most people find acceptable such as restraining the animal. It is best to evaluate physiological data by comparing them to a control condition within the same study with the same type of animals.

There are extreme levels of physiological measures that most scientific experts on an advisory council would be able to say 'This is absolutely not acceptable', for example, extremely high average levels of cortisol such as the 93 ng/ml average level reported by Dunn (1990) in cattle. The level is 30 units higher than cortisol levels due to poor handling. It is important to use the AVERAGE level of a physiological measure in a group of animals. Individual animals can have great variation in stress levels. More information on assessing stress has been reviewed in Grandin (1997). Another example of conditions that are absolutely not acceptable is the capture myopathy cases that are described in Chapter 5.

The Ethics of Animal Treatment Versus Treatment of People

The author went to Mexico and saw a man with a

Confining an animal for most of its life in a box in which it is not able to turn around does not provide a decent life.

MEAT & POULTRY

The CRATE debate

BY JERRY KARCZEWSKI
meatpoultry@sosland.com



In 1807, an English hog farmer named Joseph Pattinson of Essex County, England, introduced a unique method of fattening hogs for the market. *A General View of the Agriculture of the County of Essex*, (1813), notes "he builds his styes in divisions, each to contain a pig, and to fit him as near as may be, when he is in, he cannot attempt to turn himself round... he is enabled to lay down at pleasure. He finds that they fatten far better in these styes than in common ones, and attributes it to their being much more quiet."

Two centuries later, Pattinson's method of individual, closely confined housing has been creating quite a stir. Introduced into modern production in 1969, gestation crates are stalls approximately 7 ft. long by 2 ft. wide, in which breeding sows spend their entire adult lives. The system provides several benefits for producers, including lower space requirements, individual control of feeding, reduced social stress and a safer work environment for handlers. Resulting in lower costs for producers and improved physical safety for sows, this led to widespread expansion of the system in the 1980s and 90s. It is estimated that 83 percent

of all breeding sows are now housed in gestation crates.

Paralleling the growth of this system is the concern about the quality of life experienced by sows in it. In recent months, the issue of gestation crates has generated an avalanche of activity. Every few weeks brings a new announcement of a food company to mandate the phase-out of gestation crates.

At press time, foodservice and retailers requiring their suppliers to phase out use of the crates included: McDonald's, Burger King, Jack in the Box, Wendy's, Denny's, Sonic, Cracker Barrel, Tim Horton's, Carl's Jr./Hardee's, Subway, Wierschnitzel, Compass Group, Kroger, Safeway, Fresh Enterprises, Kraft Foods, Sysco, Aramark, Costco and Heinz.

Mixed response

To date, three large pork producers have announced plans to eliminate the use of gestation crates. Smithfield announced in December that they will phase out their use by 2017; 30 percent of facilities have already been converted. In January, Hormel announced that its company-owned facilities will be converted by 2017. Cargill, while not announcing a tar-

get date, has already converted over 50 percent of its facilities.

Mike Siemens, Cargill's animal welfare leader, points out that Cargill began to phase out gestation crates over 10 years ago. "Cargill's evaluation of alternative sow housing began in 2002," he notes. "At that time our company began integrating the use of group housing. The change is ongoing, we continue to study alternative housing options and husbandry techniques."

The commitment to phase out has not been across the board. Tyson Foods and Seaboard Farms are among large producers who have declined phasing out gestation crates.

A tipping point

Though recent public announcements have come in a flurry, the concern over crate housing has been simmering for years. Matt Prescott, food policy director at the Humane Society of the United States (HSUS), observes, "We've been following the growth of gestation crates since their introduction in 1969, and through the 1990s, as crate confinement reached industry-wide status. This has been a priority for us for more than a decade. We helped pass the

Photo courtesy of www.meat.org

Discussion over
gestation housing continues
among processors,
experts and consumers

MEAT & POULTRY

RESEARCH REPORT

Studies show crates have more negative attributes than positive ones, including increased sow mortality, negative public perception and inability of the sow to demonstrate normal social behavior.

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www.poultry.com

MEAT & POULTRY

RESEARCH REPORT

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MEAT & POULTRY

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Discussion on
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among processors,
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www.purvis.com

**but is it
feasible?**

Impact of Gestation Housing System on Weaned Pig Production Cost

A.S. Leaflet R2235

Pete Lammers, research assistant; Mark Honeyman, professor, department of animal science; Jim Kliebenstein, professor, department of economics; Jay Harmon, professor, department of agriculture and biosystems engineering

Summary and Implications

Construction and operating costs for two gestation housing systems—1) individual gestation stalls in a mechanically ventilated confinement building with slatted floor and 2) group pens with individual feed stalls in deep-bedded naturally ventilated hoop barns and their impact on cost per weaned pig produced were compared. Iowa work has shown that reproductive performance of group-housed sows in hoop barns is equal to individually stalled sows and for some measures may be improved. Assuming equal prolificacy, feed cost per pig weaned is 7% more for sows gestated in hoop barns, but total cost per pig weaned is 3% less for pigs produced by sows gestated as groups in hoop barns compared with pigs from individual stall gestation systems. When the observed increase in live pigs born for litters following hoop gestation was included in the cost analysis, the group housing in hoop barns for gestation resulted in a weaned pig cost that was 11% less than the cost of a weaned pig from the individual stall confinement system. In the upper Midwest United States, group housing of gestation sows in deep-bedded hoop barns may produce pigs at a lower cost than individual gestation stalls in

Materials and Methods

Construction Costs

General contractors familiar with agricultural construction in the Midwest U.S. and suppliers of equipment and materials were surveyed during January 2006. Due to the competitive nature of construction, all firms participated on the condition of anonymity and thus are not identified. The material list for the mechanically ventilated individual gestation stall facility is based on a 1,700 sow capacity facility with a totally slatted floor and a 2.4 m (8 ft) pit below the entire barn. The material list for the deep-bedded hoop barns are based on two 9.1 × 27.4 m (30 × 90 ft) hoop barns with space for 52 sows each were constructed in January 2006 at the Iowa State University Swine Breeding Farm near Madrid, Iowa. Frost-free waterers and an automatic feeding system were included in the hoop building cost. A raised, concrete feeding platform with individual feed stalls with closing rear gates was installed. The lounging area had a 10.2 cm (4.2 in.) thick reinforced concrete floor. With increasing number of spaces, construction costs may decline due to economies of scale. To minimize variation in this analysis, the value of concrete was held constant at \$59.28 per m³.

Operating Costs

Two comparisons were made with the weaned pig cost for the system that utilized individual gestation stalls based upon Kansas State University Extension farrow-to-wean pig cost-return budgets. The first comparison assumed gestation



Group housing resulted in a weaned pig cost that was 11 percent less than the cost of a weaned pig from the individual stall confinement system.



