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UNDERSTANDING BEEF AS A BUSINESS
A CORPORATE SOCIAL RESPONSIBILITY ANALYSIS OF CHIPOTLE MEXICAN GRILL

by

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Abstract

This project is a Corporate Social Responsibility Analysis of Chipotle Mexican Grill that seeks to answer the question: Has Chipotle adequately and honestly incorporated Corporate Social Responsibility and stakeholder value creation into their beef sourcing? Industrialized beef production has changed the way we live, making meat more accessible and affordable than ever. In order to provide such a large quantity of beef, sacrifices have been made regarding our health, animal wellbeing, and the environment. Chipotle Mexican Grill claims to source their beef differently, patenting the phrase *Food with Integrity*. Ultimately, this project will determine whether or not Chipotle provides value for their stakeholders in regards to their beef sourcing, and will be organized into three major categories: consumer health, animal welfare, and environmental impact.

PART I

Introduction

When it comes to a quick lunch, there are a multitude of options for a consumer to choose from. Whether it is a gyro, a hamburger, or slice of pizza, all of these entrees are easily at the fingertips of anyone willing to forfeit \$8. To make a decision, consumers will most likely consider taste preference and price, doubtfully thinking about the origins of their food. They will make their decision, eat their lunch, and move on. From the business perspective, there are many more decisions when it comes to sourcing ingredients, especially meat. Some companies choose to not advertise the quality or origins of their meat, while large fast food chains are expected to have at least some transparency. Chipotle Mexican Grill, the popular Mexican-inspired fast food chain, claims to be a healthier lunch option with the best ingredients in the industry. Recent food illnesses aside, Chipotle's business model has done remarkably well, and consumers seem to be buying into what they're selling: *Food with Integrity*.

This project will serve as a Corporate Social Responsibility Analysis of Chipotle Mexican Grill, particularly their beef sourcing in the United States. The fast food industry is a significant driver behind the current national beef processing system today, and is a part of the reason why roughly 75% of all the beef in America is a product of three companies (Bjerklie, 2010, p. 145). Chipotle makes many claims on their website and in their Annual Reports about the ways they challenge the current industrial beef system; they claim to have environmental concern, higher than average animal welfare standards, and natural hormone-free beef, all of which are uncommon characteristics in our current system. The driving research question of this project is as follows: Has Chipotle adequately and honestly incorporated Corporate Social Responsibility and stakeholder value creation into their beef sourcing?

Corporate Social Responsibility

Though many companies discuss their Corporate Social Responsibility (or CSR) commitments in their annual reports, there is no one single definition for CSR. This provides organizations the ability to claim they are socially responsible without real accountability for doing so. However, for the sake of this project, there will need to be one clear definition of CSR and stakeholder value. Typically, most journals will define CSR as a company's commitment (or self-regulation) to positively impact the community, economy, and environment. For this project, CSR will be defined in conjunction with Stakeholder Management, with an emphasis on the self-proclaimed accountability Chipotle Mexican Grill has for all of its stakeholders. It is important to first draw a distinction between stakeholders and shareholders; any publically held company will have shareholders, these are the individuals who have invested in the company. A stakeholder, on the other hand, is a term that represents any person, group, organization, and environment that affects or is affected by the company (CSR Quest). Every company has their own unique set of stakeholders, and Chipotle's Stakeholder Management practices will be explained in more detail later on.

In a text book titled "Business Ethics: A Managerial Approach," R. Edward Freeman, one of the seminal figures in Stakeholder theory, writes what he (along with three other professors) believes to be the best definition and framework for the stakeholder approach. In short, the stakeholder approach is another way of doing business; it is a model that fully integrates all relevant stakeholders into all business decisions, though not necessarily equally weighted. According to the authors, shareholder value is tied with stakeholder value, and the best results arise when the two are actively working together. (Freeman, Martin, Werhane, & Wicks, 2010, p. 76).

Before outlining the Stakeholder Framework, the authors clarify that the stakeholder approach is still concerned about the shareholders and financial profit; shareholders are themselves an important stakeholder (Freeman et al., 2010, p. 77). In some cases, certain stakeholders' concerns may carry more importance than others. The stakeholder approach does not need to address every stakeholder concern in each decision, though oppositional trade-offs between stakeholder value is discouraged (Freeman et al., 2010, p. 77). The key is for companies to make decisions that create value for all stakeholders over the long-term.

Stakeholder Framework

In order to evaluate the success of Chipotle's CSR and Stakeholder Management approach, I will be using the three levels of the Stakeholder Framework: value proposition of the organization, the principles for stakeholder cooperation, and respect for societal standards of conduct (Freeman et al., 2010, p. 78). According to the authors of this framework, following these three levels is what makes a business both ethical and successful. First, the value proposition provides an "end goal" for a firm. Much like a mission or values statement, the value proposition is what the firm is continually driving toward. For Chipotle, their value proposition is to "change the way people think about and eat fast food" (Chipotle Annual Report, 2014, p. 2). The second level, principles for stakeholder cooperation, encompasses the dealings and decisions the firm makes in order to live up to its stakeholder goals. Some of Chipotle's values and practices include locally sourced food, antibiotic-free meat, and grass-fed beef. The third level of the Stakeholder Framework is respecting societal standards of conduct, focusing on cultural and legal boundaries, and providing external accountability since the first two levels of the framework are self-defined and referential. This level largely takes into account the concerns and

needs of the consumers; for example, a restaurant would not focus on advertising and serving barbecued meat in a vegetarian community.

Later in this project, I will closely examine Chipotle's own words through their Annual Reports, website, and public statements by executives. Using this information, I will determine the Stakeholder Framework and value proposition that Chipotle has publically presented, compare it with their principles for stakeholder cooperation, and evaluate it in context of societal standards. The purpose of this project is not to criticize Chipotle's mission statement and values, but determine whether or not their actions are truly in accordance with the value proposition they presented. If Chipotle's principles for stakeholder cooperation were not in accordance to their value proposition, that would be dishonest and misleading, negatively affecting the consumers, and not living up to the 3rd level of the Stakeholder Framework.

Tradeoffs

Often when dealing with Stakeholder Management, "tradeoffs" are made; this occurs when two stakeholder interests are either opposing, or simply cannot be met simultaneously. Some tradeoffs may be intentional and strategic; for example, perhaps McDonald's knows that only a very small portion of their customers are vegetarian, so they decide to focus their menu on meat options. On the other hand, some tradeoffs are unintentional and can be detrimental to a business. For example, say that McDonald's would like for their new guacamole product to have a long shelf life to reduce cost and reduce waste (increasing shareholder value), but in doing so, give their customers an unhealthy product full of preservatives (decreasing customer value). Tradeoffs are sometimes positive, sometimes negative, and often inevitable. According to the previously cited case study, the ideal business model does not run on a "zero-sum game where value is to be divided among stakeholders and oppositional tradeoffs," but the, "cooperation

among stakeholders [that] allows (and is necessary) for the expansion of value for all [in the long-term]” (Freeman et al., 2010, p. 77).

Organization

In this project, I will identify Chipotle Mexican Grill’s value proposition, principles for stakeholder cooperation, and stakeholders. I will divide the project into 3 common business ethics categories in the food service industry: animal welfare, consumer health, and environmental impact. These categories were chosen due to their relation and relevance to the meat industry and beef sourcing. Before I address Chipotle’s beef sourcing, I will first give the background and history of the beef processing industry in the United States, as well as the industry norm for animal welfare, health, and environmental impact. Knowing this background information will put into context Chipotle’s decisions on beef sourcing. I will also provide a background of Chipotle and its co-CEO, Steve Ells. Understanding the roots of the restaurant chain will help the reader understand its business model today.

For each CSR category, I will first identify the relevant stakeholders and then record what Chipotle claims their practices are. Once Chipotle’s own standards are clear, I will use research from outside sources, as well as Chipotle’s original sources, to weigh their actions against their value proposition. Chipotle’s transparency and honesty, along with their actions themselves and the associated tradeoffs, will help determine answers to my driving research question: whether or not Chipotle has adequately incorporated Corporate Social Responsibility and stakeholder value creation into their beef sourcing.

PART II: Industry Background

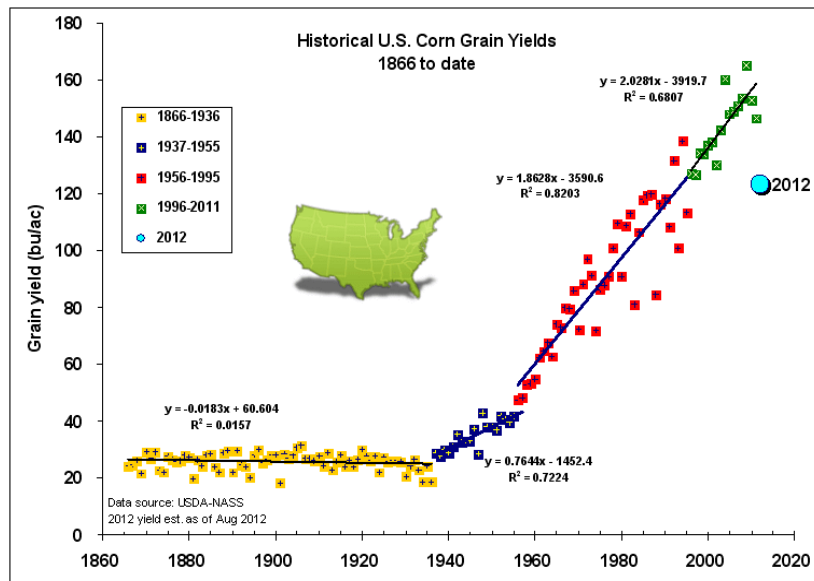
Industry Background & Fast Food

To this date, beef production is the largest segment of US agriculture (Explore Beef, 2016). American's demand for meat has significantly increased in the last 60 years, and so has our country's ability to produce it. Though smaller fast food chains opened in the US in the 1920's, McDonald's 'changed the game' as the first fast food restaurant to use an assembly line system. McDonald's grew rapidly, with over 36,000 restaurants in 119 countries, serving 69 million customers a day. (Nowak, 2015). The largest purchaser of beef worldwide was able to grow so quickly due to the food industry growing with it; meat processing plants were able to adopt the same assembly line system as McDonald's workers, and the beef industry became completely mechanized (Kenner, *Food Inc.*, 2007).

As of 2010, roughly 75% of US beef is owned by three companies: Tyson Foods, Cargill, and JBS Swift. JBS, who owns Smithfield foods, is the largest meat company in the world (Bjerklie, 2010, p. 145). Meat processing companies became larger and fewer in order to survive; the red meat industry has operated on a low profit margin of 2% since the 1960's. In order to raise and slaughter 30 million cows a year, the business has had to redefine efficiency to produce 24.3 billion pounds of safe, affordable beef (USDA, 2014).

Corn-fed nation

The industrialization of the meat packing industry would not have been possible without government intervention. In the United States, corn is highly subsidized by the Federal government, resulting in thousands of genetically modified corn-based products on the shelves of our grocery stores. Corn has not only become a staple in our diet, but in the diet of our food (Pollan, 2006, p. 15). According to a popular documentary called *Food, Inc.*, in 2009, 30% of



American soil was being used to grow corn. Michael Pollan writes in his book *Omnivore's Dilemma* that corn is the basis for the entire industrialized food chain, not just meat, “When I started trying to follow the industrial food chain... I invariably found

myself in almost the same place: a farm field in the American Corn Belt” (Pollan, 2006, p. 18). Pollan goes on to describe how corn fuels the diet of nearly all consumed cows, chickens, pigs, and fish. Eating a meal of chicken nuggets and a Diet Coke can contain up to 30 different kinds of modified corn (p. 20).

