

RAFI-USA

Rural Advancement Foundation International - USA

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PRESS RELEASE
Dec. 2, 2009

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USDA ISSUES NEW REGULATIONS PROTECTING CONTRACT FARMERS

The USDA Grain Inspection, Packers and Stockyards Administration released regulations this week that will improve protection for contract poultry farmers:

- Companies must provide growers with a written copy of their contract.
- Farmers can discuss contract offers with federal or state agencies, immediate family members, business associates, a lawyer or a financial advisor before signing the contract.
- If a farmer is put on a performance improvement plan, that farmer must be told why, what steps will be taken to help them improve, and how they can regain good standing.
- Farmers must be notified in writing 30 days before a contract is terminated. The notice must include the reasons for termination, the exact date of termination and any appeal rights that a grower may have.

More than 2,500 North Carolina farmers grow chickens and turkeys under contract, according to the most recent USDA Census of Agriculture.

Contract poultry farmers invest their own money to build and update poultry barns to company specifications. The barns cost hundreds of thousands of dollars each.

“I’m glad that USDA is taking action to protect growers,” said NAME, who raised chickens for Pilgrim’s Pride until last year, when the company declared bankruptcy and terminated the contracts of 44 growers.

“When the company terminated my contract, the service tech left a message on my answering machine saying that the flock of chickens that we had would be our last,” NAME said.

“We had no warning. No one should be in that situation.”

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“These rules are about fairness, transparency and good business practices,” said Becky Ceartas, director of the contract agriculture reform program at the Rural Advancement Foundation International – USA.

“Before farmers make the financial commitment to build poultry facilities on their farms, they need to know exactly what’s expected and what the terms of that arrangement will be up front,” said Ceartas.

The Administration will release more proposed regulations in early 2010. Farmers and concerned consumers can get more information about these rules and about the upcoming proposed rules by calling Ceartas at (919) 542-1396 x209 or visiting www.rafiusa.org.

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The Rural Advancement Foundation International – USA cultivates markets, policies and communities that support thriving, socially just and environmentally sound family farms. RAFI is a nonprofit based in Pittsboro, NC. For more information, call (919) 542-1396 or visit www.rafiusa.org.