State News

GOVERNOR EASLEY DECLARES APRIL 2008
“POULTRY MONTH” IN NORTH CAROLINA

On April 3rd, Gov. Easley honored the contribution of the poultry industry to North Carolina by declaring April as “Poultry Month.” The text of that official proclamation is below:

WHEREAS, North Carolina’s poultry industry is the top agricultural enterprise in our state, with approximately 5,000 North Carolina farm families producing poultry products valued at approximately $3 billion dollars, according to estimates released by the North Carolina Department of Agriculture; and

WHEREAS, the poultry industry employs over 28,000 North Carolinians in poultry production, hatcheries, feed mills, processing plants, poultry product wholesaling, and rendering and meat byproduct processing facilities, according to estimates released by the North Carolina Department of Agriculture; and

WHEREAS, North Carolina’s poultry industry significantly bolsters our state’s economy, accounting for nearly 36% of total farm income, according to the North Carolina Department of Agriculture; and

WHEREAS, North Carolina’s poultry industry provides nutritious, wholesome food to North Carolina consumers and to consumers across America and the world;

NOW, THEREFORE, I, MICHAEL F. EASLEY, Governor of the State of North Carolina, do hereby proclaim April 2008, as “POULTRY MONTH” in North Carolina and urge all citizens to recognize the importance of the poultry industry in our State.

SANDERSON FARMS COMING TO KINSTON, NC

Sanderson Farms, Inc. has announced that sites in Kinston, North Carolina, have been selected for construction of a new feed mill, poultry processing plant and hatchery. These facilities will comprise a state-of-the-art poultry complex with the capacity to process 1.25 million birds per week for the retail chill pack market. At full capacity, the complex will employ approximately 1,500 people, will require 130 contract growers, and will be equipped to process and sell 6.7 million pounds per week of dressed poultry meat at full production.

Sanderson Farms expects to invest approximately $126.5 million in the new North Carolina complex, and anticipates that associated contract growers will invest an additional $98 million in poultry production facilities. The Company expects to begin construction of the facilities this summer, with initial operation of the new complex scheduled to begin during the fourth fiscal quarter of 2009.

According to Joe F. Sanderson, Jr., chairman and chief executive officer of Sanderson Farms, Inc., the selection of these sites followed a thorough due diligence process and approval by the Company's Board of Directors. "We are grateful for the cooperation from the economic development and governmental officials in the City of Kinston, Lenoir County and the State of North Carolina," said Sanderson. "We believe this expansion will enhance our ability to drive revenues and earnings, and allow us to continue our record of building long-term value for our shareholders. We believe the additional capacity of 1.25 million birds per week represented by the new complex will provide new marketing opportunities for the Company in the fresh retail market. We are pleased that our recent financial performance has put us in a position to continue to grow our Company."
PILGRIM'S, TYSON SUPPORT PETITION TO RELAX ETHANOL MANDATE

April 27, 2008- Pilgrim's Pride Corporation issued the following statement from Senior Chairman Lonnie "Bo" Pilgrim in support of Gov. Rick Perry's letter to the U.S. Environmental Protection Agency requesting a 50 percent waiver of the renewable fuels standard:

"I am proud to support Gov. Perry in his request for a 50 percent waiver of the renewable fuel standard. Soaring feed-ingredient costs fueled by the federal government's ethanol mandate has created a crisis in our industry, the true effects of which are only just now beginning to be felt by consumers in Texas and other states in the form of higher food prices. These unprecedented increases for corn and soybean meal are expected to add billions of dollars of cost to our industry this year.

We applaud Gov. Perry for his leadership on this critical issue and encourage other leaders in the public and private sectors to join in support."

Tyson Foods President and CEO Richard Bond said he also supported the Texas governor's request to the EPA, and he issued the following statement:

"We applaud Governor Perry for his decision to petition the EPA for a partial waiver from the ethanol mandate. Something has to be done to address corn-based ethanol's detrimental impact on food prices and this is a good first step.

