

Consumer Views on Raised without Antibiotics

The Poultry Federation's Food Safety Conference
Branson, Missouri
March 17, 2015

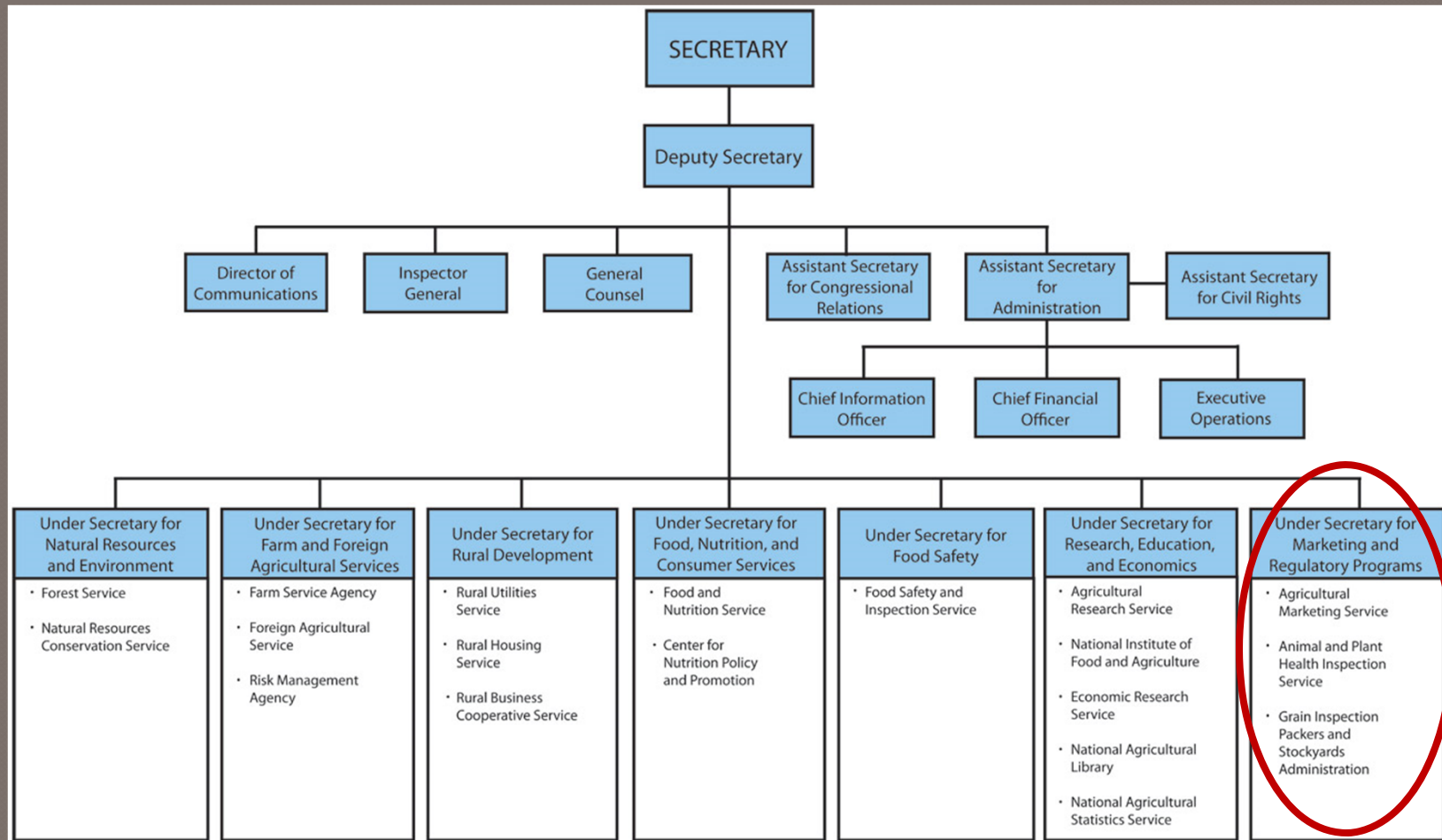
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Discussion Topics

- ◉ AMS & LPS Overview
- ◉ Consumer Focus
- ◉ Antibiotic Use Claims
- ◉ Label Approval

AMS & LPS Overview



AMS & LPS Overview

○ Mission:

- To facilitate the competitive and efficient marketing of agricultural products.

○ Vision:

- We envision a marketing system that quickly and efficiently moves wholesome, affordable agricultural products from the farm to the consumer.

Consumer Focus

○ Seek Information on the Food They Eat

- Production Claims
- Environmental
- Social



○ Scrutinize Production Claims

- Diet
- Health
- Husbandry (care, management, handling)

Where Are Consumers Headed?

- AMS provides third party verification services for a number of factors
 - Breed claims
 - Tenderness claims
 - GMO/GE content
 - Various export requirements
 - Livestock diets (grain, grass, vegetarian fed)
 - Growth promotion use
 - Etc.