The low price of corn is what drives down the cost of raising cattle, and ultimately drives down the cost of meat (Kenner, *Food Inc.*, 2007). According to the United States Department of Agriculture, there are currently more than 90 million acres of land with planted corn crops, and “most of the crop is used as the main energy ingredient in livestock feed” (USDA 2014). According to the Federal Agriculture Improvement and Reform Act of 1996, the US Government has mandated that at least 90 million acres be used for corn, a 30 million increase since 1983 (USDA 2014).

The majority of beef in the United States is corn-fed. It is estimated that less than 1% of the cattle raised for food in the US is 100% grass-fed, though the number is growing every year (Weber, 2013). It’s also important to note that all cows start their lives on a grass diet for about

6-8 months while they are weaning off of their mothers. In January of 2016, the USDA revoked its regulating the label “grass-fed,” due to the variety of unique conditions that different ranchers qualify as grass-fed. Essentially, this means that ranchers and restaurants have the opportunity to become 3rd party certified, but there is no official, legal ruling to stop them from labeling themselves as grass-fed (Linnekin, 2016). For example, McDonald’s writes on their website, that “most of the cattle we use for our beef are raised in the U.S. on grass for the first part of their lives... Later, the cattle are provided a balanced diet of grains, grasses, and minerals (McDonalds.com). Here, McDonald’s is using clever marketing to describe how almost every cow is raised in America: on a feedlot eating corn. Because of this misleading marketing, Michael Pollan urges people to only buy beef with the label “100% grass-fed,” or “grass-finished,” meaning the cow spent his entire life eating just grass (MichaelPollan.com).

From Farm to Feedlot

The industrial revolution of the meat packing industry has made beef widely affordable and accessible for US citizens. In order to meet the demand, companies have had to introduce the use of feedlots, grain-based diets, antibiotics, growth hormones, and a large amount of oil and water. In order to fully understand Chipotle’s business model and beef sourcing, it is important to understand how the farm-to-burrito process works.

Typically, young calves are born on “cow-calf” ranches, where female cows are inseminated to produce one calf each year. According to the National Cattlemen’s Beef Association, calves are raised on their mother’s milk for 8 months on these ranches, until they are 500 pounds. Then, they are moved onto pastures where they forage and eat grass freely. From there, adolescent cows are typically sold to a feedlot where they receive a grain-based diet until their slaughter.

Unsurprisingly, most marketing materials produced by beef packing companies try to put themselves in the best light. On the other end, animal rights organizations are known to occasionally exaggerate. PETA has funded several undercover film projects inside American slaughterhouses, displaying gruesome scenes of animal abuse. While there is truth behind these videos, they are not always an accurate representation of the industry as a whole. The same principle applies for beef processing companies; their websites contain some good information, but they will unlikely share all the details of the feedlot and slaughterhouse process. In my research, I have sought out accomplished authors and investigators who are neither commissioned by animal rights organizations nor beef companies.

I have found the work of Michael Pollan to be a well-respected source of information amongst the academic community. Pollan is an American author, journalist, and professor who is known for his work on the industrialized food system. He has written dozens of essays, five acclaimed books, and has been interviewed in several journals, news stories, and documentaries. Most recently, he has produced his own series on Netflix, *Cooked*. In Pollan's honest quest to "learn how the industrial food chain transforms bushels of corn into steaks," he decided to purchase a young steer from a cow-calf operation in South Dakota, Blair Ranch, for \$598 (Pollan, 2006, p. 66). Pollan notes that unlike pigs and chickens, who spend their entire lives indoors, calves are still naturally born on a pasture. Though four out of five cattle raised on these ranches ends up in one of the three giant meat packing companies, there are thousands of privately owned cow-calf ranches.

Pollan tells us that his young steer was castrated and branded halfway through his 6 months on the cow-calf ranch (note, beef companies tend to report 8-10 months in their marketing materials). After 6 months, Pollan's steer was unwillingly weaned off of his mother

and placed in a “backgrounding pen.” These pens are the first time the young steers (the technical term for castrated bulls) experience tight, fenced living. Pollan refers to them as “prep school” for feedlots, where they are first accustomed to a corn diet out of a trough (Pollan, 2006, p. 72). After two months in the backgrounding pen, Pollan followed his steer as he was tightly packed into a large truck that transported him from South Dakota to Kansas, to a feedlot called “Poky Feeders.” Poky Feeders is one of National Beef Packing Company’s commercial feedlots, and holds roughly 37,000 steers. Every day, 1,000,000lbs of feed (corn, alfalfa, silage) pass through the central mill. Pollan also describes tanks full of thousands of gallons of liquefied fat (beef tallow, from slaughterhouses), protein supplements, liquid vitamins, synthetic estrogen, and antibiotics. All of these ingredients are combined together and pushed through the 8 ½ miles of trough (Pollan, 2006, p. 72).

Though feedlots range in size, around 95% of them have 1,000 or fewer steers housed. The remaining 5% of feedlot operations make up 80% of total US cattle finished in feedlots, and can have numbers as large as 37,000, as is the case with Poky Feeders (Beef USA, Feedlot Finishing Cattle). As Pollan continues to tour Poky Feeders, where his steer now resides, he describes the ‘manure lagoon’ that he came across. The lagoon is a mixture of water, manure, and mud, and contains all the runoff from each pen. Once the pen is emptied and those 75-125 cows are taken to be killed and processed, the majority of their piled up manure is pushed, or drained, to the lagoon. Though it may be more efficient to use this manure in other farming operations, it contains too many chemicals from the cows’ diet of grains and antibiotics to be effective, such as nitrogen, phosphorus, heavy metals, and hormone residues (Andersen, 2014).

Temple Grandin is a professor of Animal Science at Colorado State University, with a master’s degree in animal behavior and doctoral degree in animal science. She is considered to

be the world's leading expert on humane livestock handling and slaughter. According to Grandin, not all feedlots are as horrible as the public makes them out to be. If they are managed correctly, they can be successful. However, she does note significant, reoccurring problems in large feedlots: the mud, the heat, the stress, and the poorly trained employees. Historically, workers in the meat processing industry are not treated well. The national average salary for a worker in this industry is only between \$21,600 and \$25,650, and the industry averages a 75%-100% turnover rate of employees every year (Payscale.com & PBS.org, Schlosser). The difficult job, the high turnover rate, and the lack of expertise and training lead to undercover videos of horrendous animal abuse and mistreatment (McWilliams 2012).

Slaughtering

When the act of slaughtering is performed correctly, a cow's death should be instantaneous and painless, killed by a single blow to the brain with an electric, retractable bullet. In 1996, when undercover videos of horrifying slaughterhouse scenes gained popularity, McDonald's Corporation hired animal expert Temple Grandin to perform and publish a highly detailed audit of all of their beef and pork production. Grandin's audit proved to be highly necessary, as she found poor equipment, workers misfiring stun guns at cattle, and an excessive use of electric prods to paralyze and harm cows. Grandin's audit system has been adopted by many other meat packing companies and restaurants (most notably, Wendy's and McDonald's), and her suggested methods for calmly slaughtering cattle are used by roughly 54% of America's slaughterhouses (Grandin, National Institute of Animal Agriculture, 2001).

Though Grandin's methods seem to be the most humane ways to handle and kill livestock, there are still many slaughterhouses that do not follow her methods and suggestions. There are several 3rd party certifications that meat packing companies can obtain (Animal

Welfare Approved, Certified Humane, etc.), though legally slaughterhouses are only required to follow USDA code and the Humane Slaughter Act. This act, which is still the standard after its approval in 1958, states that bovines must be rendered “insensible to pain by a single blow or gunshot or an electrical, chemical or other means that is rapid and effective, before being shackled, hoisted, thrown, cast, or cut” (USDA.org). This act is enforced by the USDA Food Safety and Inspection Service (FSIS).

Government Regulations of Feedlots

The USDA also enforces the Federal Meat Inspection Act of 1906, inspecting more than 6,200 establishments (the frequency of these inspections is not disclosed) (USDA.org, Food Safety and Inspection Service). The Federal Meat Inspection Act emphasizes the “safety and wholesomeness of meat... and ensures that it is accurately labeled” (USDA.org). During these inspections, stockyards are examined, but not feedlots. The stockyards are the temporary (1-4 hours) holding place of the cattle before they are slaughtered; the USDA inspects these yards primarily for diseased animals. In my research, I have not found any mandatory, government related feedlot inspections for the health, happiness, and comfort of the cattle. Some companies, suppliers, or large restaurants will require certain welfare standards from their suppliers, but some specifications are more vague than others.

Essentially, this means if restaurants or suppliers would like meat to be above the bare minimum in terms of quality of life, they must require the standards themselves. As previously mentioned, there are programs that meat packing companies can apply for that will then give them a welfare stamp of approval; these 3rd party approval programs are similar to various fair trade, ethical, and organic certifications for chocolate and coffee.

Grass-fed v. Corn-fed, Rumen

A cow is known as a ruminant, a term for animals who digest food with a rumen (goats, sheep, deer, bison). Ruminants have a four-compartment stomach that have the unique ability to digest grass and turn it into energy and protein; it is one of the most highly evolved digestive systems on this earth (Grohman, 2010). The rumen is about the size of a medicine ball, and is “essentially a twenty-gallon fermentation tank in which a resident population of bacteria dines on grass” (Pollan, 2006, p.70). Though cows have evolved to live off of grass, most are only allowed a grass diet for the first 6-8 months of their lives. Once cows are switched to a fattening grain diet, complications arise.

The bloating and ulcering of a cow’s rumen, in addition to liver disease, are the most common side effects of a corn diet. A cow’s rumen will ulcer when it cannot release gas due to a layer of slime from digesting the corn. The rumen expands like a balloon and will push on the vital organs within the cow, suffocating it if nothing is done. This condition is combatted with heavy doses of antibiotics, though even on antibiotics cows would not be able to survive more than a year on this diet (Salatin, 2011, p. 111).

Escherichia coli, or E. coli O 157, is a strand of bacteria that is common to the intestines of a cow raised for beef. E. coli outbreaks had never arose until the 1980’s, but are now a common news headline (including Chipotle). The bacteria can cause horrible sickness in any human, and sometimes death. The Center for Disease control and Prevention has estimated that every year, 2,000 Americans are hospitalized and 60 die as a result of E. coli O 157 (CDC.org, E. coli). The bacteria strand is essentially nonexistent within 100% grass-fed cows; E. coli cannot withstand the fermentation and pH environment within a grass-fed cow’s rumen. However, the strand of bacteria has adapted to survive the highly acidic corn-fed rumen, living within the

cow's feces and evolving to withstand the acid in our own stomachs (p. 82). According to Pollan, "giving cows a grass diet would effectively shed 80% of E. coli in their [cows] guts within 5 days" (p. 82)

Grass fed v. Corn fed beef, Nutrition

A cow's diet not only affects their health, but the humans who are eating it. Because most cows in the US are raised on a grain-fed diet, we have become accustomed to the taste and the "marbling" of the meat. Many partially grass-fed operations will finish cows on grain to achieve the marbled taste, which alters the flavor and adds more fat (Lymbery, 2014, p. 162). Though people are accustomed to the rich, fatty taste of grain-fed beef, there are several health benefits of choosing grass-fed.

