

RESOLVED, that shareholders request that Tyson Foods disclose to shareholders— within six months after the 2016 annual meeting, at reasonable cost and omitting proprietary information—the potential risks and operational impacts associated with indefinitely allowing “gestation crates” in its supply system, including those regarding impacts on animal cruelty, brand reputation, customer relations, public perception, and regulatory compliance.

SUPPORTING STATEMENT:

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Tyson allows gestation crates—cages which confine pigs so restrictively they’re unable to turn around—in its supply chain, with no plans to eliminate them. This causes great concern.

- Concerns over these cages have shifted the marketplace: More than 60 leading, global pork buyers have publicly announced plans to eliminate gestation crates from their supply chains, including McDonald’s, Burger King, Costco, Safeway, Kroger, Oscar Mayer and dozens more.
- Tyson has already lost business over its position on this issue—a fact it has not disclosed to shareholders.
- The National Pork Board reports that a majority of hog farmers aren’t using or have plans to move away from gestation crates.
- Competitors, like Smithfield and Cargill, are eliminating gestation crates. Cargill announced that eliminating crates was a decision “we made as the result of listening to the marketplace in recent years.” And Smithfield’s CEO notes that eliminating gestation crates “will help maintain the farms’ value for years to come.”
- Nine U.S. states have passed legislation banning gestation crates.
- A 2.5 year Iowa State University study—in the nation’s top hog producing state—found that a production system without gestation crates resulted in cost “that was 11% less than the cost” of the gestation crate system.
- “A vote for the animal welfare proposal is warranted,” wrote ISS (regarding a similar proposal), “because current regulatory and industry trends indicate a shift away from the use of gestation crates and shareholders would benefit from more information about how the company is evaluating and managing the potential risks associated with this changing landscape.”
- “The use of gestation crates could place companies at a financial disadvantage from an operational perspective,” concludes Glass Lewis.

Tyson seems to recognize this issue’s relevance: in 2014, it sent a letter to farmers in its supply system indicating that “future sow housing” should allow greater freedom of movement, and “asking” some of its contract farmers to improve the “quality and quantity of space” for some of their facilities. But that letter merely suggests changes, without expressly disallowing the controversial gestation crates. So unlike its competitors and customers, Tyson neither prohibits gestation crates nor plans to phase them out. Given marketplace and industry trends, that’s simply an untenable position.

Therefore, we encourage a vote **FOR** this modest proposal, which simply asks Tyson to disclose the risks associated with its current position on this issue.