Report of the Standing Committee
on Women's Reservation Bill

2019-2020

2019-2020

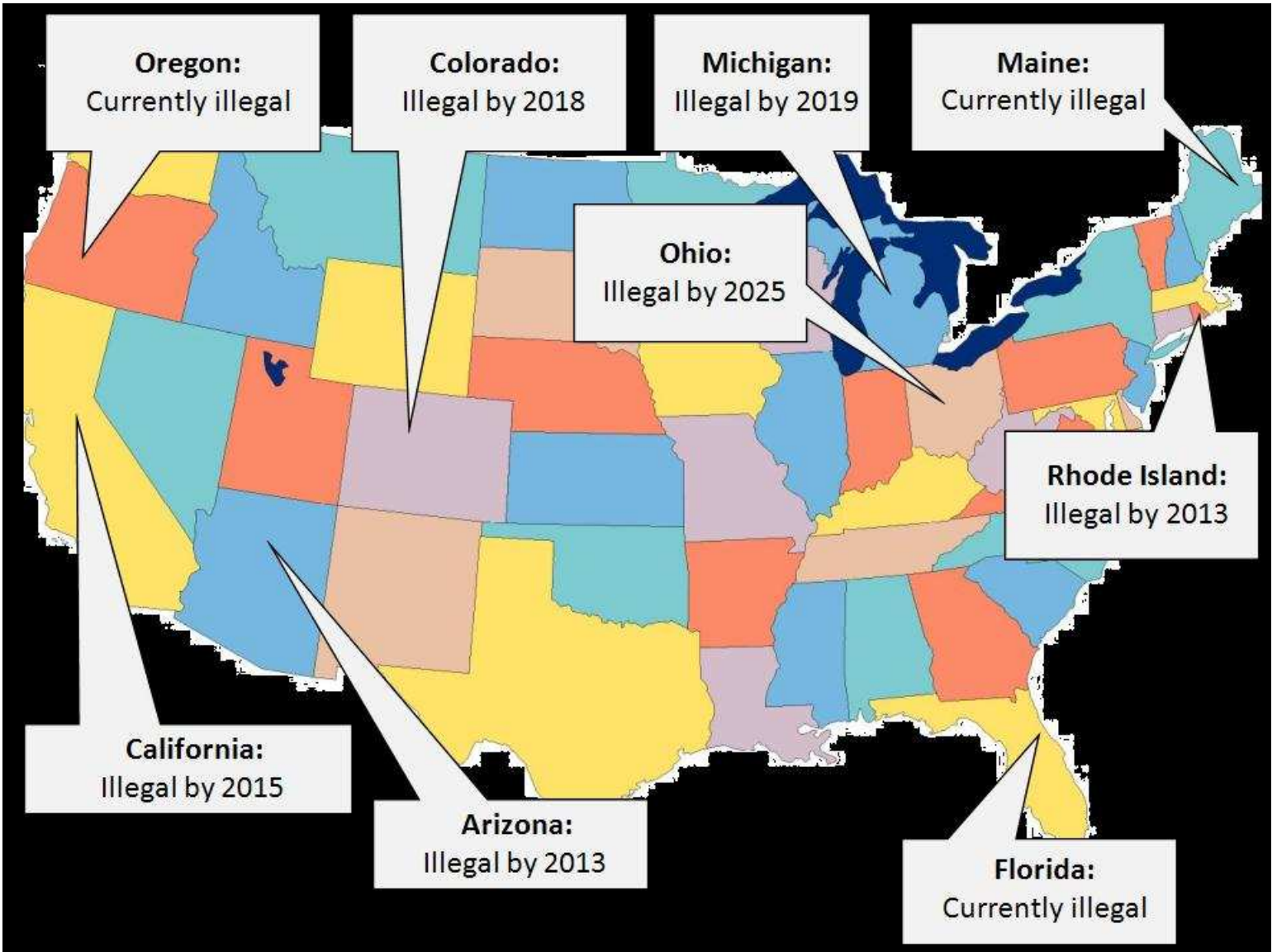
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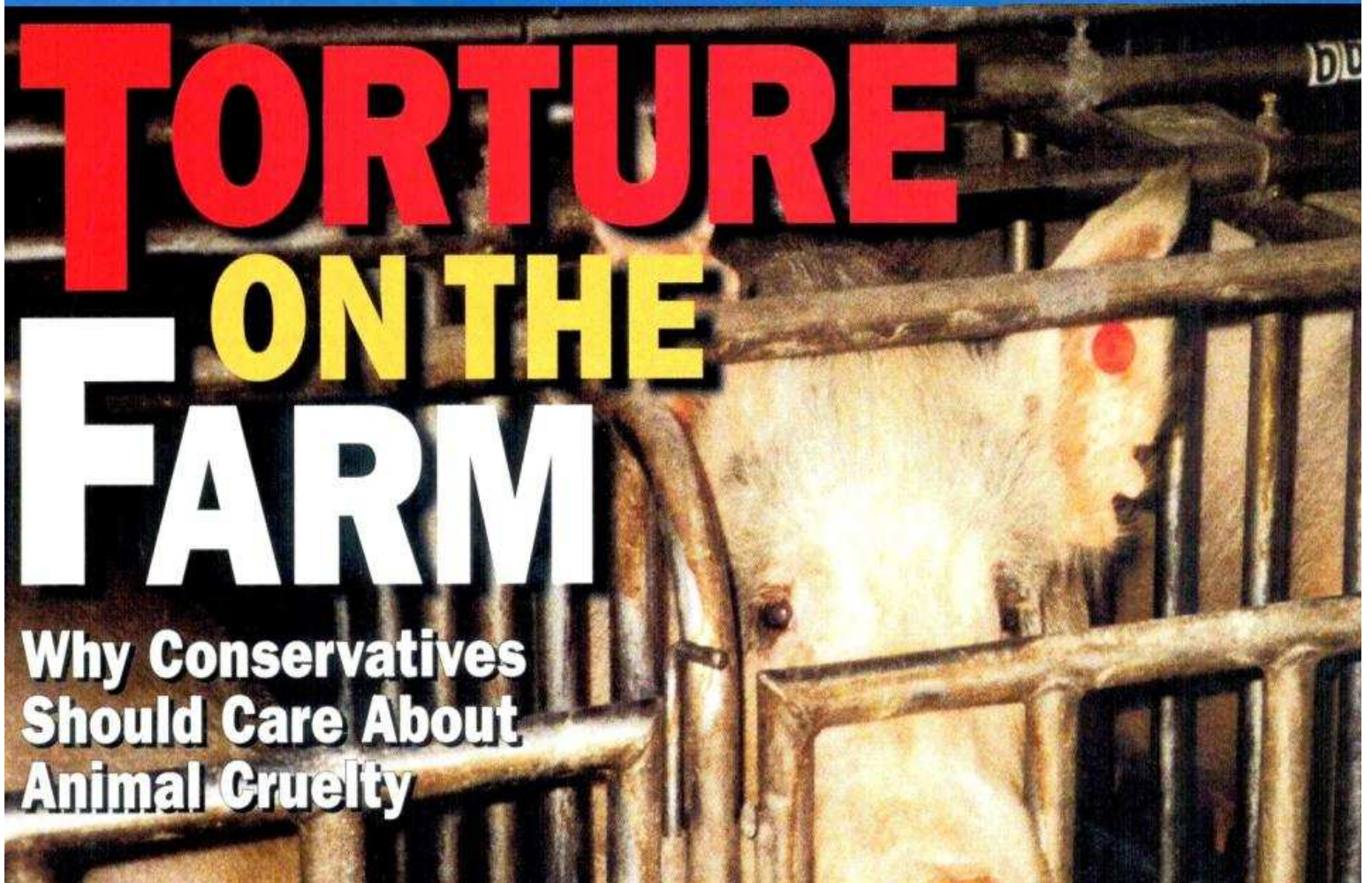
**broad
support**



The American
Conservative

TORTURE ON THE FARM

Why Conservatives
Should Care About
Animal Cruelty



The New York Times

EDITORIAL

A Humane Eggs

July 11, 2010

The life of animals raised in confinement on industrial farms is slowly improving, thanks to pressure from consumers, animal rights advocates, farmers and legislators. In late June, a compromise was reached in Ohio that will gradually put an end to the tiny pens used for raising veal calves and holding pregnant sows, spaces so small the animals can barely move.

