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USDA Implements Provisions from 2008 Farm Bill to Protect Livestock and Poultry Producers

WASHINGTON, December 8, 2011—Agriculture Secretary Tom Vilsack today announced USDA has published the Final Rule implementing the 2008 Farm Bill provisions to better protect livestock producers and poultry growers under the Grain Inspection, Packers and Stockyards Administration (GIPSA).

“As I travel throughout the countryside, I often hear from farmers and ranchers about their concerns with the marketplace becoming more concentrated,” Secretary Vilsack said. “While concentration certainly comes with some efficiencies, Congress recognized in the 2008 Farm Bill that additional protections for producers are warranted. Today’s rule will implement these targeted protections and help provide more fairness and transparency in the marketplace.”

The provisions being finalized by the Department today were required by the 2008 Farm Bill and have been modified from the June 22, 2010 proposed rule. These sections include criteria the Secretary may consider when determining whether a live poultry dealer has provided reasonable notice to poultry growers of any suspension of the delivery of birds, when determining whether a requirement of additional capital investments over the life of a poultry growing arrangement or swine production contract constitutes a violation of the Packers and Stockyards Act and when determining if a packer, swine contractor, or live poultry dealer has provided a reasonable period of time for a grower to remedy a breach of contract that could lead to termination of a production contract.

The rule also includes a section requiring contracts that require the use of arbitration to include language on the signature page that allows the producer or grower to decline arbitration and provides criteria the Secretary may consider when determining if the arbitration process provided in a contract provides a meaningful opportunity for growers and producers to participate fully in the arbitration process.

The Department also planned to seek additional public comment on several other revised provisions from the June 22, 2010 proposed rule including changes to the tournament system of payment for poultry growers, requirements to collect and post sample contracts and to address the issue of need for producers to show harm to competition prior to asserting a violation of the Packer and Stockyards Act. However, the FY2012 Agriculture Appropriations bill passed by Congress included language prohibiting the Department from moving forward on these important provisions. Despite this setback, USDA and the Obama Administration remain committed to promoting a fair and transparent marketplace.

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