

April 21 2005

Ms. Sheridan Scott
Commissioner of Competition
The Competition Bureau
50 Victoria St.
Place du Portage, Phase 1
Gatineau, Québec K1A 0C9

Re: Six-resident complaint against KFC Canada

Dear Ms. Scott:

Under the provisions of the Competition Act that regulate “misleading advertising” (section 74.01(a)), we are herewith filing this six-resident complaint against KFC Canada and its parent company, prizm brandz. We submit that KFC Canada has attempted to gain a competitive advantage in the Canadian market by consistently misrepresenting its animal welfare policies, the policies of other groups and agencies involved in chicken farming in Canada, and the conditions that chickens endure on the farms of KFC Canada’s suppliers.

We believe that the public statements made by KFC Canada outlined below are representations committed with the intent to promote a business interest and are “false and misleading in a material respect” as described under the Competition Act.

Please allow us to detail our concerns:

Statements in KFC News Releases

1. “KFC Canada has a strict zero-tolerance policy to ensure the ethical treatment of animals. Any suppliers that violate this policy will be immediately terminated.”¹

The use of the phrase “zero-tolerance,” the word “ensure,” and the strong statement about terminating violators, implies that KFC Canada and prizm brandz are actively ensuring compliance with a meaningful animal welfare policy. In fact, we believe that KFC Canada has no animal welfare policy at all, which would make this statement a deliberate misrepresentation intended to mislead consumers and promote its business as humane when it is not.

In February 2005, PETA contacted the two independent members of KFC’s Animal Welfare Advisory Council, and they stated that they do not know of any animal welfare program that applies to KFC Canada. In addition, in a February 2005 meeting with PETA, KFC’s chief operating officer, Harvey Brownlee, also stated that he did not know of any KFC animal welfare plan in Canada. This leads us to conclude that no such plan exists.

¹KFC Canada, “Media Statement—“PETA Accusations Unrelated to KFC Canada Operations,” 9 Sep. 2004 <<http://www.newswire.ca/en/releases/archive/September2004/09/c8251.html>>.

KFC Canada has not responded to repeated requests from PETA and others in 2002, 2003, and 2004 for specifics on any animal welfare policies, and no plan of any sort is posted on its Web site. If such policies existed, it seems likely that the company would have shared the specifics with consumers and/or posted them on its Web site, as its competitors, including McDonald's, have done.

We note that much of the content of KFC Canada's "Animal Welfare: Chicken Facts and Myths" factsheet is simply cut-and-pasted from the Chicken Farmers of Canada's "Animal Care is Important to Chicken Farmers" Web page.^{2,3} The fact that KFC Canada is cutting-and-pasting animal welfare information from the Web site of a meat industry lobbying group indicates the lack of time and effort that KFC has put into addressing this issue.

2. "Canadian chicken farmers follow the Codes of Practice for the Care and Handling of Poultry, which is a series of strict guidelines for the chicken industry. These codes are frequently revised in consultation with the Canadian Federation of Humane Societies."⁴

Although the words "strict" and "frequently" are somewhat subjective, after reviewing the Codes of Practice (Codes), we believe that no reasonable consumer would view these codes as strict or their revisions as frequent, as detailed below. For KFC Canada to describe them as such creates the false impression that the Codes are sufficient to protect chickens in Canada from abuse, which is not the case at all.

The full title of the Codes for poultry is the "*Recommended Code of Practice*"⁵ (emphasis added) and their Preface says, "The Codes are voluntary ..." and only "recommendations."⁶ Few if any consumers would view "voluntary recommendations" as "strict," and without auditing its suppliers, which, according to its own advisors and COO, KFC Canada does not do, KFC Canada has no basis whatsoever for claiming that the Codes are followed.⁷

Furthermore, even if compulsory, the codes would be far from "strict," since they allow the following:

²See the following statements taken and used without credit from the Chicken Farmers of Canada Web page: "Chickens in Canada are raised in clean, well-ventilated, climate-controlled barns, where they can roam freely. They are NOT kept in cages. They have unrestricted access to food and water"; "Chicken processing in Canada is strictly governed by the Canadian Food Inspection Agency (CFIA)"; "Chicken farmers follow the Codes of Practice for the Care and Handling of Poultry, which is a series of strict guidelines for the chicken industry. These codes are revised often in consultation with the Canadian Federation of Humane Societies"; "The main ingredient of all chicken feed (88 per cent) is grains and grain by-products, protein-producing seeds, and meal made from them such as canola or soybean meal"; Kentucky Fried Chicken Canada, "Animal Welfare: Chicken Facts and Myths," 2004 <<http://www.kfc.ca/welfare.asp>>.