In California last week, Gov. Arnold Schwarzenegger signed a law requiring that all whole eggs sold in the state conform to the provisions of Proposition 2, the humane farming law that was embraced by state voters in a landslide in 2008. By 2015, every whole egg sold in the state must come from a hen that is able to stretch her wings, standing or lying, without touching another bird or the edges of her cage. This requirement would at least relieve the worst of the production horrors that are common in the industry now.

The New York Times

Industrial confinement is cruel and senseless and will turn out to be, we hope, a relatively short-lived anomaly in modern farming.

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**companies
are changing**

FOR IMMEDIATE RELEASE



McDonald's Takes Action Toward Ending Gestation Stall Use; Humane Society of the United States Supports Effort

(Feb. 13, 2012) — McDonald's Corporation today announced that it will require its U.S. pork suppliers to outline their plans to phase out the use of sow gestation stalls, a move supported by The Humane Society of the United States (HSUS).

"McDonald's believes gestation stalls are not a sustainable production system for the future. There are alternatives that we think are better for the welfare of sows," said Dan Gorsky, senior vice president of McDonald's North America Supply Chain Management. "McDonald's wants to see the end of sow confinement in gestation stalls in our supply chain. We are beginning an assessment with our U.S. suppliers to determine how to build on the work already underway to reach that goal. In May, after receiving our suppliers' plans, we'll share results from the assessment and our next steps."

"The HSUS has been a long-time advocate for ending the use of gestation crates, and McDonald's announcement is important and promising," said Wayne Pacelle, The HSUS' president and CEO. "All animals deserve humane treatment, including farm animals, and it's just wrong to immobilize animals for their whole lives in crates barely larger than their bodies."

McDonald's actions are backed by leading independent animal welfare experts, including renowned scientist Dr. Temple Grandin. "Moving from gestation stalls to better alternatives will improve the welfare of sows and I'm pleased to see McDonald's working with its suppliers toward that end. It takes a thorough plan to address the training of animal handlers, proper feeding systems, and the significant financial investment and logistics involved with such a big change. I'm optimistic about this announcement," said Dr. Grandin.

The New York Times

McDonald's Set to Phase-Out Suppliers' Use of Sow Crates

By STEPHANIE STROM

February 13, 2012

The McDonald's Corporation said on Monday that it would begin working with its pork suppliers to phase out the use of so-called gestational crates, the tiny stalls in which sows are housed while pregnant.

Animal rights advocates have signaled out the crates, known as sow stalls, inhumane, and several states have moved to ban or restrict their use not only in pork production, but also in the production of eggs and veal.

"McDonald's believes gestation stalls are not a sustainable production system for the future," Dan Gorsky, senior vice president for supply chain management for McDonald's North America said in a statement. "There are alternatives we think are better for the welfare of sows."

THE WALL STREET JOURNAL

McDonald's Asks Farmers for a Kinder McRib

By **BILL TOMSON** and **JULIE JARGON**

McDonald's Corp is pushing its pork suppliers to stop confining sows in small pens known as gestation stalls, moving to address concerns raised by animal-welfare advocates—and catch up with some competitors.

The burger giant on Monday said the pens are “not a sustainable production system” and there are alternatives that “are better for the welfare of sows.” The move was announced in conjunction with the Humane Society of the U.S., which praised the decision.

Gestation stalls confine adult female hogs whose offspring are raised and slaughtered for bacon and sausage. The pens are typically about two feet wide, preventing sows from turning around, leaving only enough room to stand up and sit down.



'EARTHQUAKE' IN THE PIG BUSINESS: MCDONALD'S TO END USE OF RESTRAINING CRATES

By Miranda Leitsinger, msnbc.com

McDonald's says it will require its U.S. pork suppliers to detail their plans to phase out using sow gestation stalls -- in which pigs cannot turn around -- following similar moves by a number of countries, states and other companies to end a practice that activists say is inhumane and can lead to health problems in the animals.



Miranda Leitsinger [msnbc.com](#)

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More than 5.8 million pigs are used for breeding in the U.S. pork industry, with an estimated 60 to 70 percent confined to gestation crates, or sow stalls, during their 112- to 115-day pregnancies. The metal crates are only

a little bigger than the sow and are typically placed side-by-side in rows -- often with more than 20 sows to a row, according to a 2011 [report](#) by The Humane Society of the United States.







Sysco



TRUSTHOUSE
services group





**what about
the pork industry?**

MEAT & POULTRY

The
CRATE
debate

BY JERRY KARCZEWSKI
meatpoultry@sosland.com



This is no longer a debate about the viability of gestation crates in hog production, but rather a discussion about how producers will respond to meet expectations.



This is no longer a debate about the viability of gestation crates in hog production, but rather a **discussion about how producers will respond to meet expectations.**



Feedstuffs

THE WEEKLY NEWSPAPER FOR AGRIBUSINESS

June 4, 2012

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www.Feedstuffs.com

McDonald's unveils 10-year phased-out plan

By SARAH MUIRHEAD

MCDONALD'S has unveiled a plan that calls for the phasing out of gestational crates in its U.S. supply chain within 10 years.

The decision came three months after the fast-food giant announced that it was seeking input from its suppliers as to what might be a workable plan.

Burger King also recently announced plans to eliminate use of stalls by 2017, as did Wendy's but its plan does not yet include a time table.

"We value our relationship with our suppliers and our shared commitment to animal

welfare," Dan Gorsky, senior vice president of McDonald's North America Supply Chain Management, said in a statement. "Our approach seeks to build on the work already in place, and we are also sensitive to the needs of the smaller, independent pork producers in phasing out of gestation stalls."

Animal welfare scientist and McDonald's consultant Temple Grandin said the decade-long phase-out is necessary "to research and identify better housing alternatives and ensure proper training of employees."

■ Continued page 4

Management critical to achieving 30 PSY

By ANDY VANCE

THE current genetic potential to wean 30 pigs per sow per year (PSY) far exceeds the

"We manage the nutrition to accomplish the requirements of those genetics and, at the end of the day, I think one of

Producers need 'bridge' from sow stalls to pens

By ROD SMITH

PORK producers really don't need a definitive study that evaluates the virtues of individual stalls or group pens for gestating sows because "that study" has been done.

What producers do need is research that can determine

Key Points

- Gestation stalls no longer defensible.
- Producers need management and skill sets to make pens work.
- Resistance will increasingly threaten pork demand and trust in producers.

how to make group pens — or other alternative housing systems to stalls — work for sows, for producers, for pork production and for consumers, according to Dr. Kurt Vogel, an animal scientist at the University of Wisconsin-River Falls.

■ Continued page 20



Feedstuffs

Producers need 'bridge' from sow stalls to pens

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Feedstuffs

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THE WESTERN PRODUCER

You'd have to have rocks in your head to build a new sow barn with gestating sow stalls.

[Blurred text from the original image, likely an article snippet.]

meetingplace

EDITORIAL: The big one

In mid-February, the Humane Society of the United States had the last word in its long argument with the meat industry over the use of gestation crates: In a joint press release, McDonald's joined HSUS, saying its pork suppliers would have to make the shift to group housing.

Actually, HSUS won the argument years ago. Cargill and Smithfield, who together account for more than one-third of the processed pork market, long ago committed to replacing gestation crates, although they are moving much more slowly than HSUS would like.

The activist organization more recently has targeted Tyson, Hormel and Seaboard in efforts to secure more such promises. But linking arms with McDonald's effectively ends any prevarication.

Game over. For any pork producer still on the fence, the McDonald's announcement makes the move inevitable, whether or not they are a McD's supplier.

