

RAFI-USA

Rural Advancement Foundation International - USA

274 Pittsboro Elem. Sch. Rd. • PO Box 640 • Pittsboro, NC 27312 • Tel: 919-542-1396 • Fax: 919-542-0069 • www.rafiusa.org

NEWS RELEASE

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For More Information, Contact:
Becky Ceartas: (919) 621-8453
Steve Etko: (703) 519-7772

RULES WOULD LEVEL PLAYING FIELD FOR CONTRACT POULTRY FARMERS

WASHINGTON, D.C. - The United States Department of Agriculture Office of Grain Inspection, Packers and Stockyards issued proposed rules in June that increase fairness for poultry farmers and protect competition in poultry markets.

Hundreds of growers have already sent in comments to the USDA in support of these rules.

Now the National Chicken Council, the DC-based lobbying organization for the nation's poultry companies, is urging its member companies to distribute a document that provides misleading information about the rules to their growers. Poultry company personnel are delivering the papers to growers in person.

“The companies are using fear and intimidation to coerce growers to act against their own self-interest,” said Becky Ceartas, director of the Contract Agriculture Reform Program at the Rural Advancement Foundation International-USA. “Ironically, these regulations are designed to rein in these kinds of tactics.”

The new rules would enact the following reforms:

- restrict deceptive practices in the payment system by guaranteeing that all growers would be paid at or above a base rate. Currently, many company contracts use the term “base pay” to mean average pay, and half of all growers are paid less than this rate. The main

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factors that determine pay, including the quality of chicks and feed, are in the control of the company.

- protect growers' investments by requiring the contract be long enough for the grower to recoup at least 80% of their investment. Contract poultry growers own their chicken houses, which can cost \$300,000 each to build. Growers build multiple houses, mortgaged over years, but contracts often only guarantee a few months' income.
- prevent growers from being forced to make expensive upgrades on their poultry houses without adequate protections to safeguard their investments.
- strengthen growers' right to opt out of binding arbitration provisions in their contracts and address new actions by some poultry companies to force growers to give up other legal rights.
- require notice of at least 90 days before a company halts chick deliveries to a farm and require companies to inform growers when delivery of the chicks will resume.

“It’s important to set the record straight,” Ceartas said. “These rules would make significant strides towards fair treatment for farmers and their families. Growers know that if the poultry industry is going to thrive in this country, it will be through fair partnerships, not intimidation.”

Farmers, concerned consumers and others may comment on these rules until Nov. 22, 2010. More information about these rules is available online at www.rafiusa.org or from the Rural Advancement Foundation International – USA at (919) 542-1396 x209. The proposed rules and comment submission guidelines are at www.gipsa.usda.gov.

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