

Testimony of John Zimmerman on behalf of the National Turkey Federation

Senate Agriculture Committee Hearing: “A Review of the U.S. Livestock and Poultry Sectors: Marketplace Opportunities and Challenges.”

May 26, 2016

Good morning, Chairman Roberts, Ranking Member Stabenow and members of the committee. My name is John Zimmerman, and I am a turkey farmer from Northfield, Minnesota and past president of the Minnesota Turkey Growers Association (MTGA). My family and I raise about 4 million pounds of turkeys annually on our farm as well as grow about 500 acres of corn and soybeans. I am also a board member of the National Turkey Federation, which represents the \$32 billion U.S. turkey industry. I appreciate the opportunity to testify before you today on the state of the turkey industry. The turkey industry raises approximately 238 million turkeys annually, and provides employment to over 63,000 people nationwide, directly associated with breeding, hatching, raising and processing turkeys. USDA’s latest forecast puts 2017 turkey production at an all-time record of 6.4 billion pounds, 14% higher than 2015. As an industry, we continue to be challenged with a multitude of issues that impact those of us in the turkey business and we look forward to working with each of you to address these issues.

Avian Influenza

In 2016, the turkey industry has made significant strides in recovering from highly pathogenic avian influenza (HPAI), after suffering through the worst animal disease outbreak in U.S. history in 2015. The losses from HPAI were personal and weighed heavily upon the shoulders of farmers, rural communities, and companies from the West coast to the Midwest.

As an industry, we continue to learn new lessons from the outbreak and guard against the potential return of the deadly virus. Our preparation was tested earlier this year in Indiana when a small outbreak occurred in a commercial turkey flock. This outbreak was so small precisely because of the lessons we’ve learned. The most important lesson is that immediate action needs to be taken at the local level to limit virus spread. No matter how good the intentions are at the state and federal level, industry must be given clear permission to act within minutes, not hours or

days, to protect other nearby farms from becoming infected. I must emphasize the need for rapid “stamping out” procedures and methods that ensure humane treatment while eliminating virus spread. Currently there is no one method that achieves perfect results in all circumstances.

NTF is deeply appreciative of the indemnification program implemented by USDA and the Animal Plant Health Inspection Service (APHIS) along with the strong Congressional support for the turkey industry as we managed through the crisis. I would be remiss at this time if I did not take a moment to personally thank my fellow Minnesotan Senator Klobuchar on behalf of myself, NTF and the entire turkey industry for all you did to help last year.

Our industry continues to work with federal and state officials on key areas such as: biosecurity, depopulation strategy, disposal, repopulation, vaccine usage and future research. However, the road ahead remains long and as an industry we will need continued support from Congress to assist USDA/APHIS on the avian influenza front. The 2016 Indiana incident is a stark reminder that HPAI is still out there looking for an opportunity to strike again. The 2015 damage to the poultry industry exceeded \$1 billion, with much of that cost borne by consumers in the form of higher turkey and egg prices.

In order to prevent future outbreaks, the U.S. needs to adopt a forward-looking, mandatory animal pest and disease prevention program designed to limit the impacts of foreign zoonotic diseases on livestock and poultry producers. We look forward to working with Congress to get this accomplished. As the saying goes, “an ounce of prevention is worth a pound of cure”.

Exports

All poultry exports – turkey, eggs and broilers – were severely damaged by the trade restrictions that resulted from the 2015 HPAI outbreak. Specifically, 2015 turkey exports declined to only 533 million pounds, a 34% drop from 805 million in 2014. Over 33 countries enacted some form of ban on U.S. poultry during the height of the HPAI crisis, and I want to make sure to thank the staff of USDA’s APHIS for their work in reopening closed markets as well as establishing protocols that will limit bans to regional levels in any future cases of avian influenza. We

have seen this hard work pay off in the very limited bans enacted after the two cases in 2016.

However, we continue to see HPAI outbreaks in Europe, Asia and South America. Now is the time, to re-engage with our trade partners to discuss how HPAI can be treated moving forward. This is a global disease and working with the government we can develop a plan that minimizes export disruptions during future outbreaks.

Additionally, as APHIS knows, there is much more work to be done on the international front to protect all sectors from non-scientific trade barriers enacted in the name of protecting animal health. It is important that USDA's Foreign Agriculture Service (FAS) continue its work with both APHIS and the turkey industry to fully understand how our industry differs from chicken and livestock production. For example, while never covered under the U.S. COOL regulations, turkey has unfortunately seen restrictions in response to COOL, with both Korea and South Africa banning U.S. turkey "hatched" outside the U.S. This causes significant problems for many companies that hope to expand sales in these promising, growth markets.

Finally, we support the Trans-Pacific Partnership Agreement (TPP) as an important step forward in reducing trade barriers and opening new markets for the turkey industry. We encourage Congress to approve the agreement as soon as possible.

Organic Rule

Recently, USDA proposed a rule to amend the organic livestock and poultry production requirements based on recommendations by the National Organic Standards Board. NTF is concerned about the potential disruption to existing organic producers and their supply chains, as well as the impacts this proposed rule may have on ensuring that animal health is fully protected. Before moving forward with the rule, the turkey industry feels that USDA should conduct a thorough assessment of the costs of compliance, increased animal health and welfare risks, and alternatives for existing organic growers so that producers and supply chains directly impacted by these changes will be minimally impacted.

USDA's Grain Inspection Packers and Stockyards Administration (GIPSA)

Six years ago, USDA proposed sweeping rules changes on farmer contracting. With the expiration of a Congressional prohibition on implementing those changes, USDA is once again threatening to fundamentally change the rules by which our members operate. We continue to believe that the changes would increase costs, reduce productivity, and possibly lead to increased live production ownership by integrated poultry companies, to the detriment of independent farmers. We support the continued prohibition of USDA's implementation of the proposed changes for the simple fact that the unintended consequences would outweigh any purported benefits.

Food Labeling

A recent report by the National Research Council – the working arm of the National Academy of Sciences, Engineering and Medicine – found that foods made from genetically engineered crops are as safe to eat as those made from conventional crops, and that GMOs generally improve farmers' yields by controlling pests and weeds. With regards to food labeling, NTF continues to actively support the two critical components of any GMO bill that comes out of Congress: 1) That the bill maintains federal preemption for meat and poultry labeling, which is already regulated by USDA – FSIS and 2) that it ensures that animals fed GE feed should not have to be labeled GE. We look forward to having a bill that prevents a patchwork of state rules that create a labeling nightmare for food producers. The U.S. needs a single set of labeling rules that are common-sense and based on the most respected science known.

Immigration

We have a worker shortage all across the country, and meat and poultry producers are no different in feeling the pain of this shortage. The turkey industry supports immigration reform that include policies and provisions that will maximize benefits to the turkey industry and ensure a strong and durable immigration system that meets the needs of the U.S. economy. Most turkey plants are located in rural, low-unemployment areas. To fully staff these plants, producers must recruit from outside of their local areas and in many instances must rely on first-generation Americans. There are very few permanent visas for less skilled workers and the existing temporary programs only apply to seasonal labor. This effectively leaves

year-round meat and poultry manufacturers with no good options. Our members need access to a pool of legal, general labor immigrant workers, and we support a visa program that addresses the needs of the meat and poultry industry. There is currently no one bill that provides a “silver bullet,” but it is time to resolve the immigration debate for the good of the country.

Once again, thank you for the opportunity to testify today on the state of the U.S. turkey industry and the issue impacting our businesses. I will be happy to answer any questions at this time.