HSUS's partnership with McDonald's is a game-changer, in no small part because of how it resonates with the end-user. Consider the success that Chipotle has had marketing its policy of serving up humanely treated proteins: Even with annual sales of

meetingplace

Meetingplace, The big one

In mid-February, the Humane Society of the United States had the first round in its long argument with the meat industry over the

Game over. For any pork producer still on the fence, the meetingplace announcement makes the move inevitable, whether or not they are a HSUS supplier.

Humane and leadership in efforts to secure more such promises. But looking over with McIlwain's effectiveness with any organization.

Game over. For any pork producer still on the fence, the meetingplace announcement makes the move inevitable, whether or not they are a HSUS supplier.

HSUS's partnership with McIlwain's is a game-changer. It is small yet because of how it connects with the end user. Consider the success that Chicago has had marketing its policy of serving up humanely treated pork. Even with annual sales of

Smithfield



Smithfield

ANNUAL REPORT 2007

under the Agreement. These combinations of technologies were found to be both economically feasible and environmentally superior for new farms. The Company and its subsidiaries are committed to building on the technology research and development work completed under the Agreement, and are in the process of evaluating options for continued technology development work in North Carolina.

The Agreement also reflects the Company's commitment to preserving and enhancing the environment of Eastern North Carolina by providing a total of \$50.0 million to assist in the preservation of wetlands and other natural areas in eastern North Carolina and to promote similar environmental enhancement activities. This commitment is being fulfilled with annual contributions of \$2.0 million over a 25 year period beginning in 2000.

In 2000, PSF, which was acquired by the Company in May 2007, entered into a similar agreement with the Attorney General of North Carolina where it agreed to pay \$2.5 million to a fund for technology development, for environmental assessment activities, and for the defrayal of costs incurred by the state related thereto.

The Company has assumed a leadership role in the development of environmental management systems, and except for certain acquisitions (including those in Romania), some international operations, and new facilities, all of the Company's hog production operations and meat processing operations have developed and implemented environmental management systems meeting the requirements of the International Organization for Standardization 14001 (ISO 14001). ISO 14001 is a standard which establishes a coordinated framework of controls to manage environmental performance within an organization. To obtain ISO 14001 certification, an organization must meet a rigorous and comprehensive set of requirements and criteria developed by experts from all over the world and submit to independent audits of its environmental management systems by third parties.

In addition, throughout the Pork, Beef and International segments, the Company promotes a variety of pollution reduction projects related to energy and water conservation, recycling and pollution prevention.

Animal Welfare Program

The Company has a formalized animal welfare program which it believes to be one of the most comprehensive animal welfare programs in its industry.

The Company's animal welfare program includes processes and procedures relating to the safety, comfort and health of its animals. The Company retained the services of two internationally recognized experts on animal behavior and animal handling, who verified that the Company's animal welfare program is credible, science-based and auditable. Going forward, the audit component of the Company's animal welfare program will be rolled into the National Pork Board PQA Plus program.

The Company's animal welfare program includes procedures designed to monitor animal well-being at all stages of the animal's life through a series of checklists, inspections and audits. Through this program, the Company's production personnel receive specific training in the proper methods and practices for the promotion of animal well-being.

In January 2007 (fiscal 2007), the Company announced that it is in the beginning stages of phasing out individual gestation stalls at its sow farms and replacing the gestation stalls with group pens over the next ten years. The Company believes this decision represents a significant financial commitment and was made as a result of the desire to be more animal friendly, as well as to address certain concerns and needs of our customers. The Company does not expect that the switch to penning systems at sow farms will have a material adverse effect on its operations.

Regulation

Regulation generally. Like other participants in the industry, the Company is subject to various laws and regulations administered by federal, state and other government entities, including the United States

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so what about



&

SEABOARD
farms

?



Live Production

- Animal Well Being
- [Chicken](#)
- [Beef](#)
- [Pork](#)
- [Feedmill Processes](#)
- [Warehousing and Distribution](#)

Animal Well-Being

Our Mission Statement on Animal Well-Being

"Tyson Foods is committed to the well-being, proper handling, and humane slaughter of all the animals that are used in our food products. This is a long-standing commitment, and we pledge our diligence in leading the industry pursuit of new and improved technology and methods to further enhance animal well-being. This is not only the right thing to do, but is an important moral and ethical obligation we owe to our suppliers, to our customers, to ourselves, and most of all to the animals we depend on for our products and our livelihood. All Tyson Team Members, as well as our poultry growers and beef and pork suppliers, are expected to respect and serve as stewards of the animals we work with every day, treating them in a proper manner at all times."

— John Tyson, Chairman and CEO, Tyson Foods, Inc.

TSN (Common Stock)

Exchange	NYSE (US Dollar)
Price	\$16.28
Change	-0.09
Volume	2,670,170

Data as of 10/08/2012 @ 04:00 PM ET Minimum 20 minute delay

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Recipe Finder

search for a recipe

go!

RECIPE of the WEEK

HARVEST PORK ROAST
WITH VEGETABLES

Sustainability & Stewardship: Our-never ending commitment

Commitment to Animal Care

“We are committed to proper animal care and have a moral and ethical obligation to the humane treatment of animals. We believe food animals can and should be raised, transported and processed using procedures that are safe and free from cruelty and neglect.” *Core Commitments*

Animal Care Commitment Highlights

- Employees sign a commitment to animal care
- USDA Process Verified for Animal Handling



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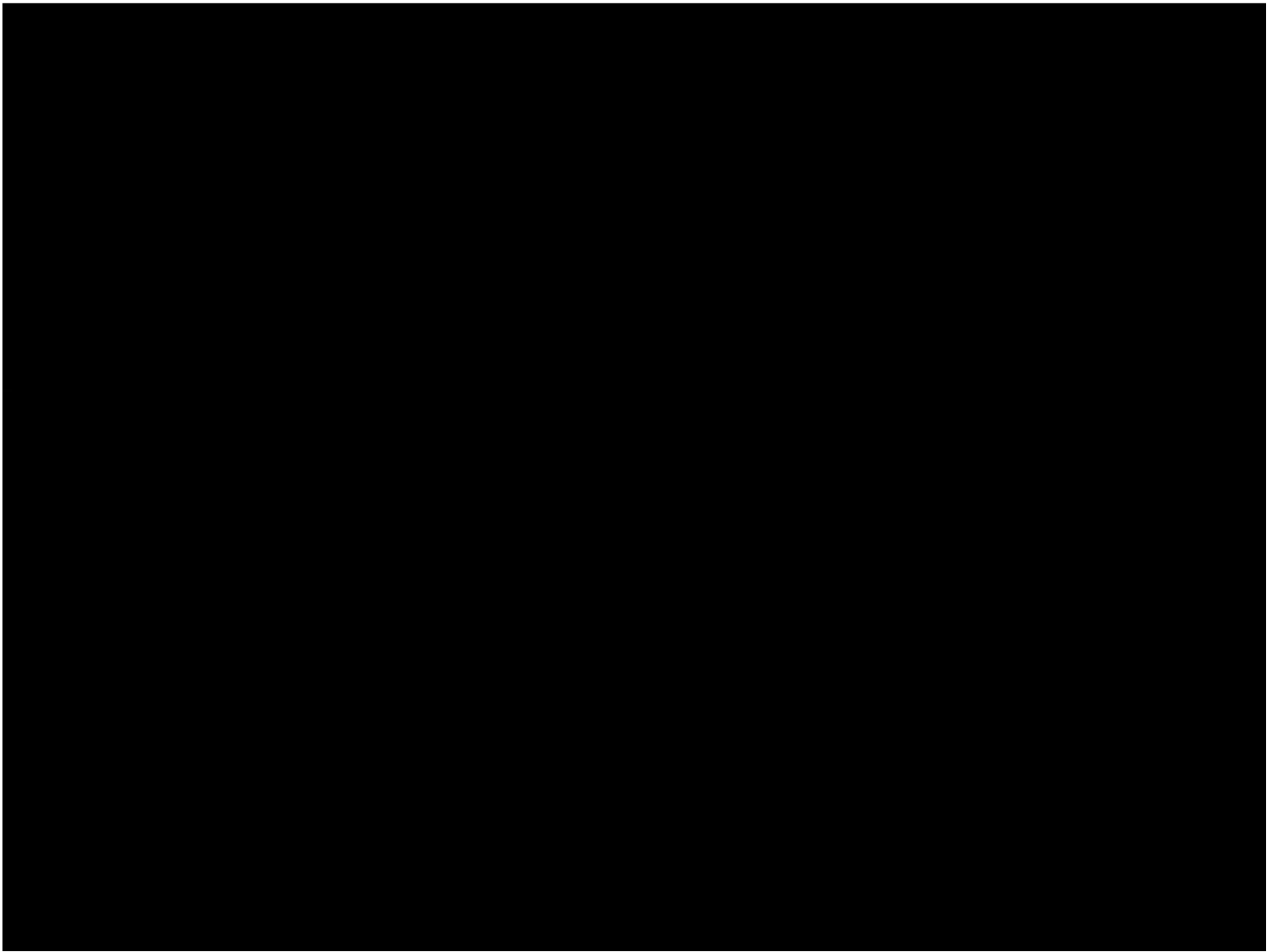
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- USDA Process Verified for Animal Handling