As a major employer in Texas, with more than 10,000 team members, we appreciate Governor Perry's efforts and hope other states will follow his lead. In addition, we hope Congress will also do the right thing by removing the tariff on imported, sugar-based ethanol and by reducing or eliminating the 51 cent per gallon federal tax credit for ethanol produced from corn in the U.S."
In late December, EPA published a proposed rule exempting animal agricultural operations from the reporting requirements of EPCRA/CERCLA. This proposed rule is a result of the petition submitted to EPA by NTF, the National Chicken Council and U.S. Poultry and Egg Association in 2005. The proposed rule provides poultry farms an exemption from the burdensome reporting of emissions from its operations.

EPA granted a 90-day comment period for this proposed rule and the NC Poultry Federation, along with many of its members, submitted comments to the docket.

In the comments, many stated that putting these types of emissions under CERCLA/EPCRA emergency reporting requirements would needlessly burden 40,000 family farmers and many local fire and rescue services with paperwork and unnecessary communications.

The text of a letter submitted by Mountaire grower Peggy Chavis is below:

Ms. Lynn Beasley-Superfund Docket
U S Environmental Protection Agency-Mail code 2822T
1200 Pennsylvania Ave NW
Washington, DC 20460

Ms. Beasley:

I would just like to make a comment to you and view some thoughts. I am a teacher of 35 years. I love children and teaching very much.

One of our discussions in class was: WHO ARE THE TWO MOST IMPORTANT PEOPLE IN THE WORLD? Many of the children gave different people and why, but it boils down to the following:

First, the TEACHERS: Why, because the teachers are the keys to today, tomorrow, and the future. TEACHERS are the keys to learning. If it weren’t for the TEACHERS, people could not read or write. People would not be able to have the jobs that they have, because of no education.

Second, the MOST IMPORTANT PEOPLE - ARE THE FARMERS. Why, because without the farmers, there would be no food. Everything that we eat the FARMERS had something to do with. Everything we eat or use comes from the land.

As a teacher and farmer we still need your help. The FARMERS are the only people that works hard and don’t have a set salary. Farmers are handed or paid what others decide and want them to have. The FARMERS do not know when they go to the market what they will be paid. The FARMERS are the most important people trying to work hard so others will have food. But they are the ones that are placed burdens upon by mostly non-farming people.

Many people look down on the farmers, and they don’t think about their jobs and how important it is to mankind. With the poultry farmers, we are talked about, and scorned. People don’t want us in the community, but many of us were here first. We work hard and are good stewards of the land and our environment. We spend lots of money for retro-fits, and updating to keep up with the changing times.

I feel that people in higher places, pass too many rules and regulations and don’t consider the farmers. We are the ones working hard and struggling. As a farmer we ventilate, add new equipment, and how can someone stop the odors going into the air. We breathe, inhale, exhale, and breathe out the gases/poisons out of our bodies; are we expected to regulate our breathing-THINK. We need the trees, flowers, to breathe; are we to breathe in and never exhaling? PLEASE, think about some of the restrictions people, EPA, and others are trying to place on the farmers. WE HAVE ENOUGH RESTRICTIONS AS IT IS. THINK, BE CAREFUL, AND LET’S WORK TOGETHER. Many people will turn up their nose at the farmers; but they will not turn up their nose or mouth at a good piece of chicken or other food grown by the farmers.

Thank you very much for listening. If I can be of assistance, or serve on any board/committee to help, please let me know. It takes everyone working together.

Yours for progress,
Peggy W. Chavis
Upcoming Events

May 7th & 8th

NCSU Advanced HACCP Workshop

Clarion Hotel, Raleigh, NC.

For more information please call: 919/515-2956

May 8th & 9th

NC Poultry Federation Board Meeting

Myrtle Beach Hilton Resort, Myrtle Beach, SC

For reservations call: 800/876-0010

August 7th

NC Poultry Federation Annual Meeting and Banquet

Grandover Resort, Greensboro, NC

For more information: NCPF, 919/783-8218

The North Carolina Poultry Federation has been the voice of the North Carolina poultry industry since 1968. Serving producers and processors of chicken, turkey and egg products, the Federation provides a united voice for the industry with government, media and the general public. Our mission is to create a favorable climate for business success for everyone involved in the poultry industry in North Carolina.