First off, grass-fed is leaner, containing 20%-30% less saturated fat and significantly higher levels of Omega-3 fatty acids (Lymbery, 2014, p. 162). Research has shown that diets low in Omega-3s have a higher risk of cancer, obesity, diabetes, etc. (this list goes on). The typical Western diet is alarmingly low in Omega-3s; a healthy diet should have one to four more Omega-6 than Omega-3 acids. However, the American diet on average contains 11 to 30 more times Omega-6 than Omega-3 fatty acids (Daley, 2010). There is not enough research to pinpoint the exact amount of Omega-3 fatty acids in grass-fed beef, but it can contain up to 10 times more than its corn-fed counterpart (Robinson, 2004, p. 31). In addition to Omega-3 fatty acids, animals with rumens (cows, sheep, bison), contain 2 to 5 times more "conjugated linoleic acid" than grain-fed animals, which helps fight cancer and cardiovascular disease (Robinson, 2004, p. 32).

Grass-fed beef also contains a wide array of vitamins not found in grain-fed beef. All beef has some levels of protein, iron, zinc, selenium, phosphorus, and B vitamins, but in grass-fed

beef, there is a much higher amount of vitamin E (up to 3 to 6 times more) which helps immunity and lowers risk of heart disease (Robinson, 2004, p. 37). And finally, grass-fed beef has a higher level of carotenoids, which is full of antioxidants and nutrients. Interestingly, the high level of carotenoids in grass-fed beef is why the fat trimmings are often yellow (Daley, 2010).

Growth Hormones & Antibiotics in Cattle

The use of growth hormones in livestock cattle has been a common practice since the early 1900's, when the demand for meat in the United States could not meet the supply. Added hormones, such as estrogen, progesterone, and testosterone, are FDA approved and often used in the food and water of beef cattle to promote growth (FDA.org). In addition to added hormones, it is a common practice among ranchers to use "subtherapeutic antibiotics" in their cattle's feed and supplements. Subtherapeutic, or nontherapeutic, simply means a low dosage of antibiotics used to increase growth, weight gain, and prevent future illness. In 2011, 13.6 million kilograms of antibiotics were used on food-producing animals, which is estimated to account for 75-80% of antibiotics sold in the United States (FDA, Dept. of Health & Human Services, 2012). Globally, it is estimated that half of antibiotics sold are for livestock use (Schneider & Garrett, 2009).

Several studies conducted by the Department of Agriculture from 1999-2006 concluded that over 80% of cattle, swine, and sheep farms administer nontherapeutic antibiotics (Schneider & Garret, 2009). The corn rich diet, along with newly introduced growth hormones and antibiotics, are the leading causes for beef cattle's increasing growth rate. In the 50's, cows were slaughtered between the ages of 2 and 3 years, whereas now they are slaughtered between 14 and 16 months (Pollan, 2006, p. 71). Common subtherapeutic antibiotics found in the cattle's diet are Lasalocid, Monensin, Laidlomycin, and Salinomycin, all of which promote growth and heavy weight gain (Allen & Stanton, 2014).

The scientific community fears the rise in antibiotic resistance due to antibiotics in cattle's feed. According to an article written by Kammerle Schneider and Laurie Garrett, on behalf of the Council on Foreign Relations,

Many of the antibiotics used on animals are identical or closely related to those used to prevent infections among humans... Bacteria in animals (as in humans) are able to develop antibiotic resistance when exposed to low doses of drugs over a long period of time, contributing to the rise of pathogens that are able to defeat our shared antibiotic arsenal. (Schneider & Garrett, 2009)

Antibiotic resistance in humans is transferred through beef production in three ways: consuming meat, close contact, and environmental pollution. (Schneider & Garrett, 2009). As concern for antibiotic resistance grows, so does the number of restaurants and companies pledging to no longer use them. In December of 2014, Carl's Jr. introduced their "All Natural" burger, featuring beef raised without nontherapeutic antibiotics. In February of 2016, Subway debuted its first antibiotic-free chicken sandwich at a premium price. There are other chains that feature one or two antibiotic-free entrees, but Chipotle's pledge to source entirely antibiotic-free meat (chicken, pork, and beef) is considered rare in the industry.

Environmental Impact

Research shows that meat industry, specifically cattle used for beef, is the leading cause of global warming and the depletion of natural resources. A 2009 study by the Worldwatch Institute shows that livestock and their byproducts produce 32,000 million tons of carbon dioxide per year, and "51% of all worldwide greenhouse gas emissions" (Hickman, 2009). In a book titled *Livestock's Long Shadow*, 65% of all 'human-related' emissions of Nitrous Oxide are due to

agriculture and livestock; Nitrous Oxide is a far more dangerous and impactful gas than Carbon Dioxide, and can remain in the atmosphere for over 150 years (Steinfeld, 2006, p. 14).

In a critically acclaimed 2014 documentary titled *Cowspiracy*, produced by actor Leonardo DiCaprio, researcher Kip Andersen searches for the truth behind the industrialization of beef and its environmental impact. He finds that growing corn for livestock accounts for 56% of fresh water usage in the US, and animal agriculture in total is responsible for 20%-33% of the world's fresh water (Andersen, *Cowspiracy*, 2014).

According to Andersen, grass-fed beef is just as detrimental to the environment, if not worse than corn-fed. Grass-fed beef requires much more land for the cattle to graze on, as opposed to confined feedlots. Additionally, grass-fed cattle live longer lives, therefore using more natural resources and producing more waste. However, there is also evidence that shows grass-fed beef to be much better for the environment. The industrialized beef system relies on farming large amounts of corn to feed cows. As previously mentioned, 30% of America's land is dedicated to growing corn for agricultural feed (Kenner, *Food Inc.*, 2007). If all the world's land used to grow cattle's feed was centralized in one location, it would cover the half the United States (Lymbery, 2014, p. 203). On corn production for cattle, Lymbery writes, "A third of the world's cereal harvest is fed to farm animals. If it went directly to humans instead, it would feed about 3 billion people" (p. 336).

Though grass-fed cows live longer lives, their diet is much less water intensive (grass does not require the same irrigation as corn crops). Additionally, growing large crops of corn requires large amounts of oil; allowing cows to graze naturally drastically reduces oil and water usage. In the traditional rotational grazing system, cattle are herded onto a different length of pasture every 24-48 hours. This system allows the grass to have time to recover and grow back to its original

length. This constant shearing of the tallest blades of grass will expose them to the sunlight. By not overgrazing and rotating frequently, the farm experiences a great level of biodiversity and photosynthesis (Salatin, 2016, p. 36). The manure (free from antibiotics) and trampling of the cows promotes the growth of the grass as they move on. If done correctly, this process would “remove thousands of pounds of carbon from the atmosphere each year” in just one farm, and would offset the fossil fuel emissions from the cattle. (Pollan, 2006, p.198).

This system is a much better use for cow’s manure than the current protocol; In the United States, in 2014, 30.2 million cows were slaughtered for food, and it is estimated that a single cow can produce 59lbs of manure a day (USDA.gov, 2014). Much of this manure is unusable by farms as a natural growth enhancement considering the high levels of hormone and antibiotics residues. As mentioned before, the manure is drained into a nearby lagoon, or buried off sight, creating a significant amount of waste (Salatin, 2011, p. 125).

Though grass-fed beef is better for the environment in several ways, it is unlikely that the same level of global beef production can rely entirely on this system. There is a reason large companies have integrated corn diets and feedlots into beef production; it is cheaper and quicker. However, each year the amount of 100% grass-fed beef operations slowly rise, and companies like Chipotle are helping to increase their supply (Weiss, NY Times, 2013).

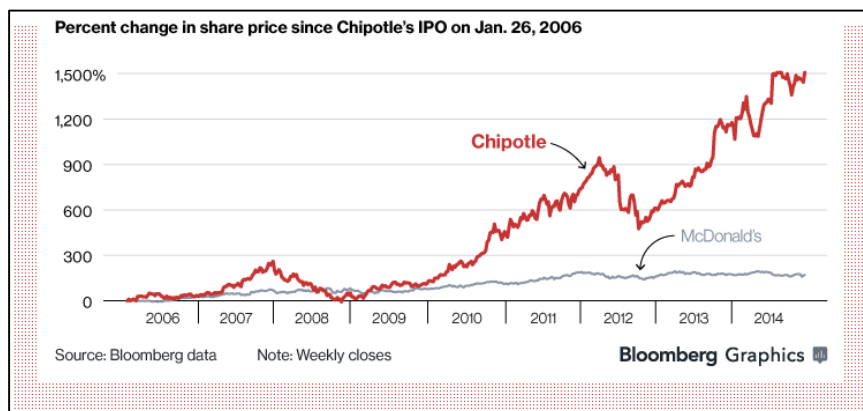
Part III: Chipotle Background

Chipotle Mexican Grill was founded by current CEO Steve Ells in 1993 in Denver, Colorado. In 2008, Chipotle received its first major corporate investment from McDonald’s Corporation, accumulating \$50 million dollars. Though McDonald’s has been vital in Chipotle’s growth of 500 restaurants between 1998 and 2005, Chipotle never changed their ingredients or integrity: a quote by Steve Ells, “McDonald’s... seemed very interested in my passion about

creating this brand. I trusted them, and they did not really interfere with the brand” (Wong, 2015, Bloomberg Magazine).

To this day, there are 35 Chipotles in the city of Denver alone, and over 1,800 in the US (and 17 locations abroad). In 2006, Today, a single Chipotle restaurant can make upwards of \$10,000- \$13,000 a day in revenue (Wong, 2015). As Chipotle was quickly expanding in the early 2000’s, Eells began to put more emphasis on the quality of his ingredients. He visited one of the chicken farms that supplied his restaurants, and found it “absolutely the most disgusting thing” he had ever seen (Wong, 2015). Once Eells started visiting the farms and ranches that raised Chipotle’s animals, he began the well-established relationship with Niman Ranch, an ethical pork supplier. Around this time, Eells coined the phrase “Food with Integrity,” which is an integral program to this day. Also around this time, McDonald’s became frustrated with Chipotle’s stubbornness, high food costs, and refusal to take their restaurant advice. In 2006, McDonald’s had a 90% stake in Chipotle Mexican Grill, and sold all of their shares by the end of the year (Business Insider, Peterson, 2015).

With McDonald’s departure in 2006, Chipotle went public and sold their shares for \$22 apiece. In the last 10 years, Chipotle’s performance in the stock market had been highly



successful, reaching 749

USD this last August.

Recently, Chipotle has

experienced food safety

and E. coli issues, and their

stock dropped to 413.12

USD in January of 2016 (Google Finance). These outbreaks are the cause of Chipotle’s first ever

reported loss of stockholder return in Q1 of 2016 (WSJ, Newman, 2016). Still, comparing McDonald's and Chipotle's stock performance in the last 10 years, it is clear that Chipotle's 1,800 locations have outperformed the burger chain in terms of growth.

