

# The Food, Conservation, and Energy Act of 2008

## Title XI – Livestock, Poultry and Competition

*Promotes animal health, market opportunities, contracting fairness, and enforcement oversight of the Packers and Stockyards Act.*

- **STRENGTHENS PRODUCER PROTECTIONS:** The bill ensures producers are not forced into mandatory arbitration in livestock or poultry contracts. Producers will be allowed to decline arbitration clauses prior to entering into the contract.
- **INCREASES CONTRACTING FAIRNESS:** The bill enables a swine or poultry producer to litigate a contract dispute where the principal part of their production occurs, instead of where the company headquarters are located, which could be several states away from where the producer's farm is located.
- **CLARIFIES COUNTRY OF ORIGIN LABELING REQUIREMENTS:** The 2002 Farm Security and Rural Investment Act required country-of-origin labeling at the point of retail sale for beef, lamb, pork, fish, peanuts, fruits, and vegetables. Subsequent legislation delayed implementation until September 30, 2008 for all products except fish, which has been labeled since April 2005. The conference report clarifies the requirements for country-of-origin labeling regarding meat from animals originating in multiple countries. It also adds chicken, goat meat, macadamia nuts, ginseng, and pecans to the list of products that must be labeled concerning country-of-origin by September 30, 2008 for retail sale.
- **IMPROVES ADMINISTRATIVE OVERSIGHT:** The bill improves oversight and transparency regarding USDA's enforcement of the Packers and Stockyards Act by requiring the Department of Agriculture to provide an annual compliance report detailing the number of investigations and length of time spent on investigations of potential violations of the Act. Investigations will be required to be tracked and documented throughout every step of the enforcement process starting with the Grain Inspection, Packers and Stockyards Administration, USDA Office of General Counsel, and the Department of Justice.
- **PROTECTS PRODUCERS' RIGHTS:** Firms will be required in the contract to provide a swine or poultry grower the right to cancel a contract within three days after signing it. This requirement gives producers the same contracting rights as commonly afforded under consumer protection laws.
- **IMPROVES TRANSPARENCY:** If large capital investments will be required of a swine or poultry contract grower, the contractor is required to disclose that such investments may be required over the life of the contract.

- **UPDATES RULEMAKING TO PROTECT PRODUCERS:** USDA is required to publish regulations under the Packers and Stockyards Act to establish criteria for USDA to consider for the following:
  - When an additional large capital investment required of a poultry grower or swine production contract grower is considered unfair.
  - Whether a poultry or swine producers has been provided a reasonable period of time to remedy a breach of contract that could ultimately lead to contract termination.
  - What actions constitute “undue or unreasonable preference or advantage” under the Act.
  - The notification be provided to a poultry grower when a firm decides to suspend the delivery of birds under a poultry growing arrangement.
  
- **MAKES MARKET INFORMATION USEABLE:** Requires USDA to improve the readability and format of market information provided under the Livestock Mandatory Reporting Act.
  
- **EXPANDS MARKET OPPORTUNITIES:** The legislation assistst hog producers by authorizing a program for trichinae certification to promote trade and marketing of pork.
  
- **ENSURINES ADEQUATE COMPENSATION FOR AVIAN FLU INDEMNIFICATION:** Any owner or poultry grower participating in the voluntary control program for low pathogenic avian influenza under the National Poultry Improvement Plan, will be compensated equal to 100 percent of eligible costs. This requirement will help aid in efforts to ensure diseased birds are depopulated in a timely manner.
  
- **CREATES A NEW OPTION FOR INTERSTATE SHIPMENT OF MEAT AND POULTRY FROM FACILITIES INSPECTED BY STATE INSPECTORS:** State-inspected facilities that have 25 employees or fewer will be eligible to ship meat or poultry in interstate commerce, provided they meet all federal requirements and policies under the Federal Meat Inspection Act and the Poultry Products Inspection Act. State-inspected establishments that join this initiative will be inspected by a state inspector and be allowed to use the Federal stamp of inspection to products.