³Chicken Farmers of Canada, "Animal Care Is Important to Chicken Farmers," 2004 <http://www.chicken.ca/DefaultSite/index_e.aspx?DetailId=16>.

⁴KFC Canada.

⁵Canadian Agri-Food Research Council, "Code of Practice: Chickens, Turkeys and Breeders From Hatchery to Processing Plant," p. 1 <<http://www.carc-crac.ca/common/Code%20of%20Practice%20-%20Meat%20English.pdf>>.

⁶Canadian Agri-Food Research Council, p. v.

⁷The Preface of the Code highlights the vague and often contradictory because while the Codes are referred to as "voluntary" "recommendations," the Preface goes on to state that the Codes may be enforced as law in some provinces. Indeed, in some provinces the Codes may be recognized by the courts as standard practices under the law.

1) Electrocuting chickens during slaughter, even though veterinarians and animal welfare experts condemn this practice as both inhumane and ineffective.⁸

2) Feeding chickens powerful antibiotics, which are used to keep the animals alive in conditions that would otherwise kill them and to promote unnaturally rapid growth that causes some chickens to become crippled under their own weight.

3) Cutting the beaks off broiler breeders, an extremely painful procedure that causes some animals to starve to death because eating becomes too painful.⁹

Each of these practices, and many others allowed by the Codes, are prohibited by all independent farmed animal welfare programs (e.g., the RSPCA's "Freedom Food" and the HSUS' "Humane Farm Animal Care" programs).

We submit that it is also misleading to suggest that "these codes are frequently revised ..."¹⁰ Since they were written in 1983, the Codes for poultry used for meat have been updated only twice in 22 years, in 1989 and 2003.¹¹ KFC Canada and priszm brands appear to want consumers to believe that scientists constantly apply current science to the Codes, when in fact they do not.

3. "In addition to self-imposed standards, KFC suppliers also operate under the strict supervision of the Canadian government's Canadian Food Inspection Agency. . . . The Canadian poultry supply is tightly regulated by the government. . . . KFC Canada strongly supports. . . the Canadian Food Inspection Agency's vigilant supervision of animal welfare guidelines in Canada."¹²

As already noted, KFC Canada and priszm brandz do not appear to have "self-imposed standards" that regulate the treatment of animals in its suppliers farms and slaughterhouses.

Additionally, KFC Canada's use of words like "strict," "vigilant," and "tightly regulated" to describe the government's supervision of animal welfare would lead the vast majority of consumers, if not all of them, to believe that farmed animal welfare is a key concern of government and that there are regulations to protect animals and ensure that they are treated humanely.

In fact, the Canadian Food Inspection Agency (CFIA) principally monitors food safety and has no responsibility for or regulations pertaining to the humane treatment of animals on farms. The CFIA's Web site asserts that "provinces have the primary responsibility for the protection of animals, including their on-farm conditions."¹³ By telling consumers that the CFIA is regulating the treatment of animals on farms, we believe that KFC Canada creates the false impression that there is a system in place to ensure that the animals they are purchasing from KFC Canada were treated humanely, which is not the case.

⁸Canadian Agri-Food Research Council, p. 35.

⁹Canadian Agri-Food Research Council, p. 15.

¹⁰KFC Canada.

¹¹Canadian Agri-Food Research Council, p. v.

¹²KFC Canada.

¹³Canadian Food Inspection Agency, "Canadian Food Inspection Agency Factsheet: Animal Welfare," <<http://www.inspection.gc.ca/english/anima/heasan/transport/welfproe.shtml>>.

4. “KFC Canada’s 750 independently owned and operated restaurants are supplied by Canadian suppliers ... ‘The alleged abuse of chickens in the United States is an issue that is completely unrelated to KFC Canada ...’”^{14,15}

Although we can’t be sure, since information about KFC Canada’s suppliers is proprietary, we are including these statements in the complaint as a possible violation, as we strongly suspect that KFC Canada’s claim that KFC never imports chickens from the U.S. is untrue. According to Agriculture and Agri-Food Canada, more than 89 million chickens were imported into Canada from the United States in 2003 alone—representing 95 percent of Canadian chicken imports.¹⁶ It is difficult to believe, as KFC Canada claims, that not one of these 89 million birds is sold at the company’s Canadian franchises.