Food with Integrity, Mission Statement

Chipotle's mission statement is to "Change the way people think about and eat fast food," and has been since its development in the 90's (Chipotle Annual Report 2014). Their mission goes beyond their profits with the hope of changing the entire industry for better. Chipotle's



mission statement is carried by their "Food with Integrity" program, which has made its way into their online videos, advertisements, and menus. Pictured is an example of Chipotle's menu board placed in all of their locations. This program is

founded on, "purchasing fresh ingredients and preparing them by hand," and "spending" time on farms and in the field to understand where our food is from and how it is raised" (Chipotle Annual Report, 2015). In all of their marketing and investor relations, Chipotle's Food with Integrity program is openly dedicated to ethical living conditions of animals, quality of ingredients, environmentally friendly conditions, taste, and transparency with the public.

It is important to note the recent E. coli outbreaks at Chipotle, starting in November of 2015, and officially ended in February 2016. More than likely, it was from a crop of raw vegetables that had been cross-contaminated with raw beef that contained the bacteria (cooking the beef usually kills the E. coli virus). Though most E. coli outbreaks can be traced back to a

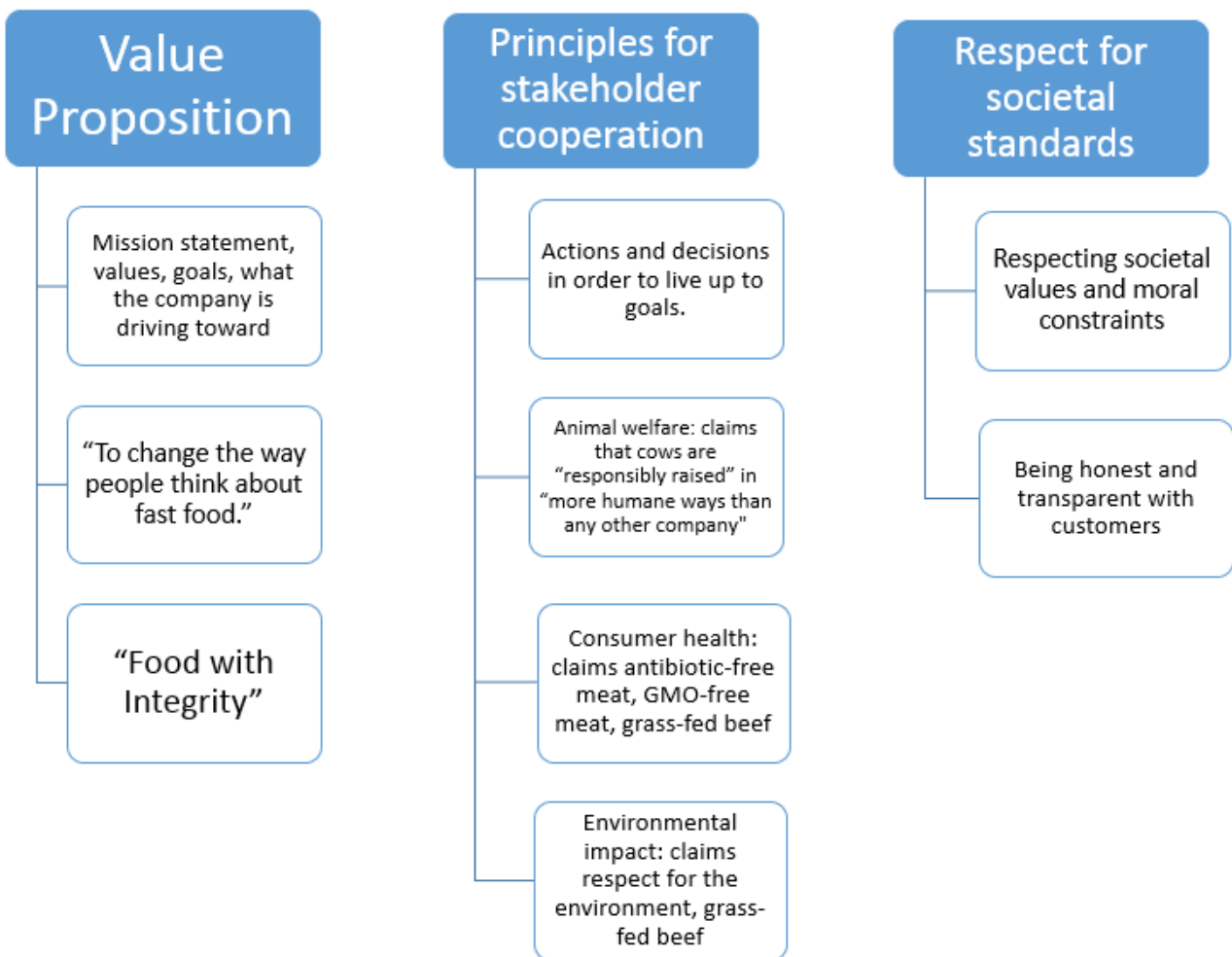
beef processing plant, Chipotle has not been able to trace the source of their outbreak. If the source were known, this incident would perhaps be relevant to this project and Chipotle's beef sourcing. However, considering the lack of available information, this topic will not be covered.

Chipotle's version of CSR, Stakeholder Framework

As mentioned earlier, In order to evaluate the success of Chipotle's CSR and Stakeholder Management approach in accordance with their beef sourcing, I will be using the three levels of the Stakeholder Framework: value proposition of the organization, principles for stakeholder cooperation, and respect for societal standards of conduct (Freeman et al., 2010, p. 78). But before that can be done, Chipotle's stakeholders need to be clarified. On Chipotle's website, under the Food with Integrity microsite, they write that their program is for "farmers, animals, the environment, dentists, crane operators, ribbon dancers, magicians, cartographers, and you" (Chipotle.com, Food with Integrity). Humorous in nature, this communicates some of Chipotle's primary stakeholders: the farmers, the animals, the environment, and the consumers. These are the units who are affected by the Food with Integrity program, and these are the primary stakeholders in Chipotle's business. Additionally, Chipotle's stockholders will always be primary stakeholders.

The value proposition for Chipotle Mexican Grill is to "change the way people think about and eat fast food." Chipotle intends to do this primarily with the Food with Integrity Program, which is also a part of its value proposition. The mission is not possible without the principles for stakeholder cooperation; this is the second level that encompasses the decisions and actions Chipotle makes in order to live up to its stakeholder goals. Additionally, Chipotle must ensure their methods of beef sourcing adhere to societal standards of conduct and expectations.

Below is an illustration I created to visually display Chipotle's value proposition, principles for stakeholder cooperation, and respect for societal standards. Beneath the principles for stakeholder cooperation are the three categories I will be writing about as they relate to beef: animal welfare, consumer health, and environmental impact. As stated in the preface, I will be answering the following question: has Chipotle adequately and honestly incorporated CSR and stakeholder value creation into the beef sourcing?



Part IV: Consumer Health

Intro/Stakeholders

As mentioned several times, Chipotle's value proposition is to "change the way that people think about and eat fast food" (Chipotle Annual report, 2016). One of the ways they intend to do this is by sourcing and serving, "the very best ingredients we can find and preparing them by hand" (Chipotle.com). Chipotle never explicitly says, "Our food is good for you," most likely for legal reasons. However, they do make it clear that they strive for high quality ingredients for their customer that taste delicious.

In this section, the consumers eating the food are the primary stakeholder. In a sense, Chipotle's customers are their most important stakeholder; without their buying power, there would be no business. This section will cover the quality and health benefits (or lack thereof) of Chipotle's beef sourcing, assessing whether or not they provide adequate stakeholder value to their customers and shareholders.

Chipotle's Standards

First, let us take a look at Chipotle's own words regarding the quality and nutrition of their beef. As mentioned above, Chipotle claims that they source the "very best ingredients" they can find. On the *Food with Integrity* section of their website, they write,

We care deeply about where our ingredients come from. While industrial farming practices have evolved to maximize profits and production, we make an extra effort to partner with farmers, ranchers, and other suppliers whose practices emphasize quality and responsibility.

In this paragraph, Chipotle implies they prefer a meat production system that emphasizes quality, unlike the profit-maximizing industrializations. Further down on the *Food with Integrity* site,

Chipotle writes that they pursue long-term, personal relationships with their ranchers, some of which have been supplying Chipotle for 15+ years. They also claim to send out their ingredient buyers on the road frequently, surveying suppliers and performing audits.

GMOs

Chipotle advertises their refusal to use GMOs in their beef. GMOs are not commonly found within beef itself, but are extremely common in the food that they eat. According to Chipotle, a GMO is a “genetically modified organism,” that results from “inserting genes from one species (typically bacteria or a virus) into the DNA of another” (Chipotle.com/gmo). As a result, typically a plant has new characteristics that wouldn’t normally occur in nature. Corn (and all of its modifications) is the number one GMOs grown in the United States; 93% of the corn grown in the US in 2014 was genetically modified in some way. (Chipotle.com/gmo). Chipotle does not use GMOs in their food (aside from their sodas) for three reasons: scientists are still studying long term effects of GMOs, GMOs are more harmful to the environment, and their food is more natural without it.

Below the section on GMOs, Chipotle addresses the genetically modified corn given to beef. Though their meat products themselves are not genetically modified, their beef is “likely to come from animals given at least some GMO feed,” but that “We are working hard on this challenge” (Chipotle.com/gmo).

Antibiotics & Hormones

Chipotle also claims that their beef does not contain nontherapeutic antibiotics and growth hormones. As the reader may recall from earlier in this report, over 80% of conventionally raised beef receives some sort of subtherapeutic, or nontherapeutic, antibiotic in their feed, and more than half the antibiotics sold in the US is for animal use (Schneider &

Garrett, 2009). There is evidence that these low dosages are contributing to antibiotic resistance for humans, in addition to the concern that giving animals supplements and antibiotics to increase growth rate is unnatural and unhealthy (Allen & Stanton, 2014).

Chipotle clearly states on their website that they do not allow the use of antibiotics or synthetic growth hormones. If in the case an animal falls sick, Chipotle tells us the ranchers are encouraged to use the appropriate antibiotics to bring it back to health. In their 2015 Annual Report, Chipotle states that they endeavor to serve Responsibly Raised (their branded term to mean raised without subtherapeutic antibiotics, growth hormones, and with high standards of animal welfare), but they face challenges in supplying all their restaurants with meat of such high standards. In the case of beef, if Chipotle cannot find a suitable supplier, they resort to conventionally raised beef, “When we become aware that one or more of our restaurants will serve conventionally raised meat, we clearly and specifically disclose this temporary change on signage in each affected restaurants” (Chipotle Annual Report, 2016). According to Chris Arnold, the PR director at Chipotle, there is not enough supply to raise 100% of their beef without subtherapeutic hormones, and only about 80% meets that standard (Weiss, NY Times, 2013).

Grass-Fed v. Corn-Fed

Then, there is the question of grass-fed v. corn-fed beef, which will be a reoccurring concern for health, animal welfare, and environmental impact. As mentioned earlier, evidence has shown that there are major health benefits to eating grass-fed beef over grain-fed. Grass-fed beef has less fat, fewer calories, more Omega-3s, and a more balanced ratio between Omega-3s and Omega-6s (Robinson, 2004, p. 31).