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Impact of ethanol production on consumers

By David Anderson
Special to Poultry Times

MT. OLIVE, N.C. — Poultry producers depend on consumers to support our business. Thus, it is important to understand the current issues and trends that ultimately affect the purchasing decisions of our customers.

As the turkey season approaches, Poultrybell LLC recognizes the importance of responding to the top concerns of today's consumers when developing policies and procedures that govern the production of our products. The list of such topics includes animal welfare, food safety and environmental sustainability. However, when scanning the news, it is apparent that the challenges most directly affecting today's consumer is the increasing food prices that are ultimately borne by increased ethanol production.

With the threat of higher food costs mounting daily, it is important to explore the cause of this phenomenon. Companies within the poultry industry, such as Poultrybell LLC, need to understand the impact on consumers in order to combat the problem.

So, how has ethanol become such a crucial challenge for the poultry industry? As many of you know, the need for alternate sources of energy has become a widespread environmental action that has sparked the adoption of government mandates for ethanol production. Consequently, these federal mandates have created an ethanol boom that has skyrocketed the demand for corn and beans, further pushing the price of corn and feed costs within the industry to reach record levels.

Under the Renewable Fuel Act passed in 2007, the federal government mandated that the U.S. add 7.5 billion gallons of ethanol by the year 2012. Current U.S. ethanol production is sourced from corn. Mandating ethanol in essence, shifted the corn supply away from both human and animal feed sources to ethanol. This also eliminated competitive pricing for corn since there is a current 51 cents per gallon tax credit given for ethanol production. Some economists report that by reducing corn through the ethanol tax credit, it automatically places other causes for bidding for a corn at a $1.25 per bushel disadvantage. Furthermore, Congress recently passed legislation to increase the ethanol blend mandated to 10% in 2012 and 15% in 2022 with at least 2 billion gallons coming from corn.

While this has meant for animal feedstock pricing since October of 2006, it has been a two-fold increase in costs. Information from the National Turkey Federation lists overall feed cost for turkey and broiler production in the U.S. at 59% and 49% per cent of the feed bill. At the same time, the industry is looking at close to a 45% increase in feed costs as a result of the ethanol mandates. This is expected to increase even more in the next few months.

As an additional point of reference, let me stress that I am only talking about the impact of rising feed cost on the industry at this time. Everyone who drives a car can take a guess as to how much of the costs have gone to the turkey industry over the last eight months.

The recent sharp increase in feed costs within the poultry industry have come in the form of plant closures and relocation announcements from significant players within the poultry industry. As a result, several companies have directly cited the soaring costs of feed as a reason to consider the production of other meats. The poultry industry mandates that have become too much of a burden for the industry, and with the rise in feed costs, many companies have decided to leave the industry altogether.

The Ethanol Industry has been under fire for its impact on the environment and its impact on the economy. The ethanol mandate has increased the demand for corn, which in turn increases the demand for feed, thus increasing the cost of production. This has led to a decrease in the price of poultry products, which ultimately affects the consumer.

The rise in feed costs has had a significant impact on the poultry industry. Companies have had to pass on these costs to consumers, ultimately increasing the price of poultry products. This has led to a decrease in demand for poultry products, which in turn has led to a decrease in the price of poultry products.

In conclusion, the ethanol mandate has had a significant impact on the poultry industry. Companies have had to pass on these costs to consumers, ultimately increasing the price of poultry products. This has led to a decrease in demand for poultry products, which in turn has led to a decrease in the price of poultry products. However, the impact of the ethanol mandate is not just limited to the poultry industry. It has also affected the overall economy, leading to a decrease in the price of other goods and services.

David Anderson is vice president of the North Carolina Poultry Federation.