Statements on the KFC Web Site

5. “Chickens in Canada are raised in clean, well-ventilated, climate-controlled barns, where they can roam freely.”¹⁷

Any consumer visiting a Canadian chicken shed housing 6- or 7-week-old chickens would disagree with KFC Canada’s description; the sheds are filthy, poorly ventilated, and overcrowded. A PETA investigator and two former Canadian chicken shed workers will confirm that the sheds are stifling hot in the summer, filthy year-round, and contain ammonia-laden air.¹⁸

Furthermore, Agriculture and Agri-Food Canada states that “one person can operate a unit of 50,000 broiler chickens,” and it is impossible for one person to keep a shed full of 50,000 chickens, standing in and inhaling fumes from their own waste, “clean.”¹⁹

Finally, the Codes described above, to which KFC Canada says it adheres, make no mention of chickens’ having enough space to “roam freely”—they merely state that “Chickens raised in floor pens should have enough freedom of movement to be able to stand normally, turn around, and stretch their wings without difficulty.”²⁰ According to the Codes, “the recommended weight [of chickens] per unit of floor space is 3.1 kg/m² (6.35 lbs/ft²).”²¹ As the average weight of today’s farmed chicken is between 1.8 and 2.9 kilograms, chickens have at the most a living area only slightly larger than a sheet of printer paper—hardly enough space to “roam freely.”²²

¹⁴Kentucky Fried Chicken Canada, “KFC Canada Condemns Abuse at U.S. Processing Facility: Alleged Abuse of Chickens in U.S. is Completely Unrelated to KFC’s Canadian Operations,” 22 July 2004 <http://archives.foodsafetynetwork.ca/animalnet/2004/7-2004/animalnet_july_23.htm#story5>.

¹⁵KFC Canada.

¹⁶Agriculture and Agri-Food Canada, “Canadian Chicken Imports by Country—Year to Date,” 2003 <http://www.agr.gc.ca/misb/aisd/poultry/pimcty03_e.pdf>.

¹⁷Kentucky Fried Chicken Canada, “Animal Welfare: Chicken Facts and Myths,” 2004 <<http://www.kfc.ca/welfare.asp>>.

¹⁸Sally Mitchell and Chad Haberstock, “Canadian Whistleblowers Reveal Terrible Suffering During Chicken Catching,” 2003 <<http://www.goveg.com/feat/a-catch2.html>>.

¹⁹Agriculture and Agri-Food Canada, “Canada’s Poultry Industry ... at a Glance,” 2004 <http://www.agr.gc.ca/misb/aisd/poultry/gpl_e.htm>.

²⁰Canadian Agri-Food Research Council, p. 17.

²¹Canadian Agri-Food Research Council, p. 18.

²²Jacqueline Jacob and F. Ben Mather, “The Home Broiler Chicken Flock,” University of Florida, 2004 <<http://edis.ifas.ufl.edu/PS035>>.

6. “KFC’s chickens are not given any hormones or steroids.”²³

To the average consumer, we believe that this statement conveys the misleading message that KFC Canada and prizm brandz suppliers do not use any growth-promoting drugs at all. We believe that KFC’s suppliers do in fact use powerful antibiotics to increase and accelerate the growth of chickens, since such use is standard in Canada and KFC Canada has no policy against their use. KFC Canada appears to be exploiting the perception that “hormones” and “steroids” are catch-all terms for drugs that make animals grow faster and larger than normal. KFC Canada is also exploiting public concern about the human health impacts of hormones and steroids in animal flesh to make its product seem healthier, without acknowledging the human health concerns associated with using antibiotics to promote growth in animals raised for food, as indicated by the strong policy statements against such nontherapeutic antibiotic use from the World Health Organization, the American Medical Association, the American Public Health Association, and other health-focused organizations.^{24,25,26}

7. “Chickens in Canada are not defeathered while they are alive.”²⁷

We believe that modern poultry slaughter, with the exception of a process called “controlled atmosphere killing,” guarantees that some animals will still be conscious when they are put into the scalding tank for feather removal. We have not found any poultry expert who disputes this.

More specifically, during a public presentation at which a KFC Canada executive was present, Dr. Ian Duncan, a member of KFC’s Animal Welfare Advisory Council and a professor in the Department of Animal and Poultry Science at the University of Guelph, stated that at least 1 percent of chickens in Canada are not properly stunned and remain fully conscious when they are dropped into the scalding water of the defeathering tanks. Since 608 million chickens were slaughtered in Canada in 2002,²⁸ during that year alone, more than 6 million animals were scalded alive.

Finally, as noted, KFC does not appear to carry out any audits in Canada, and thus we submit that it is misleading for the company to make absolute statements regarding any aspect of chicken welfare in Canada.