SEABOARD



forums





From: Tyson Consumer Replies [<mailto:ConsumerReplies@tyson.com>]
Sent: Monday, July 09, 2012
Subject: Re: Please stop using gestation crates!



Sow Housing Statement

The issue of sow housing is not as black and white as some would lead you to believe.

Over the years, farmers, universities and animal care experts have used and researched a variety of sow housing systems and found they each have advantages and disadvantages.

The American Veterinary Medical Association (AVMA) and the American Association of Swine Veterinarians have determined that both individual sow housing and group housing are acceptable and can provide for the well-being of sows. No matter what system is used, the key is how well they're managed by the hog farmer.

We buy hogs from thousands of independent farm families who use different types of sow housing, including individual and group housing, and we currently expect to continue to buy from them.



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Recipe Finder

search for a recipe

go!

RECIPE of the WEEK

HARVEST PORK ROAST
WITH VEGETABLES

News Release

Tuesday, January 31, 2012

David Eaheart, APR
david_eaheart@seaboardfoods.com

[U.S. Swine Industry Practices Media Statement](#)

It is important to recognize animal welfare programs, including housing for gestating sows, must be based on sound science while also seeking a balance with societal concerns. Seaboard Foods' integrated system uses both stalls and group pens to house gestating sows. Animal welfare experts and professional groups have found no one method for housing gestating sows that is clearly better than the other when managed properly. As part of our ongoing evaluation of best practices, we are conducting research to determine the best management practices for alternative sow housing practices in our system. Furthermore, swine tail docking and castration are essential industry practices for the health and well-being of food animals as stated by the American Veterinary Medical Association.



News Release

Tuesday, January 31, 2012
David Cahern, APF
david_cahern@seaboardfoods.com

U.S. Swine Industry Practices Media Statement

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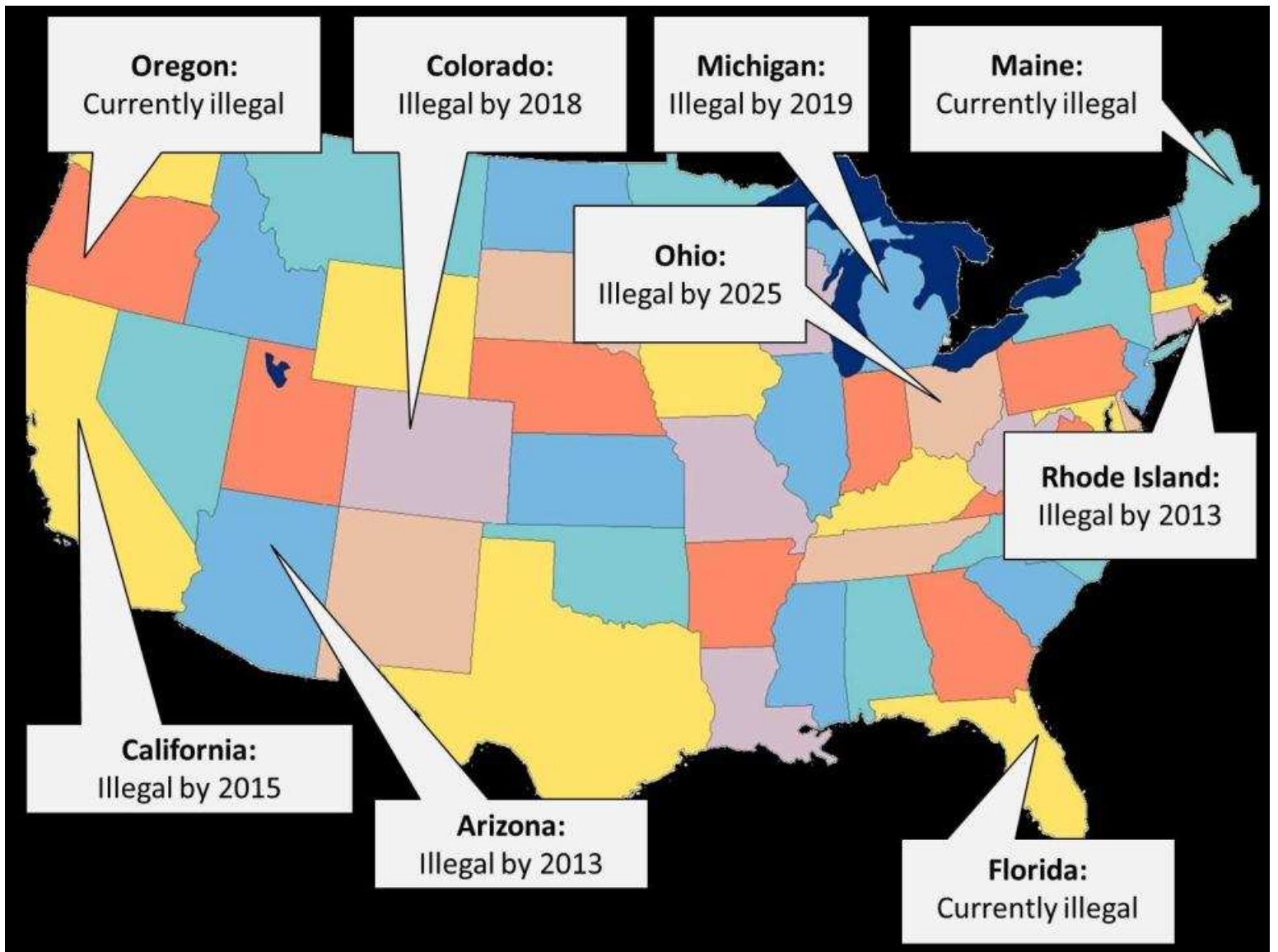
“In Colorado, Seaboard Foods will convert all its sow farms to group housing by 2018.”



