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# *Broiler Growers Organize to Negotiate*

*Mary Clouse, RAFI-USA  
USDA Outlook Forum  
2002*

# A Quick Look at Numbers

- *24,000 Poultry Growers*
- *42 Major Poultry Companies*
- *7 billion broilers produced each yr.*
- *14 million cubic yards of manure/ year*
- **Tyson Foods #1**,  
*42 processing plants in 17 states,*  
*65,222 employees in 35 complexes,*  
*7000 contract farmers - approx.*
- **Gold Kist #2**, *12 processing plants, 5 states*

# Cost & Income Numbers

*USDA/FRA Broiler Grower Survey 2001*

- *Build & equip 1 poultry house=\$125,000*
- *Annual net income (1 house) = \$4,000*
- *Build 3 to 4 houses = \$1/2 million*
- *45% of growers earn \$14,000 or less*
- *76% of growers earn \$29,000 or less*

*If all goes well!*

# *Essence of Poultry Contract*

*From Prof. Neil Hamilton's Broiler Contract Analysis, 2001*

- *Growers described as “independent contractors” & liable for operation*
- *Ranks growers for pay (**tournament**)*
- *Company alone decides what is acceptable performance*
- *Company decides to continue to use the grower facilities or not*
- *Company decides dispute resolution methods*

# *How Will Contracts Improve ?*

## *Most Likely Possibilities*

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- *Competition from other/better contracts*
- *Courts prohibit certain contract terms*
- *State or federal officials set higher standards for the contracts*
- *Companies write fair terms because it is “the right thing to do”*
- *Grower bargaining power forces it*

# *Major Items for Negotiation*

- *Return on farmer investment*
- *Control over farm costs*
- *Limits on demands for expensive upgrades*
- *Length of contract (most are flock-to-flock)*
- *How payments will be made (now ranked)*
- *Dispute resolution methods & court access*

# *How are the Growers Doing?*

- *NCPGA, founded in 1990, weakened*
- *More than 30 leaders forced out*
- *Court cases few though important*
- *Fear still “rules the roost”*
- *Many suicides and some murders*
- *“Waiting list” for contracts - means  
“no clout” for bargaining*



# *Grower Gains*

- *New allies - consumers, enviros, churches, etc.*
- *Political Empowerment -*
- *Farm Bill wins - Removed confidentiality clause, made arbitration voluntary, .....*
- *Recent Court victories for growers*
- *New grower groups organizing*
- *Better communications*

# *Course of Action*

## *Get Protections First*

- *Pass Rep. Kaptur's bill*
- *Pass state contract protections*
- *Regain access to the courts*
- *Connect many new groups nationwide*
- *Improve communications w/growers*
- *Work with allies (churches, enviros, consumers, farm)*

# *Georgia Poultry Growers Seek State Help*



# *A Vision for the Future*

- *Farmer roles in contract ag clarified- Independent contractors , employees. or “agents” ?*
- *Farmers organized in producer co-ops*
- *Business risks shared fairly with company*
- *Farmers make good living on their farms*