ARPAS SYMPOSIUM: CUSTOMER/ CONSUMER CONFIDENCE IN THE LIVESTOCK INDUSTRY—ETHICS

0102 Perspectives on business ethics in a new-age feed industry. L. D. Bunting*, *ADM Alliance Nutrition, Lubbock, TX.*

The business of providing animal feed and nutritional services is becoming increasingly sophisticated and global in nature. As the complexity of the feed industry has increased, both livestock producers and feed suppliers alike perceive that the occurrence of unethical behavior in sales and marketing of feed products is on the rise. This perception likely originates not only from some actual decline in ethical standards but perhaps also from an increasing lack of clarity relative to what actually constitutes ethical practice. This paper will discuss the interpretation of ethical practice in the context of the rapidly evolving field of animal nutrition and the great many new feed technologies and suppliers entering the market, from both domestic and international sources. The potential ramifications of a feed industry work force that is becoming less experienced (youthful) and increasingly foreign trained will also be discussed in the context of company training programs that probably fall short in both technical depth and ethical mentoring relative to customer relationships. Feed specialists with less professional experience are more susceptible to ethical creep or ethical blindness, as they may have less appreciation for how seemingly trivial corner cutting leads to cycles of behavior rationalization that slowly progress to practices that are more egregiously unethical. A large proportion of the incidences of unethical practices that are anecdotally reported in the feed industry relate to the selling and use of feed additives, micronutrients, and other higher-cost applications. Some of the problematic practices that are more prevalent include customer confidentiality breaches, unapproved or erroneous product claims, misrepresentation of effective doses or tag dressing, undisclosed substitution of branded products, and undisclosed product commissions for parties in fiduciary roles with livestock producers. This paper will emphasize the need for greater focus on training and mentoring of feed industry employees relative to what constitutes fair business practices and how to sell feed products and programs such that they are honestly represented, both for the benefits they can potentially provide and relative to any competitive products and programs. Ethical behavior must be understood to be of collective importance to the feed industry. Unethical practices can have consequences that cause collateral damage to customer bases well beyond that of the offending sales organization. Unethical practices also undermine the trust of suppliers and other key parties that are business critical to the success of a sales organization.

Key Words: ethics, feed industry, nutrition

0103 Customer/consumer confidence in the livestock industry—ethics: University perspective. M. L. Galyean*, *Texas Tech University, Lubbock.*

Animal science researchers, particularly those working with industry-sponsored research, are under increasing scrutiny with respect to bias and conflict of interest. Following the lead of the federal government, virtually all research universities have well-defined procedures to delineate and record potential bias and conflict of interest issues for faculty members who conduct research. Faculty committees to review and recommend remediation of potential conflicts are a common feature of university procedures. Primary concerns include conflicts of interest associated with financial, professional, and personal relationships. Financial limits vary somewhat among institutions, but an aggregate interest of > $5,000 is typically the threshold for disclosure. Once the threshold is met, faculty members are typically required to list and describe potential conflicts and subsequently inform all members of their research team of business and financial interests, consultancies, and any other potential issues that might influence their objectivity in conducting research. Issues that fall below reporting guidelines can nonetheless constitute potential conflicts. For example, more subtle conflicts of interest and bias might occur as a result of associations that a faculty member might have with companies providing discretionary funding and products to support research activities, regular consultancies that fall below reporting limits, honoraria to faculty members on advisory boards or to those who give technical presentations to clients groups, and all-expense paid trips to company-sponsored activities of various types. Similar conflicts can occur through connections to commodity organizations or even professional societies that have public stands on issues related to the faculty member's research. To ensure public trust in animal science research, animal scientists must adhere fully to applicable university regulations. In addition, they should conduct rigorous self-evaluations of their professional relationships, be transparent with respect to their activities via written disclosures to colleagues and research team members, and provide clear statements of potential conflicts in publications. Peer evaluations of relationships to ascertain real or perceived bias and conflict of interest issues could be useful, particularly in cases where the issues do not meet university or federal guidelines for reporting.

Key Words: bias, conflict of interest, industry-sponsored research

0104 [Withdrawn]

0105 Regulatory definitions, processes, and functionality assessment for animal food.

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The Federal Food, Drug, and Cosmetic Act (Act) defines food as "articles used for food or drink for man or other animals." The Act defines drugs as substances intended for diagnosis, cure, mitigation, treatment, or prevention of disease, or that affect the structure or function of the body. However, the Act recognizes that food may affect the body and excludes "food" from the drug definition. The U.S. courts have determined that food provides "aroma, taste, or nutritive value." The Center for Veterinary Medicine (CVM) in the Food and Drug Administration (FDA) regulates both animal food and drugs. Animal food includes both livestock feed and companion animal food. Food and substances added to food must be safe and achieve their intended purpose. The CVM administers 2 regulatory processes for animal food. The food additive petition process is described in regulation 571 in Title 21 of the Code of Federal Regulations (21 CFR 571). The safety of the additive at the intended use rate must be addressed for the animal, environment, and food-producing animals; safety of human food products obtained from animals fed the additive must also be addressed. The second process is similar to the first, except that the information concerning the safety of the substance for the intended use and its functionality are in the public domain, i.e., published in scientific literature. When the safety and functionality of a substance's use in animal food is generally available and recognized, qualified experts may determine that this use is exempt from the premarket requirements of the Act because the use is generally recognized as safe (GRAS). A GRAS determination generally requires the same quantity and quality of information needed for a food additive petition with the added burden that the information be public. Firms cannotify CVM about a GRAS determination through the animal food GRAS notification program. Also, for substances that raise no safety concerns when used in animal food, firms can request the Association of American Feed Control Officials (AAFCO) to publish an ingredient definition in the AAFCO Official Publication. For all these processes, firms must establish what the substance does and determine how their intended use fits under the definition of food in the Act. Firms must also demonstrate that the substance achieves the intended effect.

Key Words: animal food, functionality, intended use, regulation