Conclusion

We submit that consumers care about and consider animal welfare when making buying choices, which is why KFC Canada sends out news releases addressing this issue and posts claims about animal welfare on its Web site. Companies with strong animal welfare standards enjoy a competitive advantage in the marketplace, and companies without these policies are likely to be

²³Kentucky Fried Chicken Canada, “Animal Welfare: Chicken Facts and Myths.”

²⁴Allison McGeer, M.D., “Agricultural Antibiotics and Resistance in Human Pathogens: Villain or Scapegoat?” *Canadian Medical Association Journal*, Nov. 1998, p. 1119 <<http://www.cmaj.ca/cgi/reprint/159/9/1119.pdf>>.

²⁵Barbara Sibbald, “Curb Use of Drugs in Farm Animals, WHO Advises,” *Canadian Medical Association Journal*, 19 Sep. 2000 <http://collection.nlc-bnc.ca/100/201/300/cdn_medical_association/cmaj/vol-163/issue-6/0751b.htm>.

²⁶American Public Health Association, “Addressing the Problem of Bacterial Resistance to Antimicrobial and the Need for Surveillance,” *American Public Health Association News*, p. 9 <<http://www.apha.org/legislative/policy/99policy.PDF>>.

²⁷Kentucky Fried Chicken Canada, “Animal Welfare: Chicken Facts and Myths.”

²⁸Canadian Coalition for Farm Animals, “Facts About Our Food: Broiler Chickens,” 2003 <http://www.humanefood.ca/docs/facts_broilerchickens.pdf>.

passed over by consumers. We believe that the false and misleading statements set out above give KFC Canada and prizm brandz an unfair advantage in the marketplace because they lead consumers to believe that chickens raised for the company are treated humanely, which is simply untrue.

We, the undersigned, believe that KFC Canada and prizm brandz is profiting from its pattern of misleading consumers regarding the welfare of chickens as outlined above, and we respectfully request that the Competition Bureau open an investigation into the deliberate misstatements detailed in this complaint and take appropriate action to ensure that KFC Canada corrects those misstatements and does not make similar statements in the future.

We certify that we are residents of Canada who are over 18 years of age.

A handwritten signature in black ink, appearing to read 'R.J. Bailot', with a large, stylized flourish at the end.

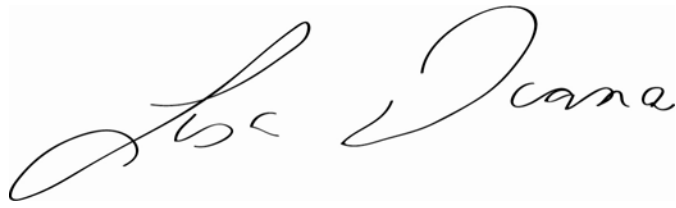
R.J. Bailot
Calgary, AB

A handwritten signature in black ink, clearly legible as 'Syd Baumel'.

Syd Baumel
Winnipeg, MB

A handwritten signature in black ink, appearing to read 'Stephanie Brown', with a long horizontal stroke at the end.

Stephanie Brown
Toronto, ON

A handwritten signature in cursive script that reads "Lisa Diana". The letters are fluid and connected, with a prominent loop at the end of the name.

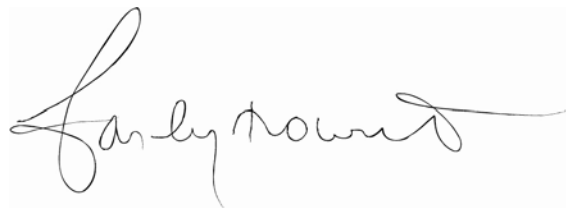
Lisa Diana
Dartmouth, NS

A handwritten signature in cursive script that reads "Gloria Grow". The letters are large and rounded, with a distinct loop at the end of the name.

Gloria Grow
Carignan, QC

A handwritten signature in cursive script that reads "Elizabeth May". The letters are elegant and flowing, with a long tail on the final letter.

Elizabeth May
Ottawa, ON

A handwritten signature in cursive script that reads "Farley Mowat". The letters are large and bold, with a long tail on the final letter.

Farley Mowat
Port Hope, ON

Debra Probert

Debra Probert
Vancouver, BC

A handwritten signature in black ink, appearing to read 'Troy Seidle', written in a cursive style.

Troy Seidle
Kitchener, ON

A handwritten signature in black ink, appearing to read 'David Suzuki', written in a cursive style.

David Suzuki
Vancouver, BC