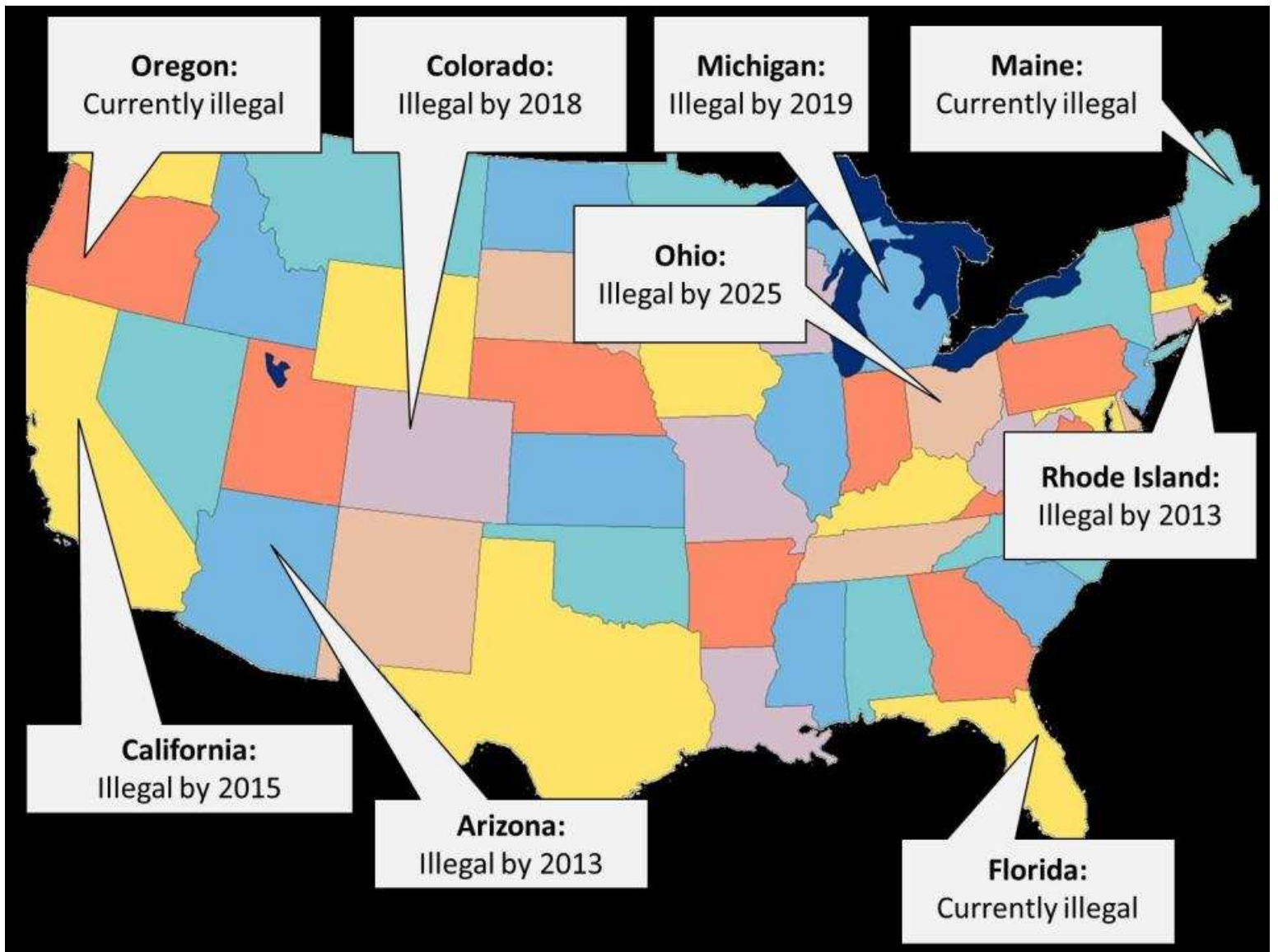
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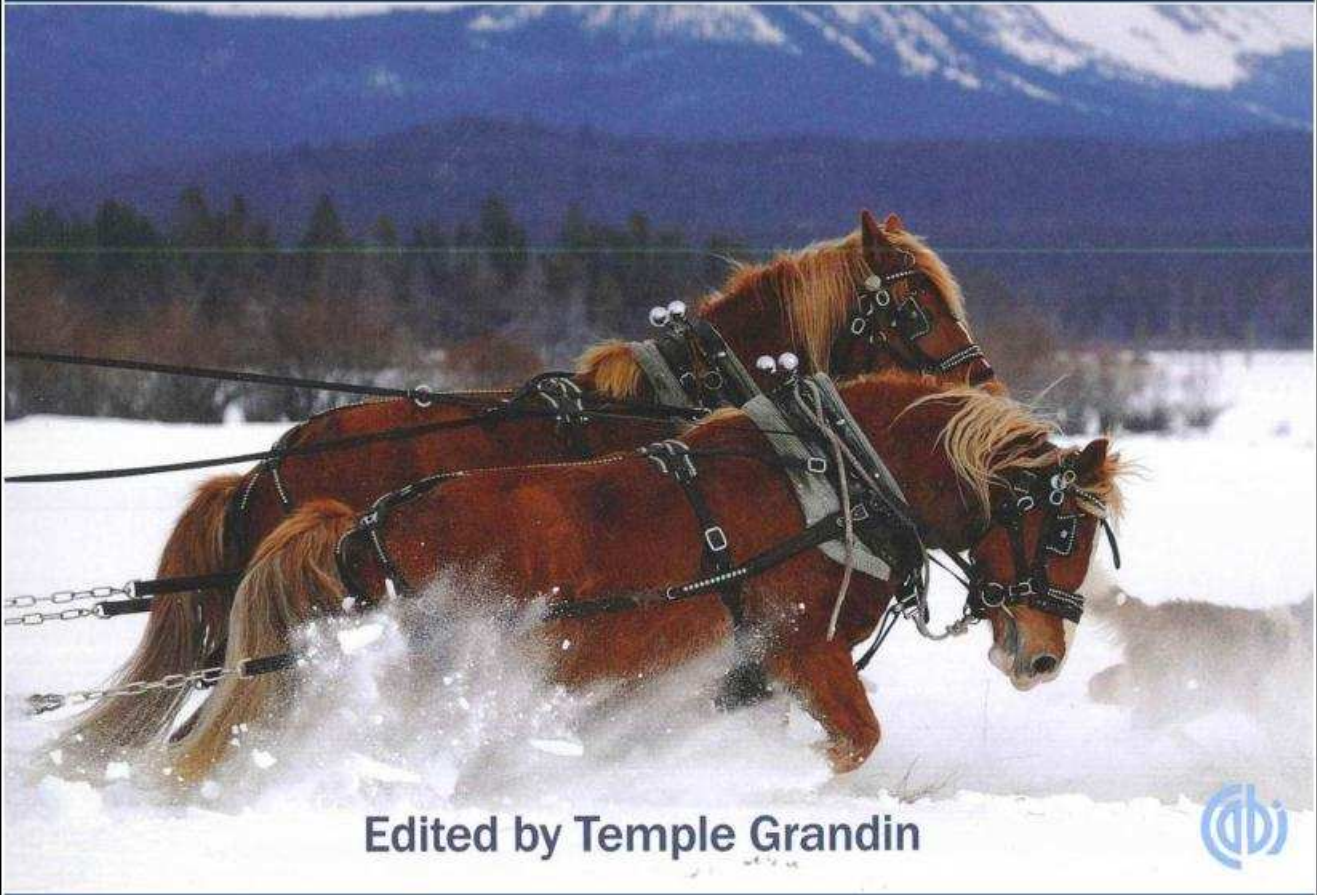






Improving Animal Welfare

A Practical Approach



Edited by Temple Grandin



Impact of Gestation Housing System on Weaned Pig Production Cost

A.S. Leaflet R2238

Materials and Methods

Group housing resulted in a weaned pig cost that was **11 percent less** than the cost of a weaned pig from the individual stall confinement system.

