

# Chicken Wire

## GROWERS Let Go In Wake of Pilgrim's Pride Bankruptcy

UPGA leaders have been cautioning growers about uncertain changes looming as financial turmoil strikes the largest integrator in the U.S. Pilgrim's Pride sought bankruptcy protections late last year after stumbling under the \$1.1 billion debt load it acquired after buying out rival Gold Kist. In a January 5, 2009 letter to its growers, it announced the elimination of some 3 million square feet of grower space, which might have the effect of taking out the bottom 11 percent of Pride's growers. Company officials have said that cutbacks will be targeted strictly on performance. UPGA will continue to monitor this situation and affected growers are encouraged to call UPGA to relay concerns they may have.

### Pilgrim's Pride Changes in Georgia

- ❖ *Eliminate the nighttime shift at its processing plant in Athens, Feb 9th.*
- ❖ *Layoffs in Athens will entail 100 lost jobs.*
- ❖ *Elimination of 3 million square feet of grower space.*
- ❖ *Grower cutbacks to target the bottom 11 % performers.*
- ❖ *U.S. Bankruptcy Court for the Northern District of Texas.*



*The bust of "Bo Pilgrim" outside the headquarters of Pilgrim's Pride in Pittsburg, Texas. The bust stands in honor of the man who founded the largest chicken producer in the United States.*



### 2009 Georgia General Assembly

*Chairman John Bulloch maintains the helm of the Senate Agriculture Committee. See page 2 for the story and other legislative selections.*

## U.S. Files WTO Case Challenging EU Restrictions on U.S. Poultry Exports

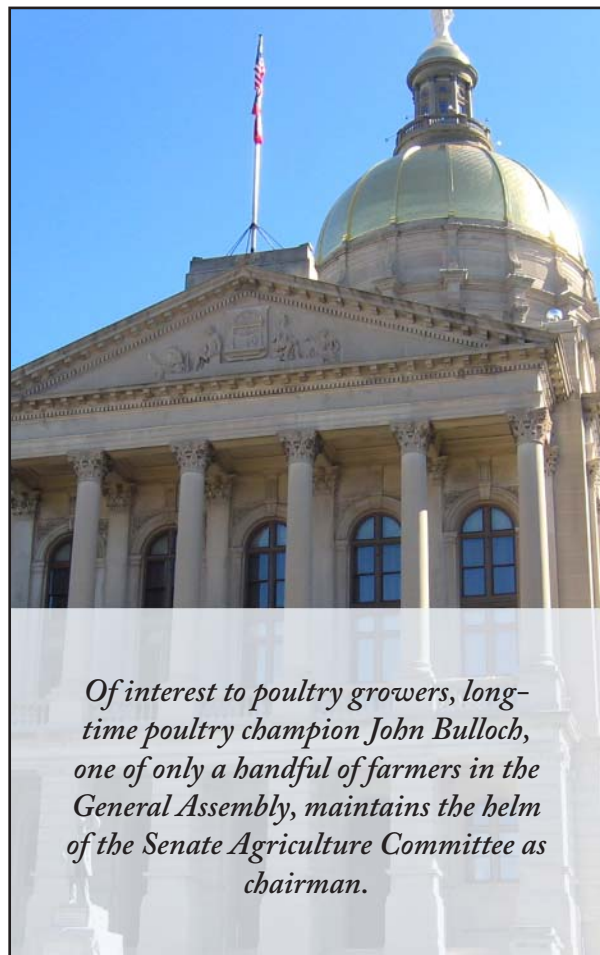
WASHINGTON - United States Trade Representative Susan C. Schwab announced earlier this month that the United States was requesting World Trade Organization (WTO) dispute settlement consultations with the European Union under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures and the General Agreement on Tariffs and Trade 1994 regarding the EU's ban on the import and marketing of poultry meat and poultry meat products processed with pathogen reduction treatments judged safe by both U.S. and European food safety authorities.