Chipotle claims on their website that some of their beef is 100% grass-fed, “We have made substantial progress: for example, the 100% grass-fed beef served in many Chipotle restaurants was not fed GMO grain- or any grain, for that matter” (Chipotle.com/gmo). As a reminder, all cows start out on a grass-fed diet, and cattle who have spent their entire life eating grass are considered “100% grass-fed.” Deeper into their website, Chipotle adds onto this thought by saying their grass-fed beef is an important start, but sourcing exclusively grass-fed and non-GMO beef would be a “long term project.” In a 2013 article written by Elizabeth Weiss in the New York Times, Weiss interviews Chris Arnold, the PR director for Chipotle Mexican Grill. In this interview he claims that Chipotle has been contemplating a stricter standard on grass fed cattle, but today they accept that most cows need to be “feedlot-finished” (Weiss, 2013, NY Times).

Though there is not detailed information on Chipotle’s website or Annual Reports about Chipotle’s grass-fed beef sourcing, Chipotle CEO, Steve Eells, wrote an enlightening article on Huffington Post in 2014. According to Eells, Chipotle has been wrestling with the introduction of 100% grass-feed beef into their supply chain. Eells himself writes, “There’s...evidence suggesting that grass-fed beef is healthier for the people who eat it, and when managed properly, easier on the environment” (Eells, 2014). He writes that Chipotle has experienced shortages in Responsibly Raised beef, and has been periodically serving conventionally raised beef over the last several years. Eells saw this as an opportunity to expand their supply chain, and to begin sourcing grass-fed beef from Southern Australia. According to Eells, Australia is years ahead of the US, and “the meat produced by these ranches is “grass-fed” in the truest sense of the term: The cattle spend their entire lives grazing on pastures...eating only grass” (Eells, 2014). Eells writes that over time, he hopes to see the demand and supply for 100% grass-fed beef to increase in the US, and for

their sourcing from Australia to encourage just that, “The transition toward grass-fed beef won’t happen overnight. But we need to start somewhere, and years of research by our purchasing team suggests that Australia is the best place to start sourcing grass-fed beef at the scale” (Ells, 2014).

In an interview with Chris Arnold, PR Director of Chipotle, and AgriTalk radio host Mike Adams, Arnold says that about 25% of their beef is imported from Australia (Arnold, 2014, AgriTalk). Arnold and Ells have both mentioned Chipotle has a few 100% grass-fed suppliers in the US (less than 5% of their total supply); therefore, it can be estimated that 25%-30% of Chipotle’s beef is 100% grass-fed, which is by far the largest supply of true grass-fed beef in any fast food chain.

It is encouraging to read that the company’s CEO understands the health and environmental benefits of grass-fed beef, in addition to the natural function of the cow’s rumen. In this article, Ells mentioned one of their current 100% grass-fed beef suppliers, Missouri’s Rain Crow Ranch. From their website, Rain Crow appears to care deeply about animal welfare and the environment, and allows the cattle to eat grass from start to finish.

Suppliers Continued

Though Ells disclosed Rain Crow Ranch in his article, corporate Chipotle does not make it easy to find research on the rest of their beef suppliers. However, in addition to the aforementioned Rain Crow Ranch, I have found one more of Chipotle’s current beef suppliers. In the NY Times article written by Elizabeth Weiss, she mentioned she spoke with the marketing director of Meyer Natural Foods, who claims they sell their Natural Angus beef to Chipotle (Weiss, 2013, NY Times). I emailed Meyer Natural Foods to request more information, and received a response from Scott Coakley, the Sr. VP of Cattle Procurement. According to

Coakley, Meyer Natural Angus is one of Chipotle's "largest beef suppliers," but he did not specify the specific amount they supply.

On their website, Meyer Natural Angus claims their cows are finished on a corn diet, but are not given any growth hormones or subtherapeutic antibiotics (MeyerNaturalAngus.com). Additionally, Meyer has a fairly detailed PDF available about their "Humanely Handled Program," that gives more information on cattle handling, transportation, slaughterhouse facilities, etc. The standards are clearly higher at Meyer than a typical cattle operation, which is good news for Chipotle's claims. In my email conversation with Scott Coakley, he told me at Meyer Natural Foods the cattle are raised on grass with their mother for approximately 6 months. After this time, cattle are either kept on grass for a period of time, or start their diet of grain; Coakley described this diet as "grain, hay, silage, distillers, vitamins, and minerals." At Meyer, cattle are on this diet for at least 180 days (6 months), or 240 days (8 months). Coakley explained the grain diet will add intermuscular fat, or "marbling," which "gives it the taste profile that people are looking for."

Though Meyer Natural Angus is a highly humane operation that does not use hormones or antibiotics, their cattle are fed the same diet you might find at any feedlot operation in the United States. Meyer Natural Foods is only one small example of Chipotle's suppliers, but this information, along with Ell's interview, Arnold's interview, Chipotle's online marketing, and the Annual Report together paint a picture of the beef sourced by Chipotle: 25% -30% grass-fed and antibiotic-free cattle from Australia, roughly 1-5% grass-fed and antibiotic free from the US, and the remaining 70% as grain-finished and antibiotic-free in the US (ideally). Chipotle has had to source conventionally raised beef when there is a shortage of Responsibly Raised beef; Chris Arnold has told Adams that about 15-20% of their beef was conventionally raised between 2013

and 2014 (on corn, lower welfare standards, use of antibiotics). However, since Chipotle started sourcing grass-fed beef from Australia in the summer of 2014, there are no statistics on the current percentage of conventionally raised beef.

Tradeoffs

Chipotle's decisions concerning the health and nutrition of their beef come with several tradeoffs. First, eliminating GMOs from their menu does not pose any important tradeoffs concerning beef; however, there is a tradeoff being made by *not* eliminating GMOs from their cattle's food. The GMO's in most cattle's food comes from genetically modified corn, which has a negative impact on the consumer's diet. By allowing most of their cattle to eat grain at any point in their lives (around 75%), Chipotle sacrifices the health benefits of grass-fed beef on a natural, GMO-free diet. On the positive side, cattle that are grain-finished are often cheaper, grow quicker, are larger in supply, have a familiar taste, and still provide some health benefits. In this tradeoff, Chipotle has decided their need for expansion, growth, and a profitable company has outweighed the benefit of 100% grass-fed beef in all their restaurants. Ells admitted that he would like to see more grass-fed beef in the restaurants, but that "most of the U.S. grass-fed beef that meets our standards is simply not produced in sufficient quantities to meet our demand" (Ells, 2014). Chipotle's customers would experience a more natural and nutritious steak burrito if Chipotle only served grass-fed beef. However, Chipotle would not be the size it is today if it had only purchased grass-fed beef, and they would not possess the same amount of purchasing power and influence in the industry as they do now.

The second tradeoff in the category is the use of subtherapeutic antibiotics and growth hormones. From the research I gathered, it appears that Chipotle remains firm on their refusal to use antibiotics and hormones in their meat (other than the conventionally raised beef that is used

when supplies are short). Not using growth enhancements is more expensive, considering the cattle take longer to mature. Additionally, more ranches currently use subtherapeutic hormones (roughly 80% in the US), making Chipotle's sourcing, and potentially the rancher's customs, more difficult (Schneider & Garret, 2009). However, refusing to use growth supplements in cattle helps the rising problem of antibiotics resistance and is more natural, allowing the cow to grow at its own pace. Additionally, Chipotle's refusal to use subtherapeutic antibiotics helps their PR (Chipotle does not hesitate to advertise this fact). In this tradeoff, Chipotle has decided that the use of antibiotics and growth hormones in their beef does not outweigh the benefits of naturally raised beef.

Section Conclusion

Chipotle's original value proposition is to change the way that people think about and eat fast food, and in this category, they attempt to do so primarily by not using antibiotics growth hormones in their cattle's feed. Chipotle is one of the first major fast food chains to attempt to not use antibiotics in any of their meat products, and it is an important step toward consumer health, better farming practices, and their value proposition.

The argument can be made that if Chipotle's customers were their number one priority and stakeholder, they would only be serving 100% grass-fed and Responsibly Raised beef, no exceptions. From 2013 to this day, Chipotle has resorted to serving conventionally raised beef to fill shortages in their supply, which is not a part of their Food with Integrity commitment. However, Chipotle's customers are not their only stakeholder. First and foremost, Chipotle is a business that has stockholders and is publically traded. If Chipotle had decided to only source antibiotic free and 100% grass-fed beef, they would not have over 1,800 stores and a stock price of \$750 last October. Sourcing 100% grass-fed beef would also inevitably raise the price of their

products, making it difficult for Chipotle to follow through with the 3rd level of the Stakeholder Framework of complying with social expectations.

While a legitimate criticism could be advanced that Chipotle should restrain its growth rate for the sake of its value proposition, Chipotle now has the opportunity to make significant changes in the industry. Additionally, the larger Chipotle's customer base, the greater awareness Chipotle can bring to the changes that need to be made in the industrial beef system. Chris Arnold mentioned in an interview that Chipotle is constantly helping their suppliers expand and produce more Responsibly Raised meat, and Ells hopes their business model will encourage more suppliers to raise grass-fed, hormone-free, and ethical meat. In the category of consumer health, it appears that Chipotle has provided adequate stakeholder value to its consumers and its stockholders. Additionally, Chipotle's antibiotic-free and hormone-free beef goes above and beyond cultural expectations, satisfying the 3rd level of the Stakeholder Framework.

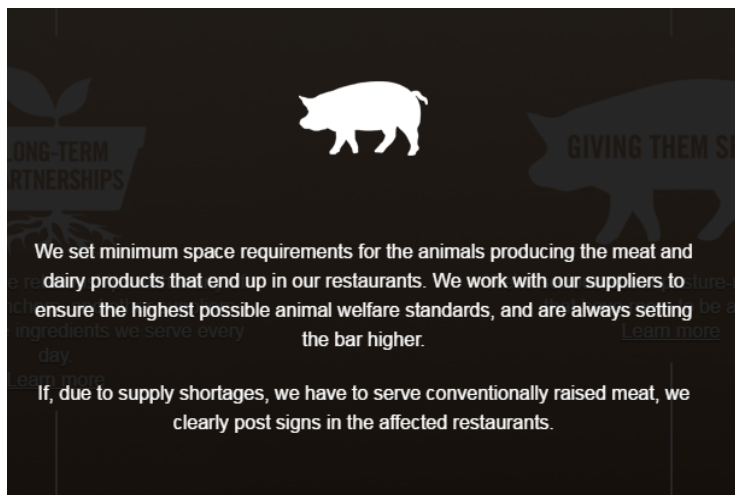
Part V: Animal Welfare

Intro/Stakeholders

When dealing with a business that serves meat, animal welfare is an important part of corporate social responsibility. As slaughterhouse and feedlot conditions have become more publicized and reformed in the last few decades, some fast food restaurants have chosen to publicly disclose information to reassure their customers that their animals have been treated ethically. Fast food giants McDonald's, Burger King, and Wendy's all have "Animal Welfare Programs" with varying degrees of information and promises. Chipotle is no exception, and in many ways has claimed to be a pioneer in the animal welfare movement (Chipotle Annual Report, 2014, p. 20). For this section, the stakeholders will be the cows, the ranchers/suppliers, and the stockholders.

Chipotle's Standards

As stated before, Chipotle's mission statement and value proposition is to "change the way that people think about fast food," in addition to their Food with Integrity promise (Chipotle.com). In this case, they promise to fulfill their value proposition by serving beef that has been raised ethically. Chipotle discusses and advertises the treatment of their animals on several pages of their website, their annual report, their marketing materials, and even on employee t-shirts.