Production costs per pig weaned in 1998 were 17% less for pigs produced by sows gestated in groups in long pens compared with pigs from individual stall gestation systems. When the observed increase in live pigs born to litters following long gestation was included in the cost analysis, the group housing in long pens for gestation resulted in a weaned pig cost that was 11% less than the cost of a weaned pig from the individual stall confinement system. In the upper Midwest United States, group housing of gestation sows in deep-bedded long pens may produce pigs at a lower cost than individual gestation stalls as

installed. The flooring area had a 10.2 cm (4.2 in.) thick reinforced concrete floor. With increasing number of sows, construction costs may decline due to economies of scale. To minimize variation in this analysis, the value of concrete was held constant at \$19.28 per m².

Operating Costs

Two comparisons were made with the weaned pig cost for the system that utilized individual gestation stalls based upon Kansas State University Extension factors to wean pig cost return budgets. The first comparison assessed gestation



Smithfield





MEAT & POULTRY

This is no longer a debate about the viability of gestation crates in hog production, but rather a discussion about how producers will respond to meet expectations.



Feedstuffs

Key Points

- Gestation stalls no longer defensible.
- Producers need management and skill sets to make pens work.
- Resistance will increasingly threaten pork demand and trust in producers.



THE WESTERN PRODUCER

You'd have to have rocks in your head to build a new sow barn with gestating sow stalls.

meatingplace

Editorial: The big one

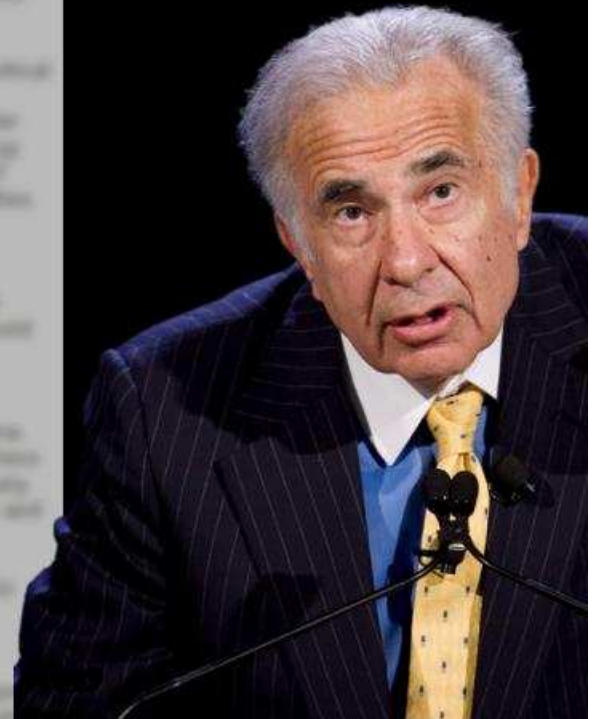
In mid-February, the National Society of the United States had the last word in its long argument with the meat industry over the use of government control in a pork process industry. The industry

Game over. For any pork producer still on the fence, the...move is **inevitable**.

The national organization more recently has targeted Tyson, Hormel and Seaboard in efforts to secure more such protection for its long-term with the industry's effectiveness with any preservation.

Game over. For any pork producer still on the fence, the industry's announcement makes the move inevitable, whether or not they are a USDA's supplier.

I firmly believe that the position of HSUS regarding gestation crates is the right one.



Eliminating those crates will both prevent cruelty to animals, and will improve Tyson's business prospects by putting the company on an equal competitive footing with the bulk of the industry that is already rejecting gestation crates.

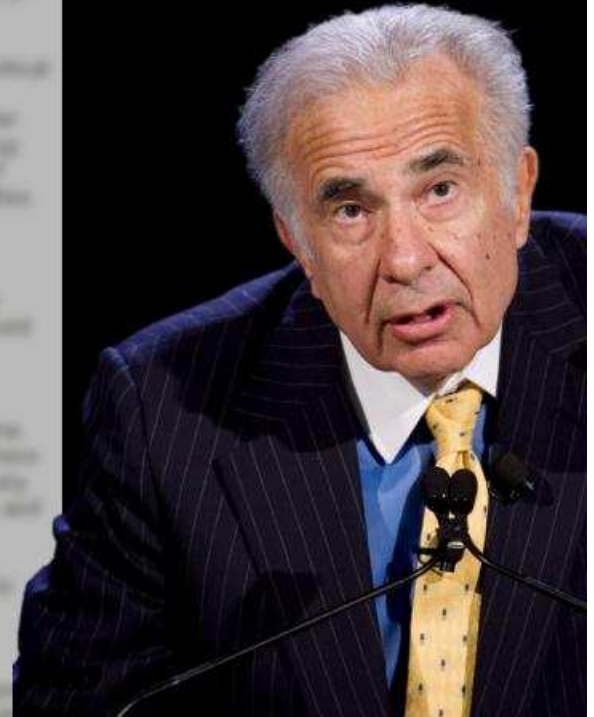
It is certainly unusual for a former animal advocate to act for the benefit of the animal-hogging meat company in the world," said Pacelle, who has been CEO of the HSUS for more than eight years. "Nevertheless, it is important that a voice on Tyson's board speak for the company's many customers, partners, and investors who are demanding the end of gestation crates and non-human treatment of animals."

Pacelle described his role for Tyson's board as overseeing management plans to take certain ethical steps to improve the treatment of animals in its supply chain, and not get behind its major competitors. The HSUS's primary focus has been for the company to join the scores of other companies who have committed to end the use of gestation crates, including the nation's top pig producer and Tyson's main competitor in the space, Smithfield Foods, which set a 2017 deadline to complete its transition to group housing systems for its company-owned facilities. Pacelle also announced the same policy, and Target has been at least 90 percent gestation crate-free for five years now.

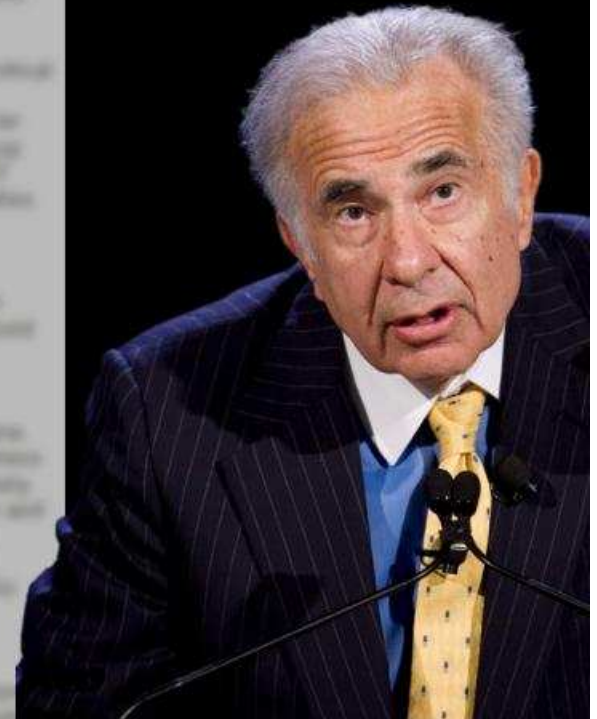
He spoke about other steps Pacelle worked with on as a longtime supporter of the humane movement to address HSUS on the possibility of meeting a long-standing goal at Tyson: to end the use of all live animal cages, which at Tyson, it would be extremely difficult to do other than as a double through a prison light.