"The poultry treatments at issue have been widely and safely used in the United States for many years," Schwab said. "The EU's own scientists have repeatedly found these treatments not only to be safe, but effective. We have tried to address this issue through dialogue with the EU for more than eleven years, and neither the European Commission nor EU Member States have offered any legitimate, science-based reason for continuing to block our poultry." *Continued on page 3*

# 2009 GEORGIA GENERAL ASSEMBLY

With the beginning of a new biennial session, the House and Senate leadership made numerous adjustments to the make-up of their standing committees. Of interest to poultry growers, longtime poultry champion John Bulloch, one of only a handful of farmers in the General Assembly, maintains the helm of the Senate Agriculture Committee as chairman. Joining his committee is former Senate President Pro Tem, Eric Johnson of Savannah who has stepped down from that post as he seeks statewide office. In addition, former House member Lester Jackson, another Savannah resident and a newly minted Senator, joins the committee replacing Senator Ed Tarver (Augusta) who has moved to the Appropriations Committee.

On the House side, longtime farmer and all around nice guy, Tom McCall, maintains the chairmanship. He is joined by fellow farmer and newly elected Rep. Lee Anderson of Columbia County. Anderson succeeded former House Whip Barry Fleming, who vacated the seat when he ran (unsuccessfully) to replace Congressman Paul Broun. Notably, Anderson is a former county commissioner and current president of the Columbia County Farm Bureau. Former House member Pat Dooly returns to the Gold Dome after reclaiming the seat she was ousted from by defeating two-term Rep. Steve "Thunder" Tumlin of Cobb County. And last but not least, pharmacist and former mayor Buddy Harden of Crisp County who campaigned as a "friend of the farmer" rounds out a solid committee of pro Ag members. ❖



*Of interest to poultry growers, longtime poultry champion John Bulloch, one of only a handful of farmers in the General Assembly, maintains the helm of the Senate Agriculture Committee as chairman.*



*2009-2010 Agriculture and Consumer Affairs Committee House Chairman, Tom McCall*

## *2009-2010 Agriculture and Consumer Affairs Committee Members*

### *HOUSE*

*Rep. Tom McCall, Chairman  
Rep. Terry England, V.Chairman  
Rep. Gene Maddox, Secretary  
Rep. Lee Anderson  
Rep. Ellis Black  
Rep. Jon Burns  
Rep. Pat Dooley  
Rep. Winfred Dukes  
Rep. Buddy Harden  
Rep. Lynmore James  
Rep. Penny Houston  
Rep. Kevin Levitas  
Rep. Billy Maddox  
Rep. DuBose Porter*

*Rep. Jay Roberts  
Rep. Tony Sellier  
Rep. Tommy Smith  
Rep. Carl Von Epps*

### *SENATE*

*Sen. John Bulloch, Chairman  
Sen. Ralph Hudgens, V.Chairman  
Sen. Lee Hawkins, Secretary  
Sen. Greg Goggins  
Sen. Bill Heath, Ex- Officio  
Sen. Lester G. Jackson  
Sen. Eric Johnson, Ex- Officio  
Sen. Nan Orrock  
Sen. J. B. Powell*

*'WTO Case' continued from page 1*

The United States would obviously still prefer that this matter be resolved without the need for lengthy and costly litigation." In taking this step," Schwab continued, "the United States seeks to move the process forward and will act to defend poultry and other U.S. agricultural exports against non-science based restrictions imposed by our trading partners."

### **Some Background**

In order to produce poultry that is safe for consumption, both here and abroad, U.S. companies routinely process poultry, such as chicken and turkey, with cleansing techniques known as "pathogen reduction treatments" (PRTs).

In 1997, the EU began prohibiting the use of PRTs to decontaminate poultry carcasses sold in the EU, stopping the shipment of virtually all U.S. poultry. Since that time - for more than 11 years - the United States has attempted without success to resolve this issue without resorting to litigation.

In 2002, the United States formally requested EU approval of four PRTs: chlorite dioxide, acidified sodium chloride, trisodium phosphate, and peroxy-acids, each one of which was already approved for use in poultry processing by the U.S. Food and Drug Administration and the U.S. Department of Agriculture.

Various EU agencies have now issued scientific reports relating to the processing of poultry with these four PRTs. The cumulative conclusion of these reports is that the importation and consumption of such poultry poses no risk to human health. On June 2, 2008, however, a committee comprised of the chief veterinary officers of the EU Member States rejected a heavily conditioned European Commission proposal to approve the four PRTs by a vote of 26-0, with the UK abstaining. On December 18, 2008, the EU Agricultural and Fisheries Council, which is comprised of the agricultural ministers of the EU Member States, voted against the same proposal in an identical tally.