On the home page of Chipotle's website, it states "We think that animals raised outdoors or in deeply-bedded pens are happier and healthier than those raised in confinement" (Chipotle.com). They continue to say that they stand firmly on two things:

the space given to the animals, and the health of the livestock. Above is a screen shot from Chipotle.com detailing their space requirements for their animals. Accordingly, Chipotle claims to set minimum space requirements for their meat and dairy animals, and works with their suppliers to set "the highest possible animal welfare standards" (Chipotle.com). As mentioned previously, Chipotle states that if there are supply shortages of their Responsibly Raised (raised without antibiotics, growth hormones, and with high animal welfare standards) meat, they will instead serve conventionally raised beef and post signs in the affected restaurants.

Suppliers

On Chipotle's "Become a Supplier," site, beef suppliers have basic requirements they must follow before they can apply: 1. No subtherapeutic antibiotics, 2. No growth hormones, 3. 100% vegetarian feed, and 4. Humane handling. On this form, Chipotle would also like to know if the animals are grass-fed (but it is not a requirement). Additionally, suppliers are required to follow the Food with Integrity guidelines, be registered and inspected by the FDA, the USDA, and a 3rd party food safety program, comply with frequent visits and audits by Chipotle team members, and have a willingness to improve practices every year. As mentioned earlier, two of the known beef suppliers for Chipotle are Rain Crow Ranch and Meyer Natural Angus. Rain Crow is a 100% grass-fed ranch, and has extremely high animal welfare standards and several 3rd party certifications.

Meyer Natural Angus is one of Chipotle's largest beef suppliers, with over 43,000 acres used for cattle operations in Western Montana (Scott Coakley, 2016, email interview). Meyer Natural Angus is not a grass-fed operation, but is certified "humane" from the *Humane Farm Animal Care Organization*, which is one of the largest and most well recognized 3rd party certifications for animal welfare practices (Certified Humane). Certified Humane has highly detailed standards for beef cattle treatment, from the time they are born to the time they are killed. In addition, Meyer Natural Angus also has its own "Humanely Handled Program" which specifies requirements such as cattle handling procedures and rest requirements for travel. It is clear that Meyer Natural Angus' stated welfare standards live up to Chipotle's Food with Integrity program. Though Meyer is only one example of Chipotle's beef suppliers, in the 2016 Annual Report, they write that they purchase their beef from a small number of suppliers with

whom they develop long term relationships. Here, it is not clear if the word “small” means dozens or hundreds.

No Specific Guidelines

Though one of Chipotle’s largest beef suppliers has high standards of animal welfare, Chipotle does not make that information public. I was able to find this out by contacting Meyer Natural Angus directly, but no one from Corporate Chipotle has answered my emails. When it comes to Chipotle’s welfare standards for their beef cows, there are no specific guidelines listed anywhere. As Journalist Elizabeth Weiss puts it in her article about Chipotle’s marketing,

It would be nice, of course, if some entity other than Chipotle itself—an independent auditor, for example—could confirm all this. The United States doesn’t have comprehensive, consistent regulations regarding the use of terms like “natural” and “humane.” . . . Because Chipotle defines its own standards, its customers have to trust Chipotle to self-police. (Weiss, 2014, NY Times).

In Chipotle’s 2015 Annual Report, they cite the example of Niman Ranch. In a routine audit of their main pork supplier, Chipotle found that Niman Ranch was not meeting their standards of animal welfare, and the pigs were not given deeply bedded barns and outdoor access. As a result, Chipotle stopped supplying pork to many of their restaurants between 2014 and 2015 until Niman Ranch was able to correct their protocol. In this example, Chipotle was entirely transparent with the public, and even risked taking a loss to ensure their pork was sourced from an ethical source. According to Chris Arnold, “We would rather not serve pork at all, than serve pork from animals that are raised in this way” (Business Insider, 2015, Peterson). Chipotle is also transparent when it comes to the dairy cows, writing that all must have access to pastures to

graze. However, when it comes to the cattle used for beef, there are no specific guidelines nor certifications given.

Industry Benchmarks

At surface level, it may see that Chipotle provides a significant amount of information on their cattle treatment; it is most likely enough information to please the average customer, satisfying the 3rd level of the Stakeholder Framework on that front. However, Chipotle is actually lacking a significant amount of public information compared to their competitors. Jack in the Box lists all their beef suppliers, in addition to what 3rd party certifications their suppliers must obtain (Animal Welfare at Jack in the Box, 2015). Wendy's Animal Welfare Program details their supplier audit procedures (and how many they perform in a year), the transportation guidelines for cattle, and the holding and handling protocol (Wendys.com, Animal Welfare). In 1999, McDonald's hired world-renowned animal science expert, Temple Grandin, to perform a highly detailed audit of McDonald's beef processing plants. According to Grandin, McDonald's pioneered the animal welfare audit process for the fast food industry, and still uses the system annually to improve (Grandin.com, 2001). In 2014, McDonald's sponsored and published a benchmarking survey to "asses the health and welfare of beef and dairy cows at the time of slaughter (McDonalds.com, Advancing Farm Animal Welfare).

Chipotle is much smaller than Wendy's, Jack in the Box, and McDonald's, and may not have as many resources. However, the fact remains: Chipotle claims to have the highest animal welfare standards possible, yet gives no additional information other than the deeply-bedded pens for their pigs and pastures for their dairy cows. As mentioned before in the industry background, there are dozens of ways cattle can be abused in the industrialized beef system, including stress and heat in feedlots, manure control, poorly trained handlers, overcrowding,

electric prods, misfiring of captive bolt guns, etc. If Chipotle truly is an industry leader in this area, as Meyer Natural Angus may suggest, they should consider disclosing more information so customers have more than just their word to rely on.

Grass-Fed. v. Corn-Fed

A cow's diet has a significant effect on its overall health, comfort, and wellbeing. 100% grass-fed cows are given more space and more freedom to live their lives as they normally would. In order for cows to live on a fresh grass diet (not hay), they must be allowed to graze on open fields. This requires much more space than a conventional feedlot, especially if the rancher practices rotational grazing (rotating cattle to different pastures every 24-48 hours to give the grass time to re-grow). As mentioned earlier, Chipotle started importing 100% grass-fed beef from Australia in 2014; in total, roughly 25% of its total beef is imported grass-fed from Australia, and 1-5% is US grass-fed beef. Chipotle's largest US grass-fed supplier, Rain Crow Ranch, has more than 10,000 acres of grassland for their cattle to roam on (Charles, 2013, NPR.org). Around 70% of beef in Australia is grass-fed, on account for the abundance of grassy pastures and cultural norm. Knowing this, about one fourth of Chipotle's beef cattle spent their lives grazing and roaming on pastures, a number that is likely higher than any other fast food chain can give. The alternative to grazing, is of course, the feedlot. Feedlot pens range greatly in size and amount of cattle, and steers can be allowed anywhere from 30 square feet each, to 250 square feet. The more tightly packed they are, the more money can be made.

Feeding cows grass not only allows them more space to roam, but also keeps them healthy and comfortable. As mentioned in the first section of this paper, cows are ruminants with a complex, four-compartment stomach. When cows are fed corn, their natural process of digestion is interrupted (FDA.gov, 2014). This can result in uncomfortable bloating, ulcering,

and sometimes death if not treated (Pollan, 2006, p. 72). Often the cattle's diet is not the focus of animal welfare, but it is just as important of an issue as correct cattle handling. The fact that Chipotle sources one fourth of their beef from grass-fed ranches is an important step toward better living conditions, but also shows significant room for improvement.

Tradeoffs

In Chipotle's quest for Food with Integrity, they have made Corporate Social Responsibility tradeoffs concerning the welfare of their beef cattle. First, ethically raised meat is more expensive than its conventionally raised counterpart, in almost every scenario. Though there are no specific figures on how much more expensive Chipotle's Responsibly Raised beef is compared to conventionally raised, interviews with Steve Ells and Chris Arnold both confirm that the extra cost is significant. To Ells, animals raised with higher welfare standards and without antibiotics is worth the extra cost, and sourcing Responsibly Raised meat is always Chipotle's priority.

Second, Chipotle experiences tradeoffs in their growing quest for grass-fed beef. About 25% of Chipotle's beef is grass-fed, and Ells would like to see more in the future (Ells, 2014, Huffington Post). US Grass-fed beef makes up less than 1% of total US supply, and is much more expensive than Responsibly Raised and conventional beef. The Australian grass-fed beef that Chipotle sources is more expensive than conventional beef, but runs around the same price as US Responsibly Raised beef (Arnold, 2014, AgriTalk Interview). By sourcing beef from Australia, they gain a larger supply of humane, 100% grass-fed beef, but runs the risk of increased environmental damage (or at least negative media) and angered US ranchers. Alternatively, by sourcing 75% corn-fed beef, Chipotle saves money and is able to supply its 2,000 restaurants, but in many ways sacrifices their cattle's quality of life by doing so.

Section Conclusion

If everything Chipotle has written on their website and Annual Report is true, then customers should feel affirmed the steak in their burrito was treated well. However, Chipotle does not supply enough information for any consumer to be truly certain of their beef's quality of life. In my research, I was able to determine one of Chipotle's largest beef suppliers, and was pleased with Meyer Natural Angus' stated principles of animal welfare. However, the average consumer does not have access to this information, and compared to its competitors, Chipotle has significantly less public information. As a part their Food with Integrity program and value proposition to "Change the way that people think about fast food," Chipotle promises to have the "highest possible animal welfare standards" (Chipotle.com). This may be true, and the available evidence seems to agree, but there is no way to know with 100% certainty. Perhaps for Chipotle to really change the way people think about fast food, they might consider to increasing their level of transparency when it comes to welfare standards of cattle raised for beef. However, Chipotle's transparency is perhaps enough to meet the 3rd level of the Stakeholder Framework, satisfying cultural and legal expectations. The average consumer does not research Chipotle looking for animal welfare standards like I have, and Chipotle has followed the minimum welfare standards mandated by law.

Though Chipotle claims to enforce high animal welfare standards, the fact remains that only 25-30% of their beef is grass-fed. Increasing this percentage would increase the amount of cattle that experience the highest quality of life possible. If Chipotle's primary stakeholder was their cattle, then they would most likely source exclusively from expensive grass-fed operations. However, in true Stakeholder Management, not all stakeholder interest is equally weighted. Rather, it is the careful balance and integration of all stakeholder needs in the long term; in the

case of animal welfare, it appears that Chipotle has accomplished this, living up to their value proposition and providing adequate stakeholder value to their stockholders, animals, and consumers. However, I believe Chipotle still owes it to their customers and investors to disclose more detailed information on their animal welfare standards and protocols.

Part VI: Environmental Impact

Intro/Stakeholders

The final (and arguably most important) category in this report is the environmental impact of Chipotle's beef sourcing. The most relevant stakeholder in this instance is the environment itself, which is relevant for customers, animals, ranchers, and everyone else. The public eye has been paying closer attention to climate change and our impact on the environment in the last decade, though unfortunately, the vast majority of people still do not realize the negative impact that feedlots and industrialized beef have on our earth.

