

**Tom Jones**  
**Talking points**  
**U.S. Senate Agriculture Committee Field Hearing**  
**Nov. 23, 2009**

Good afternoon, senator, and I echo the previous comments welcoming the committee to the great state of Arkansas.

My comments this afternoon are on the behalf of those involved with animal agriculture. You may know that we raise a few animals in Arkansas, which makes us a target for some and a godsend for others.

As was mentioned earlier, I am a beef producer and am fortunate to serve as secretary/treasurer of the Cattlemen's Beef Board as well as the Arkansas Farm Bureau state board of directors.

Livestock agriculture has also felt the impact of this year's weather, though the direct costs of that impact are not as immediately felt in our sector.

There are some definable losses in the quality and availability of hay, but the full impact to our sector will come in the next several months.

When we have turmoil in the grain markets, the result is almost always higher feed prices for those involved in animal agriculture.

If I might, I would like to discuss the Role of Animal Agriculture in Arkansas:

- Agriculture accounts for 20 percent of Arkansas' Gross Domestic Product, and nearly half of that is from animal agriculture;
- Animal agriculture accounts for more than 57,000 jobs and more than \$3 billion in wages and labor income;
- 1 in every 4 ag jobs is in the poultry industry;
- Animal agriculture accounted for more than \$4.1 billion in 2008.
  - \$3.1 billion in poultry and eggs;
  - \$611 million in beef and swine;
  - \$41.5 million in dairy;
  - \$185 million in misc. livestock;
- Our state ranks near the top producers in a number of categories;
  - No. 1 in baitfish;
  - No. 2 in broilers;
  - No. 2 in catfish;
  - No. 4 in turkeys;
  - No. 8 in eggs;
  - No. 11 in beef cattle.

### Impact of weather on animal agriculture

- \$7.8 million loss in forage (lost production and quality);
- Again full impact to come in form of;
  - Higher prices for hay;
  - Higher prices for grains;
  - Lower quality for both;
  - We'll be dealing with these issues throughout the winter feeding season.

### Seen some significant distress in the poultry industry

- Industry is just now coming out of a period of production cutbacks due to high feed prices and export market interruptions;
- Dealing with the closure of two Arkansas poultry complexes operated by Pilgrim's Pride;
  - El Dorado;
  - Clinton;
- Certainly, the loss of job at those plants hurt those communities, but as significant was the impact on the poultry growers who provided animals to those facilities;
  - 142 poultry growers were affected in the Clinton closure;
  - 290 growers in South Arkansas.
- Vast majority of those growers could NOT get contracts with other poultry integrators;
- As a result, millions of dollars in farm loans remain, with no income to service this debt;
- Impact of that is rise in bankruptcies, especially with younger farm families who don't have as many assets.

### Swine industry

- Not much of an industry left
- Major integrator ceased swine operation a few years ago
- Most producers were unable to contract production elsewhere
- Less than 1,200 operations continue today
- That number is declining

### Dairy industry

- Arkansas milk producers are still coping with sluggish market prices and a higher level of production costs

### Social challenges facing our industry

- Existence of industry is constantly under question by animal activists;
- Seeing activist legislation being passed at state level
- These will almost certainly lead to higher food costs for the consumer
- Also need viable rural development efforts to allow farmers and ranchers to live and work in their local communities, but compete on the national and international stage;
- We need more foreign markets open for our products;
- U.S. producers raise the safest, highest-quality food in the world;
- Full opportunity to prove that to the world.

Welcome you, senator, to our farm any time you are in Pope County.