Based on these votes, as well as discussions with EU officials, the United States has concluded that this issue cannot be resolved through further negotiation at this time. If WTO consultations fail to resolve the dispute within 60 days, the United States will be entitled to request that a WTO panel be established to determine whether the EU is acting consistently with its WTO obligations.

#### **For more information contact:**

Sean Spicer/Gretchen Hamel (202) 395-3230  
www.ustr.gov Washington, D.C. 20508 (202) 395-3230. ❖

## **UPGA Annual Meeting Brings New Leadership**

Albany -- The United Poultry Growers Association held its Annual Meeting at its corporate headquarters on October 22, 2008. Returning to the Board for another term was Steven Bullock of Schley County and Joey Ammons of Webster County. In addition, a significant infusion of new blood accompanied the reelection of these longtime directors. Three new directors joined the Board including Victor Nuygen of Calhoun County, Georgia, David Phan of Schley County, Georgia, and Lawrence Shadix of Carroll County, Georgia. In addition, the Board reelected Lucius Adkins of Baker County for another term as president, and Mark Glass of Mitchell County remains Treasurer. Of primary concern at the meeting was integrator performance with regards to new contract provisions of the 2008 Farm Bill. ❖

### **'Smoking Gun' shuts down Sanderson plant in Moultrie, GA**

*On January 21st, police officers arrived at the Moultrie, Georgia Sanderson Farms plant after an employee reported a colleague was armed with a gun. Production lines were never stopped according to Sanderson's CFO Mike Cockrell, but a lockdown of the facility was ordered.*

*After the temporary lockdown of the facility, a search discovered the "gun" was a novelty cigarette lighter shaped like a pistol. The search also yielded a folded pocket knife, but both items were eventually returned to the owner and the plant returned to normal operation.*

**Source: Moultrie Observer**

### **Tyson claims 'sense of urgency' to return chicken business to profitability**

*Despite losses reported in first fiscal quarter mainly due to 'drag' from its chicken segment, Tyson remains optimistic for the future. Stocks rose despite the reported losses.*

*"We anticipate returning to profitability in the next two quarters," stated interim President and CEO Leland Tollet. However, the chicken segment posted a loss of \$286 million for the quarter due in large part to grain prices. "We have a renewed sense of urgency to return the chicken business to profitability and regain our position as best in class."*

**Source: Meatingplace.com**



## Message from UPGA President Lucius Adkins

What a year 2008 turned out to be! A new Farm Bill, major financial upheavals in the poultry industry and across the U.S. and a historic election. All have or will impact your poultry operation and 2009 promises to bring even more change. One thing hasn't changed though. UPGA remains committed to ensuring your voices are heard.

Our members have ongoing, professional representation at the state level and as part of a coalition of like minded groups, your ideas and issues are addressed nationally as well. Whether it's Farm Bureau mounting another charge to protect farmer's water rights or the Rural Advancement Foundation championing contracting reforms, UPGA advances the effort by relaying your interests.

As the number of farmers continues to dwindle in terms of the total population, we must stick together to remind the American consumer of the importance of domestic food pro-

duction. It's as vital to our homeland security as any national policy priority. As UPGA resolves to continue its advocacy into the New Year, your participation remains crucial to our success. For that we thank you for your support and your membership.

And I would be remiss if I didn't express a bit of personal admiration and respect for my fellow UPGA directors who continue to give of their time and talents for no compensation and often times plenty of headaches. To that end, please help me welcome our newest volunteer board members freshly elected at our recent Annual Meeting; David Phan of Ellaville, Victor Nguyen of Arlington and Lawrence Shadix of Villa Rica. With their seating on the board, we are indeed well prepared to take on the challenges of a New Year in the poultry business.

Sincerely,  
*Lucius Adkins*  
*President, United Poultry Growers Association*



P.O. Box 70967  
Albany, Georgia 31708

PRSR STD  
U.S. Postage  
**PAID**  
Permit 41  
Albany GA

Go Online to **Get the**  
**Latest News** from **UPGA:** [www.unitedpoultrygrowers.com](http://www.unitedpoultrygrowers.com)