As mentioned earlier, livestock and their byproducts produce roughly 51% of all greenhouse gas emissions in the world, and 65% of all human-related emissions of Nitrous Oxide (Hickman, 2009 & Steinfeld, 2006, p. 14). Animal Agriculture has destroyed up to 91% of the Amazon Rainforest when accounting for feedlot operations and crops grown for animal feed (Sergio, 2003, p. 5). Livestock covers 45% of the earth total landmass, and one third of the world's fresh water is used for animal agriculture (Thornton, Herrero, Ericksen, 2011, p. 1). These are just a few figures; there are hundreds more about how animal agriculture, specifically cows, are taking a massive toll on the environment and its resources.

Unlike several large competitors (Wendy's, Taco Bell, McDonald's), Chipotle does not publish a sustainability report. Though it is not required, these reports give detailed insight into the ways in which a food company offsets their carbon footprint. However, Chipotle claims that

they make the environment a priority as a part of their Food with Integrity Program, “Every choice we make- about who we work with, what we serve, and what we stand for- affect the bigger picture: the health of the planet” (Chipotle.com). In their marketing, Chipotle focuses on local produce sourcing, reduced pesticides, and antibiotic-free meat. In addition, Chipotle has been publishing articles in their website as a part of their “Sustainability Series,” with topic so far on recycling, compost, energy, and packaging.

Antibiotics

Most concern about antibiotic use in raising livestock is about increased antibiotic resistance. However, there is also evidence to suggest that overuse of livestock antibiotics harms the environment. In the cow’s feces, it is always possible that a portion of the drug administered remains live and active. The antibiotic residue, along with growth hormones and harmful bacteria, can often reach a nearby water system through drainage and runoff. Increased hormones and antibiotics can have a negative effect on delicate ecosystems, especially aquatic life (Michigan State University, 2011). Regardless of manure pollution of ecosystems, manure from feedlots that use subtherapeutic antibiotics and growth hormones cannot be used as fertilizer. One of Chipotle’s most important goals in meat sourcing is to find suppliers that use no subtherapeutic antibiotics or growth hormones, which in this case can reduce harmful pollution and unnecessary waste.

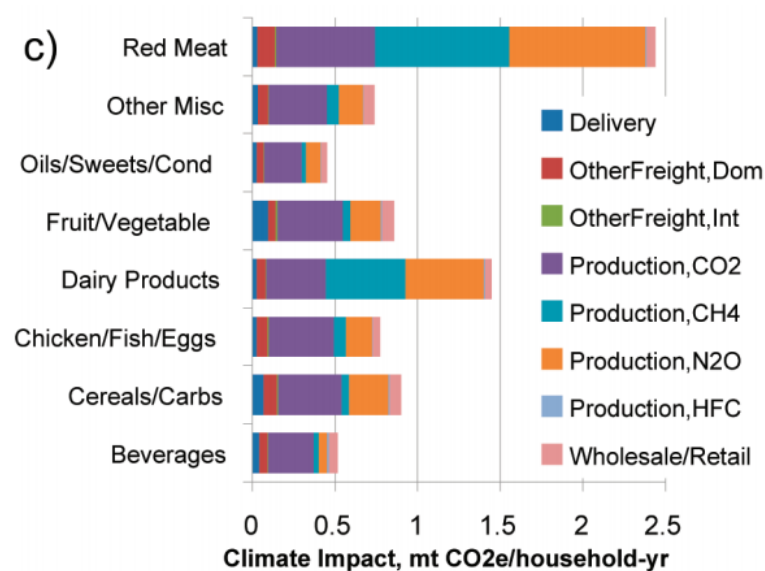
Grass-fed v. Corn-fed

Unsurprisingly, the distinction between grass-fed and corn-fed beef returns as a crucial element of environmental stewardship. As mentioned earlier, there is an ongoing debate about which way of feeding cattle is better for the environment. Many researchers have pointed out that natural grass-fed beef uses more resources. However, there is more compelling research that

shows a shift towards eating less meat, but grass-fed beef, is the best environmental decision (or eating no beef at all). (Lymberry, 2014, p. 247).

In an article Steve Ells wrote for Huffington Post, he claims that as a corporation, Chipotle sees the benefit of grass-fed beef over grain-fed on the environment. Ells writes that he hopes to see more grass-fed beef on the Chipotle menu in the future, in addition to a larger supply in the states. As mentioned earlier, Chipotle currently sources roughly 25% of its beef from Australia, 100% grass-fed. Additionally, they source a very small amount of 100% grass-fed beef domestically (Arnold, 2014, AgriTalk). Unsurprisingly, Chipotle has received negative feedback for this decision, primarily for environmental concerns. Consistently shipping literal tons of beef across the ocean uses a tremendous amount of oil and energy. Many local grass-fed ranchers have brought up the question, did Chipotle exhaust its resources in the states?

Chris Arnold, PR director of Chipotle, tells us that Chipotle did not, “given the price premium for grass-fed beef in the United States, using US grass-fed beef is not as feasible of an option as using imported grass-fed beef” (Arnold, 2014, AgriTalk). Arnold is correct; grass-fed beef is significantly cheaper in Australia than it is in the states. Not only does the Australian beef



go above and beyond Chipotle’s Food with Integrity Standards, it is also the same price (if not cheaper), than Responsibly Raised beef in the US. According to Arnold, Chipotle believes their carbon footprint of shipping the

Australian beef is completely offset by the grass-fed diet, which may be true.

According to an academic journal published by Christopher Weber and Scott Matthews, professors at Carnegie Mellon, “food-miles” are a relatively small contributor to the greenhouse gases of our red meat. Food-miles refer to the amount of distance our food must travel to reach our plates; in general, environmentally conscious consumers would consider local food to be better for the environment. While local food travels less miles, Weber’s and Matthews’ research shows that in regards to food consumption, 83% of the average US household’s carbon footprint is due to food *production*, and not transportation of our food. On the other hand, transportation and delivery only accounts for 15% of the life cycle greenhouse gas emissions (Weber & Matthews, 2008). Above is a chart from this journal, showing the larger impact the production of meat has on the climate as opposed to delivery and freight. In the conclusion of this study, Weber and Matthews urge consumers to pay close attention to the production methods of their food and not just the food miles. Though Weber and Matthews do not mention the difference in climate impact between grass-fed and corn-fed beef, their research would technically support Chipotle’s grass-fed cows from Australia.

At the end of the Chris Arnold’s interview with AgriTalk, he adds that he doesn’t believe the US supply of 100% grass-fed beef is great enough to fill the gap of conventionally raised beef that Chipotle was using. He explains that true grass-fed operations in the states are small, and making contracts with them is often complicated because Chipotle only uses 23% of the cow (requiring the beef processor to find other companies who will buy the remaining 77%). The fact remains: sourcing grass-fed beef from Australia is cheaper than the United States, and there are many 100% grass-fed operations in the US who are displeased that Chipotle never approached them. In an article written in *Beef Magazine* in 2014, Texas Agriculture

Commissioner Todd Staples writes, “We have a wide variety of producers and processors. It seems foolish to discount these immense, local resources when making decisions about where to source your beef” (Radke, 2014).

Tradeoffs

By not using subtherapeutic antibiotics and growth hormones in cow’s feed, Chipotle’s cows mature slower, requiring more money, feed, and producing more waste. However, with this decision, Chipotle is benefiting the environment in several other ways. One, they are reducing the amount of toxic, unusable manure. Two, they are reducing the amount of toxic runoffs that wreak havoc in aquatic ecosystems. Someone could argue either way, but it seems in this case that Chipotle’s decision to not use antibiotics results in the least amount of tradeoffs, and is in line with their value proposition.

In the case of grass-fed beef, the tradeoffs become more complicated. First of all, Chipotle’s grass-fed supply is only 25%, and it could technically be much more. By sustaining this number, they are saving money and keeping domestic suppliers pleased. However, they are forfeiting the benefits grass-fed beef has for the environment. In the case of importing beef from Australia, Chipotle is increasing their grass-fed and Responsibly Raised supply, reducing their amount of conventionally raised beef, and saving money. However, they are increasing their negative PR in many suppliers’ eyes, as well as shipping beef across the world when there is still untapped grass-fed resources in the US. In this case, Chipotle has made the decision that the benefits of using grass-fed Australian beef outweigh the negatives. Additionally, they have also made the decision that the financial benefits of only sourcing 25% grass-fed cows outweigh the negative environmental impact.

Section Conclusion

Steve Ells clearly put a lot of thought into his company's decision to source beef from Australia. He knew the move would please some, and upset many others. Looking back at their value proposition, their goal is to change the way that people think about fast food, and serve Food with Integrity. According to Chipotle, Food with Integrity is raised with animal welfare, nutrition, and the environment all in mind. In the case of environmental impact, Chipotle could be doing more. If the environment was their primary stakeholder, then they have not done their full part. While the most sustainable option would be to not serve beef at all, Chipotle's business model would likely not be able to continue with a vegetarian menu.

However, Chipotle could be sourcing much more grass-fed beef. Chris Arnold told us in his interview that Chipotle has yet to look into many grass-fed operations in the states because the meat is highly expensive. Could Chipotle technically and feasibly afford all the 100% grass-fed resources in the United States? More than likely. Would this be better for the environment? More than likely.

However, the environment is not Chipotle's only stakeholder. They must also think about their shareholders and their customers. Sourcing from every possible grass-fed operation in the US would be significantly more expensive, causing Chipotle to either gain less profit, or increase their prices. Increasing their prices could discourage customers from returning, causing a chain reaction that would be hard to recover from; customers' expectations are apart of the 3rd level of the Stakeholder Framework, and significantly raising the price higher than the societal norm for fast food would hurt the company. Chipotle reporting less profit would not provide value to their shareholders, and would decrease their stock price and growth. Additionally, sufficient profit margins are necessary to pay employees well.

Chipotle's decision to source beef from Australia has significant tradeoffs, but it seems to provide the most stakeholder value simultaneously for their shareholders, customers, animals, and even ranchers in the long term. In the future, Ells hopes they will encourage more US suppliers to produce grass-fed beef, which would then give Chipotle more options to source domestically, "We're optimistic that our decision to serve grass-fed beef from Australia is one small step in the larger journey of restoring the practice of raising great American beef entirely on grass" (Ells, 2014, Huffington Post).

Part VII: Conclusion

In this project, I first defined Corporate Social Responsibility in conjunction with Stakeholder Management: a model that full integrates all relevant stakeholders and value into business decisions, though not necessarily equally weighted. I then defined the three levels of the Stakeholder Framework in relation to Chipotle: the value proposition, the principles for stakeholder cooperation, and respecting societal standards of conduct. Chipotle's value proposition is to "Change the way that people think about and eat fast food," and the promise to serve "Food with Integrity." I explained that Stakeholder Management involves tradeoffs when making business decisions, and the ideal tradeoffs still provide value to all stakeholders in some capacity. I then presented my research question, has Chipotle adequately and honestly incorporated CSR and stakeholder value creation into their beef sourcing? After I provided a background of the beef processing industry and Chipotle's beginnings, I wrote about Chipotle's beef sourcing as it relates to three important categories: health, animal welfare, and environmental impact.

When researching the health and nutrition of beef, I found that Chipotle made the tradeoff of serving 75% corn-fed beef, consequently depriving their customers of the health

benefits of grass-fed beef. Additionally, I found that Chipotle made the tradeoff of only sourcing antibiotic and hormone-free beef, even though doing so is more expensive and has limited sourcing options. In these tradeoffs, Chipotle adequately balanced stakeholder value between customer and stockholder, providing customers with antibiotic-free meat (and some grass-fed), while also providing stockholder value by saving cost.

