

## PolicyPennings by Daryll E. Ray &amp; Harwood D. Schaffer

## Walmart's new positions on agricultural practices will filter down to the farm level

"Our customers want to know more about how their food is grown and raised, and where it comes from," said Kathleen McLaughlin, president of the Walmart Foundation and senior vice president of Walmart sustainability, on May 22, 2015 as the retailer announced new positions on the humane treatment of farm animals and the responsible use of antibiotics in farm animals (<http://tinyurl.com/naj6992>). Their action joins those of other retailers and restaurants like Whole Foods, McDonalds, and Chipotle in setting standards for the food they sell.

As WWII ended and the economy began to boom, consumers were looking to obtain their food as inexpensively as possible. As a result of increasing per capita income and changes in production systems, consumers were soon spending a smaller portion of their income for food purchases than they once had. The portion of the average family income dedicated to the purchase of food dropped to 10 percent or less.

A decade ago, as consumers became more health conscious, meat animal producers were responding to the changing preference of consumers for leaner pork and beef in the face of strong competition from poultry producers. Restaurants and grocery stores began to focus on marketing Angus beef and the fatty pork of the 1960s became distant memories.

While neither of these consumer concerns has disappeared from the equation, consumer preferences have continued to evolve. Today producers, processors, and retailers are finding themselves being pressured by consumers who want to know how and where their food is produced. The announcement of Walmart and its warehouse retailer, Sam's Club, is a reflection of the power of that shift in consumer sentiment.

Some of that shift is reflected in consumer concern over the impact of meat animal production process that could affect their own health. The prime example of that is growing concern over the use of antibiotics in meat animal production. They are concerned that the widespread use of antibiotics by the livestock industry could lead to an increase in antibiotic resistant microbes that could have a negative impact on human health. There is also concern that some antibiotics could become ineffective in the treatment of human illnesses.

As part of its newly announced position, Walmart "is asking suppliers to:

- "Adopt and implement the Judicious Use Prin-

ciples of Antimicrobial Use from the American Veterinary Medical Association (AVMA) including accurate record-keeping, veterinary oversight, and limiting antimicrobial treatment to animals that are ill or at risk.

- "Adopt and implement Voluntary Guidance for Industry #209 from the Food and Drug Administration in their own operations and their industry producer programs, including eliminating growth promotion uses of medically important antibiotics
- "Promote transparency by providing a report on antibiotics management to Walmart and publicly report antibiotic use on an annual basis."

While Walmart is currently "asking," not "requiring," suppliers to adhere to these new positions, it is clear that producers will need to begin making changes in their animal husbandry practices. And processors will have to institute transparent verification processes so that consumers can be assured that their concerns are being met.

But shifting consumer concerns go beyond concern for their own well-being, they are also showing increasing concern over animal welfare issues. Response to this shift is reflected in Walmart's concern that "animals should be treated humanely throughout their lives." As a result the company says it will not tolerate animal abuse and is asking its suppliers to "report and take disciplinary and corrective action in cases of animal abuse."

In both its antibiotic policies and humane treatment of animal policies, Walmart is promoting transparency by asking suppliers to provide progress reports to the company and providing public reports of compliance with these policies. Not so long ago, some were promoting ag-gag laws to prevent clandestine video-recording of instances of animal abuse. Today suppliers are being asked to publicly report progress in eliminating instances of animal abuse and improving animal welfare.

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