United States Senate
WASHINGTON, DC 20510

November 5, 2015

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, D.C. 20250

Dear Secretary Vilsack:

As the U.S. Department of Agriculture (USDA) develops regulations to implement its Fall 2015 Highly Pathogenic Avian Influenza (HPAI) Preparedness and Response Plan, we are writing to bring to your attention three issues that are of importance to poultry producers in our states. We urge you to address them through the regulations under development or through other means, as appropriate.

First, current regulations for HPAI do not allow for splitting of indemnity payments between owners and growers, leaving contract growers vulnerable in the event an outbreak. It is common for a contract grower to be liable for the facilities in which birds are produced. It is our understanding that the USDA Animal and Plant Health Inspection Service (APHIS) is drafting an interim rule to allow the use of split owner/grower indemnity distribution for HPAI. This would align with current regulations for other types of avian influenza. We are encouraged by the actions APHIS is taking, and we request that you allocate any future indemnities equitably so that producers can maintain access to financing in the short-term and the future.

We are also concerned that the APHIS indemnity program only covers losses associated with bird mortality, and does not provide protection against losses that would result from any disruptions in the supply chain. Even if the birds in a particular producer's facility do not contract HPAI, that producer could be affected by a hatchery outbreak. As the Department continues to improve HPAI response capabilities, we encourage you to consider providing downtime compensation and to report to us on the feasibility and costs that would be required by doing so.

Finally, we believe it is important for growers to have expanded financial flexibility in particularly devastating cases. In a worse-case scenario, special remedies may be required to prevent foreclosures and keep the industry strong. We respectfully request that you direct the Farm Service Agency to begin developing guidelines for its

direct and guaranteed loan programs that would enable existing loans to be restructured to provide flexibility for borrowers severely affected by HPAI.

Thank you for your attention to these requests. Please to not hesitate to contact us if you have any questions.

Sincerely,

Senator Thad Cochran

Senator Richard Shelby

Senator Jeff Sessions

Senator Johnny Isakson

Senator David Vitter

Senator Roger Wicker

Senator John Boozman

Senator Bill Cassidy

Senator Tom Cotton

Senator David Perdue