

KFC adopts ethical killing standards

Peta Pressure

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Published: Tuesday, June 03, 2008



Louisa Gouliamaki, AFP, Getty Images

After a rancorous five-year campaign, People For the Ethical Treatment of Animals is praising fast-food purveyor KFC Canada for agreeing to adopt a new set of standards for killing chickens.

PETA has enlisted celebrities, including pinup Pamela Anderson, in its highly publicized international "Kentucky Fried Cruelty" campaign that aims to shame KFC into changing its policies. The animal-welfare group is hoping the U. S. and international branches of the company, owned separately, will now

follow suit.

KFC Canada has 461 stores owned by Prizm Income Fund, which has lost more than half its market value in the past year and is selling up to 120 of its weaker outlets, as well as closing others over the next two years. The company, which also owns Pizza Hut and Taco Bell outlets in Canada, says higher chicken prices are eating away at its profits.

It's a substantial turnaround in strategy for Prizm, whose executive chairman, John Bitove, penned an open letter to Ms. Anderson in 2005 disputing PETA's claims. He extended an invitation to Ms. Anderson for lunch at a restaurant of her choice, "so [he could] be certain [she was] kept fully abreast of [KFC Canada's] ethical practices."

As part of the plan, KFC Canada will now begin phasing in a plan to buy all of its chickens from suppliers that use so-called "controlled-atmosphere" killing, a more humane method of poultry slaughter.

But will making nice with PETA after all these years help improve the fortunes of Prizm?

"I think that KFC the brand has been off trend for more than a decade and they desperately need to seek relevance wherever they can," said Luke Sklar, principal at market researcher Sklar Wilton & Associates. "It is a dated concept. In the scheme of what they should have, which is delicious food that you would want to eat all the time, this falls dramatically short."

The agreement between PETA and KFC Canada follows nearly seven months of closed-door negotiations, which included meetings in Toronto and at PETA's headquarters in Norfolk, Va.

During the first quarter, the loss from continuing restaurant operations at Prizm deepened to \$4.6-million, or 68¢ per unit, from \$6-million (18¢) in the same period of 2007. Sales from continuing operations slid 3.2% to \$77.6-million.

PETA's worldwide campaign has enlisted celebrities such as Paul McCartney, hip-hop mogul Russell Simmons, and rock bands and stars including Fall Out Boy, Pink and Chrissie Hynde, who was arrested during a KFC protest in France.

The group has staged more than 12,000 protests at KFC restaurants and outside the homes of senior executives. In one stunt, a sign reading, "John Bitove & KFC cripple chickens," was displayed on the Jumbotron at a Toronto Blue Jays game during a filmed marriage proposal.

The campaign also featured an online video game called Super Chick Sisters, in which players rescue Ms. Anderson from an evil Colonel Sanders, based on the KFC logo depicting its late founder, Harland Sanders.

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