

New Poultry Contract Regulations Going into Effect

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Following the announcement of revised rules aimed at enhancing transparency between processors and poultry producers, the [U.S. Department of Agriculture \(USDA\)](#) published a new final rule in the Federal Register on November 28. The Agricultural Marketing Service, in its summary, outlined that the final rule would "reinvigorate" regulations under the Packers and Stockyards Act. The amendments include disclosures and information requirements for live poultry dealers, typically large processing companies, to provide to poultry growers.

These rules will apply for all new contracts and amendments to existing contracts, renewals, revisions, and so on. In sum, the new rules require that poultry companies disclose factors affecting a farmer's income generated by the contract between the company and the farmer.

The new rules apply to all poultry companies, but there are modified disclosure requirements for companies harvesting less than 2 million pounds per week.

The rules require poultry operations to provide farmers with detailed information in a Live Poultry Dealer Disclosure Document. This document must include specific language, and also contract and financial information, including broiler turnover rates, policies and procedures around farm sales, mortality flocks, natural disasters and feed outages, and financial disclosures including but not limited to the average annual gross payments for each of the previous 5 years and additional capital investments. The disclosure document must be signed by someone with executive-level authority.

According to the Federal Register, the final rule goes into effect on February 12, 2024. Therefore, it is imperative for poultry companies to be aware of and comply with these new regulations. The rule can be found [here](#). Additional rights and responsibilities under the Packers and Stockyards Act may be found [here](#). The USDA has also published additional rules and made other changes that may affect agricultural businesses.

Barley Snyder is assisting Pennsylvania's poultry industry through this transition. If you need assistance with the changes under the new rule or help reviewing any draft Live Poultry Dealer Disclosure Document, or addressing how any of the other changes affect your business, please reach out to [EmmaRose Strohl](#), [Timothy G. Dietrich](#) or anyone in the [Barley Snyder Food & Agribusiness Industry Group](#) for assistance.

DISCLAIMER: The information in this alert should not be construed as legal advice to be relied upon nor to create an attorney/client relationship. Please note that the reader's or an industry's specific situation or circumstances will vary and, thus, for example, an approach that is advisable in one industry may not be appropriate in another industry. If you have questions about your situation or about how to apply information

contained in this alert to your situation or industry, you should reach out to an attorney.

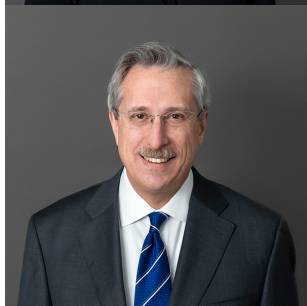
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