Largest Growth Area for AMS Verification Services?

- Antibiotic usage
 - Antibiotic free
 - Responsible use of antibiotics

Why The Increased Demand?

- Public-health leaders call this a crisis for global health and pin part of the blame on the meat industry's use of the drugs-
 - “Two million Americans a year develop bacterial infections resistant to antibiotics, which kill at least 23,000 annually”-CDC
 - “Up to half of antibiotic use in humans and much of antibiotic use in animals is unnecessary and inappropriate and makes everyone less safe”-CDC
 - “It is clear that agricultural use of antibiotics can affect human health,”-White House

Why the Increased Demand?

- Consumer Reports survey found 72% of people were extremely or very concerned about widespread use of antibiotics in animal feed.
- Midan Marketing surveyed grocery shoppers and found 88% aware of antibiotic use in animals and 60% concerned about it.

Why the Increased Demand?

- People want a healthier lifestyle and think they hold the key to doing it:
 - Nielsen survey found 89 percent say taking personal responsibility for one's health is the best way to stay healthy
- Concerns about commodity agriculture
 - Only Organic video



And That Has Translated Into Growth In That Segment

	Total head ¹	Conventional head ¹ (share)	Antibiotic-Free Head ^{1/2} (share)	Organic head ¹ (share)
2014	7,963	7,713 (96.8%)	234 (2.84%)	16 (0.23%)
2013	7,970	7,725 (96.9%)	226 (2.84%)	19 (0.23%)
2012	7,900	7,657 (96.1%)	224 (2.81%)	19 (0.24%)

¹Note: head counts in millions

²Note: Antibiotic-free ONLY includes those birds that are never fed antibiotics for any reason. There is a growing number that are being produced under systems where antibiotics MAY be administered for therapeutic reasons. As these are not true antibiotic-free, they are included in the conventional category.

Source: USDA AMS Agricultural Analytics

So What Role Does AMS Play?

- ◉ Independent third-party verification and not as a standards developer
- ◉ Services provided under our broad array of Quality System Verification Programs
- ◉ Voluntary, User-Fee-Funded and may or may not play a role in marketing claims a company may wish to make

Two Programs to Choose From

- **USDA Quality System Assessment Program**
 - Based on internal AMS procedures.
 - Provides third-party assurance that a company is following their documented program
 - Approved firms listed on AMS website
- **USDA Process Verified Program**
 - Based on ISO 9001 Quality Management System
 - Provides third-party assurance that a company is following their documented program
 - Approved firms listed on AMS website
 - Allows for products or services to be marketed as “USDA Process Verified”

Important to Always Note

- FSIS, not AMS, has authority to approve label claims for meat and poultry



Regardless of QSA or PVP

- All Centers Around a Company's Quality Manual
 - Company's Commitment to QMS
 - QMS incorporates processes to achieve production claim such as “Raised without Antibiotics” or “Responsible use of Antibiotics”

Current Poultry PVP Production Claims

- Production Claims Verified by USDA
 - No Antibiotics Ever
 - Responsible Antibiotic Use
 - Raised on an all vegetarian diet
 - Raised in accordance with the Industry Standards
 - NCC Guidelines



Antibiotic Use Claims

○ PVPs with Antibiotic Claims

- “No Antibiotics Ever”
 - Perdue Foods – 8 complexes
 - Tyson Foods – 2 complexes
- “No antibiotics used for growth promotion – antibiotics only used for treatment & prevention of illness”
 - Cargill Meat Solutions Corporation – 4 complexes



Industry Announcements

○ Chick-fil-A

- February 11, 2014
- ‘No Antibiotics Ever’
- First QSR to require ALL suppliers meet “No Antibiotics Ever” PVP standard for poultry
- All suppliers must be certified via the USDA Process Verified Program & listed on the Official PVP website
- Implement nation-wide by 2019

Industry Announcements

○ The Urban Food Alliance

- December 8, 2014
- Plan to purchase chicken products produced under an approved USDA PVP that includes the following production claims:
 - No animal by-products in the feed
 - Raised on an all vegetarian diet
 - Raised in accordance with the National Chicken Council Animal Welfare Guidelines for Broilers
 - No Antibiotics Ever

Industry Announcements

○ McDonald's

- March 4, 2015
- Poultry cannot be treated with antibiotics important to human health
- *No Process Verified Program requirement

○ COSTCO

- March 5, 2015
- Pliminate the sale of chicken and meat raised with antibiotics used to fight human infections
- *No Process Verified Program requirement

Antibiotic Use Standard

- School Food Focus(SFF)/PEW Draft Standard for Responsible Use of Antibiotics
 - Seeks to minimize antibiotic use
 - Prohibits Non-Therapeutic Antibiotic Use
 - Audited by USDA-AMS, LPS under either the Process Verified Program or Quality System Assessment Program
 - Beginning with broiler industry

Questions and Contact

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...or visit us on the Web at:

<http://www.ams.usda.gov/LPS>

Thank you!