However, "I don't believe that the position of HSUS regarding gestation crates is the right one. Eliminating those crates will both prevent cruelty to animals, and will improve Tyson's business prospects by putting the company on an equal competitive footing with the bulk of the industry that is already rejecting gestation crates. Failure of the company's corporate governance and transparency at companies with HSUS stock is often good and better companies in particular benefit from the scrutiny of shareholder examinations as provided under Section 220 of Delaware's corporate law, which may be useful in this situation and which HSUS stands to reap."

He spoke further commented, "It would seem to the Tyson board would be good for the company, and I am hopeful that enough shareholders will be receptive to the message to do so. Pacelle said he would continue to work with the company to end the practice of using live animal cages, but would not speak for the company on this issue."



Eliminating those crates will both prevent cruelty to animals, and will improve Tyson's business prospects by putting the company on an equal competitive footing with the bulk of the industry that is already rejecting gestation crates.



It is widely known by a fairly broad audience in the United States that the most respected and respected company in the world, McDonald's, who has been CEO of the ABC's for more than eight years. Nevertheless, it is important that a voice on Tyson's behalf speak for the company's many customers, partners, and investors who are demanding the end of gestation crates and non-human treatment of animals.

Timothy Dracut, CEO of Tyson's Supply Chain Management, stated in a recent report that Tyson is improving the treatment of animals in its supply chain, and has set a goal to be a leader in the industry. The ABC's primary focus has been to get the industry to end the use of other companies who have committed to end the use of gestation crates, including the industry's top competitor and Tyson's main competitor in the space, Smithfield Foods, which set a 2017 deadline to complete its transition to group housing systems for its company-owned facilities. Tyson Foods also announced the same policy, and Target has been at least 90 percent gestation crate-free for five years now.

Mr. Dracut stated that Tyson Foods' market entry as a long-term supporter of the humane, cruelty-free ABC's is the possibility of meeting a demand for Tyson's meat products that goes beyond the existence of ABC's and other high-value, which at Tyson, it would be extremely difficult to do so as a leader through a price fight.

However, I don't believe that the position of ABC's regarding gestation crates is the right one. Eliminating those crates will both prevent cruelty to animals, and will improve Tyson's business prospects by putting the company on an equal competitive footing with the bulk of the industry that is already rejecting gestation crates. Failure to do so represents a corporate governance and transparency to companies with ABC's and other high-value and other companies in particular, results from the violation of standards established by certified under Section 201 of Congress's corporate laws, which may be useful in this situation and which ABC's stands to lose.

Mr. Dracut further commented, "It is not clear to the Tyson board whether the goal for the company, and an important enough shareholder, will be receptive to the company's plan to end gestation crates. However, it is clear that the industry is already rejecting gestation crates, and Tyson Foods is already rejecting gestation crates."

Humane Society's Proxy Contest at Tyson Foods (TSN): Environmental & Social Activism Breaks Out of the Cage

At Tyson Foods' annual meeting in 2013, a recent SEC filing announced, the Humane Society, advised by activist investor Carl Icahn, will bring its campaign for a more comfortable pig sty directly into the boardroom.

In what may be the first campaign of its kind, the Humane Society filed preliminary notice that it intends to nominate its CEO to the board of Tyson Foods, as part of its push for better treatment of animals in Tyson's supply chain. The contest will focus on the company's use of a "gestation crate" by pig farmers, a device which has been banned in nine US states and denounced by over 30 food companies including Sodexo, Sysco, McDonalds, and Burger King.

Making so public an announcement six months before the shareholder meeting is an unusual move, but the nomination itself is likely to be more symbolic than substantive. Tyson's dual class structure and concentrated ownership all but preclude an activist from winning a contested board seat. Still, the aggressive stance may mark a turning point in what has been a cottage industry of environmental and social proposals that many public companies receive every year.

P[F]ETA: Proxy Fights for the Ethical Treatment of Animals?

As the second largest food production company

in the Fortune 500, Tyson is no stranger to shareholder proposals urging the company to reconsider animal welfare in aspects of its operations. In just the last half decade shareholders such as the Sierra Club (2005) and PETA (2006, 2007, 2011) have submitted proposals targeting the company's food production practices. The Humane Society previously submitted a proposal to ban gestation crates at the 2009 meeting.

Despite the fact they are non-binding, such proposals tend to garner very low shareholder support. The highest level of support among animal welfare proposals filed at any US company so far this year was 7.6%, at Covance. The Humane Society's own 2009 proposal at Tyson was endorsed by just 1.3% of votes cast. ISS policy generally results in a recommendation to clients against such proposals as well, out of a belief that specific requests to reformulate a company's business practices are decisions best left to a board and management, as long as a company is fully in compliance with its applicable regulations. While the use of gestation crates is in decline globally, for example, they are still considered an acceptable practice by the Food and Drug Administration.

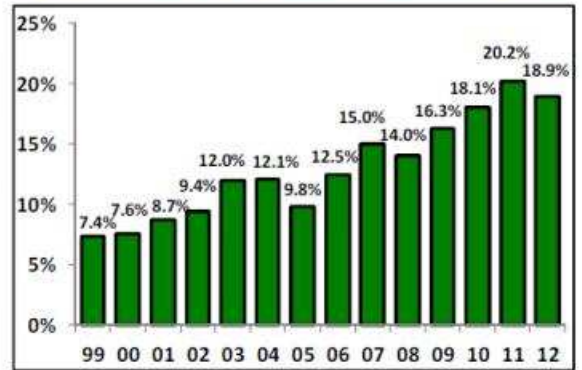
Given the slow progress with these traditional, non-binding proposals, the Humane Society's proxy contest may represent a strategic shift for advocacy groups. By aligning itself with a more experienced, successful activist like Icahn, more-

Companies mentioned in this Note:

TYN	Tyson Foods, Inc.
Inactive	Massey Energy Company
WMT	Wal-Mart Stores, Inc.

CHART FOCUS:

Average Vote Results: E&S Proposals (1999—Aug. 2012)



Source: ISS Checklist Data

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If 'gestation crates' are not part of the lingua franca of most investors, 'long term risk' certainly is.



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Investor Society's Proxy Council at New York 2019
Environmental & Social Assessment Board of New York

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BLACKROCK



THE HUMANE SOCIETY
OF THE UNITED STATES



Video on slide 92:

WARNING! Contains Graphic Footage. Recommended as Educational Material on Factory Farming Practices.

“Get the f*** on!
You want to f*** with me today?
I'm no f*** mood!”

Undercover Investigation at Wyoming Premium Farms
A Pork Supplier for Tyson

Wyoming Premium Farms
Major pork producer
Wheatland, Wyo.

Gestation Crate Confinement
Cannot turn around for months on end

Injuries and Neglect

Rough Handling
Worker Attempts to move a sow suffering from a broken leg
After hitting and screaming at the animal...
She bounces her weight on the broken limb

“Hurry the f*** ...”

This mother tries to get back to her piglets

Video on slide 94:

Paul Shapiro: “This Humane Society of the United States investigation at one of Seaboard’s factory farms in Oklahoma reveals just how abusive this gestation crate confinement system really is. Most of the pigs who are used for breeding in the pork industry are confined in these gestation crates: cages so small that the animals are virtually immobilized inside of them. When the pig is impregnated and locked inside of the gestation crate, she’s stuck there for the next 4 months.”

Investigator: “What I saw was daily suffering, daily misery. It’s really hard to imagine going through what these pigs go through every day.”