

The rumored announcement by Tyson Foods regarding sow housing proved to be much, much more than that!

Letters were sent to Tyson's hog suppliers yesterday requesting a number of changes in the way they raise pigs. The company used terms such as "urge all pork producers" and "encourage pork producers" in the letter and never stated that the practices would be required except on contract farms. Recall from yesterday's discussion of Smithfield Foods' that contract farms are ones owned by individual operators (usually called growers) who take care of hogs owned by the contractor (often referred to, especially in the east, as the "integrator"). Tyson's letter covered the following issues:

- An expansion of the number of third-party audits that will be done of sow farms in 2014 under Tyson's Farm Check™ animal well-being program. The letter did not say how many audits will be required of suppliers, only that the number would increase.
- Use of video monitoring in sow farms to increase oversight and decrease biosecurity risks. Tyson pointed out its own experience in using video monitoring to improve human behavior and animal handling in its packing places. They will require contract farmers who care for Tyson's sows to install video monitoring systems by the end of 2014. There is some concern among producers as to whether systems are available — at reasonable cost — that will withstand the rigors of hog barns.
- Ending the use of blunt force trauma as a primary method of euthanizing sick and injured piglets. Tyson recognized the long-standing use of the practice but stated that it "may not match the expectations of today's customers or consumers." The company will require its contract producers to cease using blunt force euthanasia and adopt an alternative method consistent with the recommendations of the American Veterinary Medical Association (AVMA). Killing sick or injured pigs is simply an ugly thing THAT HAS TO BE DONE FROM TIME TO TIME. Humane treatment requires it. Alternative systems are available. They do cost more but are already used by a significant number of producers.
- Support the development and use of pain mitigation for tail docking and castration. This is a new one among "welfare announcements" in the pork industry. The EU already requires some sort of pain mitigation for castration and prohibits tail docking (done to prevent tail biting among pigs later in the growing period). The company pledged to fund research on this topic and did not set a deadline for its contract growers.
- Improving sow housing systems by focusing on both quality and quantity of space provided. Tyson did not prohibit the use of gestation stalls *per se* but pretty effectively did so by stating that "future housing should allow sows of all sizes to stand, turn around, lie down and stretch their legs." The key one there is "turn around". To our knowledge, only one type of gestation stall (ie. one with swinging sides once sold by Moorman's Manufacturing of Quincy, IL) will allow such movement. Beyond

that, this aspect appears to require group housing systems.

Tyson is requiring all contract grower to implement "quality and quantity" standards in any new or refurbished gestation barns beginning this year.

So why is this important? First, there is the issue of who is making the announcement. Tyson is the second largest pork packer with capacity of roughly 77,000 head per day. That compares to #1 Smithfield's 117,000 head per day and an industry-wide total of 444,320. In addition, Tyson was ranked as the twelfth largest sow owner with 52,000 sows in last year's Pork Powerhouses report from Successful Farming magazine. We could find no information on how many of those sows are in company-owned farms as opposed to contractor-owned facilities. So, the announcement comes from a major, major player.


Second, Tyson — or at least the "red meats" part of Tyson that was once IBP — is not known to give in to pressure. In fact, most observers probably remember when IBP never shied away from a fight if it believed principle was at stake. Further, it has been our impression that Tyson — or at least the pork portion of Tyson — has been a staunch supporter of producers who have fought pressure from the Humane Society of the United States and other animal rights activist groups. We point out that this "fight back" position is, for the most part, based on deeply held convictions that gestation stalls are the best system available for sow well-being. The producers might also be looking at costs and potential productivity changes, but their real driver is their belief that sows in group systems are, in fact, worse off than ones in stalls. The announcement did not mention that any particular group or customer had applied pressure but it does appear the company's viewpoint has changed.

Finally, the breadth of the announcement is pretty shocking. Tyson did not stop at stalls and, as mentioned, addressed some topics that had not been covered by other companies' announcements.


The National Pork Board issued a statement in which it quite understandably walked a fine line. The statement pointed out that there currently are no approved drugs for pain mitigation in pig farming. This is likely the reason for Tyson's research pledge but it also suggests a very long timeline for this issue.

The Board reiterated its position which is supported by the AVMA and the American Association of Swine Veterinarians that there are numbers of ways to provide proper housing and care for sows. The statement pointed out that each system has advantages and disadvantages and that the key issue is that individual care must be given to each pig. That is a key tenant of the Board's Pork Quality Assurance® Plus program.

Finally the Board pointed out that video monitoring can be a useful tool for auditing animal welfare practices but that it is only one component of providing and ensuring good animal care. Further, the Board stated that video monitoring can add significant costs and should be balanced with a comprehensive approach to welfare that includes training.



The Daily Livestock Report is made possible with support from readers like you. If you enjoy this report, find it valuable and would like to sustain it going forward, consider becoming a contributor. Just go to www.DailyLivestockReport.com to contribute by credit card or send your check to The Daily Livestock Report, P.O. Box 2, Adel, IA 50003.



The Daily Livestock Report is published by Steve Meyer & Len Steiner, Inc., Adel, IA and Merrimack, NH. To subscribe, support or unsubscribe visit www.dailylivestockreport.com. Copyright © 2014 Steve Meyer and Len Steiner, Inc. All rights reserved.

The Daily Livestock Report is not owned, controlled, endorsed or sold by CME Group Inc. or its affiliates and CME Group Inc. and its affiliates disclaim any and all responsibility for the information contained herein. CME Group®, CME® and the Globe logo are trademarks of Chicago Mercantile Exchange, Inc.

Disclaimer: The *Daily Livestock Report* is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.