When researching Chipotle's animal welfare standards, I found a significant amount of missing information concerning the treatment of their cattle. Chipotle claims to provide the highest possible welfare standards, but does not specify what those standards are. However, their largest known beef supplier does exhibit superior animal welfare standards, and their CEO has a history of sacrificing profit for animal welfare concerns.

Though Chipotle claims to have high welfare standards, only 25% of their beef is currently 100% grass-fed. Feeding cattle grass greatly improves their living situation and overall comfort; by allowing such a large amount of their cows to be grain-fed or grain-finished, Chipotle sacrifices the health and welfare of the cattle in some capacity. However, sourcing exclusively 100% grass-fed cows would be extremely expensive at the market's current rate, and would decrease stockholder value. If prices were raised, this would also decrease customer value. Chipotle's decision to source 25% grass-fed beef, in addition to the already high welfare standards they require, provides an adequate amount of value to all stakeholders involved. That being said, Chipotle owes it to their investors and customers to increase their transparency, and disclose more of their specific welfare standards.

Finally, I showed the environmental impact of Chipotle's beef sourcing decisions. Chipotle chooses to source only antibiotic-free and hormone-free beef (if supply allows), which has less of an impact on the environment. The tradeoff in this case is the additional cost and

difficulty of finding suppliers. However, the value of Chipotle's antibiotic-free meat on the environment outweighs the additional cost, and still provides value to stockholders with the positive PR this brings Chipotle.

In the case of Australian imported beef, Chipotle has made the tradeoff of affordable, 100% grass-fed and antibiotic-free beef for the environmental cost of shipping the beef across the ocean. This decision angered many ranchers and customers who were frustrated with Chipotle's lack of local sourcing. However, doing so would have greatly decreased their stockholder value. Chris Arnold explained that 100% grass-fed beef makes up less than 1% of the beef supply in America, and comes at a price premium that is much higher than Responsibly Raised beef in the US and grass-fed beef in Australia. Chipotle's decision to source one quarter of their beef from Australia saves them money, and increases stockholder and environmental value. Grass-fed beef is shown to be much better for the environment; if the grass-fed beef does not entirely offset the oil used to ship the beef, this tradeoff still does not outweigh the stockholder value of the decision.

Though I have found that Chipotle provides an adequate amount of value creation to their stakeholders, they have room to grow. In the future, they should strive for more grass-fed beef as profit margins and supply allow. Additionally, Chipotle should become more transparent in their marketing and information regarding animal welfare standards, as well as information on their suppliers. Overall, Chipotle has managed to consistently provide stakeholder value to their customers, animals, stockholders, and the environment, with the hope of improvement in the future.

Part VIII: Appendix

This process of researching and writing this project has had a deep and personal impact on my life. I have been a vegetarian for almost 10 years; several of those years it was because of conviction, and several more it was because of habit and preference. After writing this project, I have felt a renewed conviction to remain vegetarian, possibly even vegan. If I ever were to eat meat again (or buy it for my future family), I see myself passionately choosing grass-fed, organic, hormone-free meat (easier said than done). As for the dairy I purchase, I have already begun seeking out milk and eggs that come from healthier, happier animals. It is more difficult, inconvenient, and expensive, and sometimes hard to justify on a tight budget. However, I have also researched the connection of food and faith, and I believe that Christians are called to be highly conscious about what they are putting into their bodies.

When signing up for a church potluck, not many Christians will ask, “Which side dish will glorify God the most?” Many Christians see food as a blessing, and will always thank God before eating. This is a wonderful thing to do, but as farmer and evangelist Joel Salatin puts it, “How many Christians think about what the Bible says when they walk into a grocery store or restaurant... How many of us have had a sermon on agriculture?” (Salatin, 2016, p. 1). As trivial as it sounds, I believe that God does care what we buy at the grocery store and eat at restaurants. I’ve come to believe that what Christians choose to prepare and eat three times a day is an important way to glorify God. As said in Corinthians 1, “Whether therefore you eat, or drink, or whatever you do, do all to the glory of God” (10:31).

Growing up vegetarian, I have heard many times, “Jesus ate meat, so why won’t you eat this hotdog?” Yes, Jesus did eat meat. One his greatest miracles was feeding five thousand people bread and fish. The Bible does not tell us that eating meat is wrong. In fact, in Joel

Salatin's latest book "The Pigness of Pigs," he argues that killing and eating animals added value to the lives of the disciples, and can add value to our lives now. Our lives are entirely dependent on taking the lives of plants and animals; these living beings give the ultimate sacrifice of their lives so that we may continue living, and that is not something that should be taken lightly.

Salatin compares the sacrifice of our food's lives to the foundational sacrifice of our faith, "Every time we kill something... in order to live, it should remind us not only of the sacrificial death of Jesus that enables us to partake of eternal life, but also how precious life is. Life is so precious that it requires death" (Salatin, 2016, p. 26). Wendell Berry, a renowned novelist, farmer, and Christian writes, "When food, in the minds of eaters, is no longer associated with farming and with the land, then the eaters are suffering a kind of cultural amnesia that is misleading and dangerous" (Berry, 2010). Evangelical or not, American culture does not encourage us to think about the long journey of ground beef.

I believe the fact that animals must to be killed in order to be eaten is a natural process of sacrifice put into place when God gave humans dominion over all living things in Genesis 1:28. But the way in which eating animals is presented in Scripture is much different than our industrialized system today. I have read many verses and commentaries on the way animal welfare is presented in the Bible (the topic deserves its own honors project), but I will attempt to summarize a few key points. In the previously mentioned verses Genesis 1:28, God gives humans dominion over all living things (including plants, animals, and the environment). The Hebrew word used for dominion is "radah." Scholars have studied radah in the context of its dozen appearances in Scripture, and it appears to emphasize a compassion that, "displays responsibility for others and that results in peace and prosperity" (Bunge, 2011, p. 86). In Ezekiel

34:4 and 29:15, and Isaiah 14:6, God condemns those who use brutality, cruelty, harshness, and anger in their radah.

There are many verses in the Old Testament that express a necessary kindness to animals. We are told to help an animal up if it has fallen, to not let animals work on the Sabbath, to not make their work too strenuous, to express compassion while slaughtering, to not separate animals from their young, and much more (Deut 12:21, Exod 34:26, 23:19, 23:5, Lev 22:26-33, Proverbs 27:23). Proverbs 12:10 states, “The righteous know the needs of their animals, but the mercy of the wicked is cruel.” There are many more verses that demonstrate our responsibility to care for animals and all living things, and in general, no one would disagree that Christians are called to be kind. All of this to say, I have learned that Christians are called to treat all living things with kindness and compassion, even in the act of slaughtering them (which Temple Grandin reminds us is possible).

Joel Salatin summarizes these verses to mean more than just kindness to animals, but respect. He asks the reader to ask the question, “If I were an animal, would I want to live like this?” (p 25). Salatin owns and operates the famous Polyface Farms, a highly respected, pasture-based, hormone-free Virginia operation cited several times in Michael Pollan’s work as the ideal meat processing facility. The way that Salatin raises and kills his pigs, chickens, and cows is done so with respect for the animals’ unique identities and needs (note the title of his most recent book, *The Pigness of Pigs*). I have come to believe that the current industrialized beef system, designed to maximize efficiency, has strayed away from God’s original intention and does not respect the cows’ needs. Our current system separates calves from their mothers at a very young age and requires them to live in crowded, manure-filled feedlots. Our system feeds cows what they are not designed to eat, and makes them sick. Our system gives cows hormones to make

them grow faster, killing them at an unnaturally young age. Our system removes life and death from the whole process, encouraging consumers to think of beef as a product rather than a once living animal. Our system ravages the environment, quickly depleting the earth of its natural resources. I do not think eating animals is wrong, but I believe our industrialized meat system does not live up to a Christian's calling to have dominion over the earth.

There are many more passages that describe our connection to nature and the environment in Ecclesiastes, Songs of Solomon, Proverbs, Isaiah, Genesis, and so on (Bunge, 2011, p. 86). In Genesis, the first task given to Adam and Eve is to tend to the Garden of Eden. The same meaning of the word *radah* applies to our stewardship of the environment when God gave us dominion over the world and its living creatures. Many verses in the Bible personify nature, speaking of how the plants and animals worship the Lord, "For you shall go out in joy and be led forth in peace; the mountains and the hills before you shall break forth into singing, and all the trees shall clap their hands" (Isaiah 55:12). It is foolish to believe that we are not called to be stewards of the environment, yet so many Christians do not realize the environmental impact of their food.

That being said, it is very difficult to avoid this system. Even if you decided to start eating grass-fed and hormone-free beef, labeling is never a 100% guarantee. Still, I think there are several ways that Christians can change their lifestyles in order to honor God with their meals. In his essay titled "Pleasure of Eating," Wendell Berry suggests several ways that Christians may eat more responsibly. First, to actively become more conscious of the life and death cycle of your food, appreciating the sacrifice all plants and animals give in order to become your meal. Second, Berry urges Christians to cook more of the meals rather than eating out, giving the cooks more control over the ingredients used. Cooking at home requires more

education about the ingredients you buy; Berry suggests learning the origins of your food, and whenever possible, buying directly from a local farmer rather than a super market. Finally, he urges Christians to learn as much as possible about the industrial food system and agriculture, arming ourselves with education (Berry, 2010).

I agree full-heatedly with Berry's steps toward responsibly eating; in regards to changing our mindset, I think simply changing the way we pray before every meal will reconnect us with the sacrificial nature of food. As Christians, I also believe we should be more conscious about the amount of meat we eat. Eating less beef, but more sustainable, humane beef, and consequently expensive beef, is a good way to be stewards of the environment.

But then there is the important question, is a company like Chipotle ethical in sourcing beef at all? Is it wrong for Christians to eat beef at Chipotle, or any fast-food restaurant? (Or any restaurant?) I do not have all those answers, and feel I am not qualified to say whether or not it is a sin for someone to eat a steak burrito at Chipotle or a hamburger at McDonald's. After this project, I am highly skeptical of the entire fast food industry in general, but I can still say with certainty that I am thankful a fast food company like Chipotle exists. Unless our world faces an apocalyptic disaster, I am certain large chain and fast food companies will always exist. The fact that Chipotle makes an effort to source humanely raised, grass-fed beef is important, and has a real impact on the industry as a whole. Chipotle has, at times, resorted to serving conventionally raised beef, which is unfortunate. Still, I see their business model as a true example of "Engaging the culture (fast food), changing the world (the industrial meat system)." The CEO of Stonyfield dairy, one of the largest organic and ethical dairy companies in the country, quotes in *Food, Inc.*,

We're not going to get rid of capitalism in the time that we need to arrest global warming... We need to not be David up against Goliath, we need to be Goliath. We want

to prove that business can be part of the solution to the globe's environmental problems, and at the same time, we need to prove that we could be highly profitable (Kenner, 2008).

I believe this quote to be relevant in Chipotle's circumstance. I hope to see the restaurant chain improve in the future, in addition to more companies following their lead toward sustainable, humane beef processing.

As for whether or not it is ethical to eat at Chipotle: I believe Wendell Berry is correct by encouraging us to buy better ingredients and cook more often. However, if you need somewhere to go on your lunch break, I believe Chipotle to be one of your best options.

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