

MR. CARLIN: I'm going to run through
24 some additional names just to make sure we
25 haven't cut anybody off. Michael Anderson,

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1 somebody said Michael?

2 MR. ANDERSON: That means I'm up?

3 MR. CARLIN: You're five minutes in the
4 blazing headlight that's charging towards you is
5 starting right now.

6 MR. ANDERSON: My five minutes of
7 fame, right?

8 MR. CARLIN: That's right.

9 MR. ANDERSON: Okay. I was contacted
10 about two days ago. I really do not know -- I am a
11 -- what I need to be speaking on. After hearing
12 the last speaker, I have some things I would like to
13 say, but whatever you would like me to address. I
14 am a poultry producer.

15 MR. CARLIN: You quickly say what you
16 want to say and then we'll ask questions on other
17 areas we may want to inquire about.

18 MR. ANDERSON: Okay. I would respond
19 as to the treatment of animals on the farm. As
20 growing up on the farm as a child, I take very
21 personally whenever people would say that I
22 mistreat my animals. I do not doubt that that
23 might happen, but I take that very seriously how
24 animals are treated on the farm. And for myself
25 on my farm, my animals are not mistreated. As for

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1 my people that are employed by me, I feel like I
2 pay them very well. I believe the man I currently
3 employ right now makes \$30,000 a year. That's
4 more than I make at my job in town. What
5 questions do you have for me?

6 MR. CARLIN: Well, tell us very quickly
7 what kind of size of operation. I mean, you're a
8 contract producer for somebody?

9 MR. ANDERSON: Yes, sir, for Tyson.

10 MR. CARLIN: For Tyson?

11 MR. ANDERSON: Yes. I have two laying
12 hen houses. We have -- right now we have about
13 14,500 hens plus roosters on our farm. It would
14 be approximately 1,400 roosters included in that
15 number.

16 MR. CARLIN: Has the contract
17 experience been good?

18 MR. ANDERSON: I have --

19 MR. CARLIN: And share what you can
20 with us in terms of, I mean, do you have a one

21 year, a three year, a seven year?
22 MR. ANDERSON: We were set up with a
23 one year contract. The good part about the way
24 that is set up is it does allow people like myself
25 who always wanted to have a farm. You know, I

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1 grew up on a farm. My father was not wealthy by
2 any means, so if I was going to farm, it would be,
3 you know, make it on my own somehow, and Tyson
4 did allow me to do that.

5 There was a farm that was being
6 repossessed and I was able to step in there and
7 just run it and I didn't have to -- it was a good
8 situation for me, so it allowed me to have the farm
9 experience and let my kids grow up on the farm
10 and raise cattle, as well.

11 The negatives, I feel that the companies
12 have -- I guess they would set it up saying it's an
13 equal partnership. I do not feel that it's an equal
14 partnership with just having a one year contract
15 and some of us having half a million dollars in
16 debt on the farm, you know, maybe even more, \$1
17 million in debt. They hold that over your head.
18 You know, if you don't spend this money here or
19 spend this money here, we'll pull your contract.
20 You know, that side of it I would say is a little bit
21 not real good.

22 MR. ANDREWS: A couple of years ago in
23 the Kansas legislature there was proposed
24 legislation, The Producer Protection Act, that dealt
25 with contract poultry growers and a turkey farmer

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1 from Southwest Kansas came in and complained
2 about the fact that he was required to introduce
3 technology for water for his poultry that he
4 thought he didn't need but he was under a lot of
5 pressure to do so. Have you had any of that
6 experience?

7 MR. ANDERSON: I have had times in the
8 past where they would ask me to do things that I
9 did not feel was right for the birds but --

10 MR. ANDREWS: I don't want to --
11 another question is, has there been in your
12 contract binding arbitration requirements?

13 MR. ANDERSON: Yes. Where you have to
14 go to an arbitrator?

15 MR. ANDREWS: Yeah.

16 MR. ANDERSON: Yes, that is the way it's
17 stated.

18 MR. ANDREWS: Okay. And how about

19 the capacity to talk to your neighbors or other
20 growers about your contract, are you limited or do
21 you have that capacity?

22 MR. ANDERSON: I've never been told I
23 can't talk to them. However, they do not let us
24 have that information just, you know, where those
25 growers are. We feel like we're on an island, I

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1 guess.

2 MR. ANDREWS: I'm asking these
3 questions out of about eight years of working with
4 poultry growers and listening to their stories, so I
5 appreciate the frankness that you've brought to
6 this discussion.

7 MR. CARLIN: Could you expand a little
8 bit and give us a little more about what you might
9 have been told to do? I mean, in terms of, you
10 know, the corporate entity saying this is what
11 you're going to do, what are we talking about here?

12 MR. ANDERSON: If I had had a little
13 time to prepare, I could have done better, but let
14 me think. The most recent was the one on water.
15 I was on a well and they told me that I had to go to
16 city water because they felt like the well water was
17 not good enough. I'm not going to say that was
18 right or wrong because I have no evidence to the
19 contrary.

20 From time to time, they'll say you've got
21 to upgrade your equipment or you have to change
22 out, I think the last thing I could remember was
23 my scales. They said my scales weren't up to par
24 so I would have to put in new scales. You know,
25 lighting, sometimes they'll want to go with a

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1 certain type of light and they'll do that a few years
2 and they'll say, well, we don't like those type of
3 lights. We want to go to these type of lights and
4 that cost is incurred by the farmer, and then they
5 might change their mind a few years later and go
6 back to the original.

7 MR. CARLIN: How many one year
8 contracts have you had?

9 MR. ANDERSON: I am on my -- this is my
10 ninth year, I believe.

11 MR. CARLIN: Okay. And obviously you
12 have survived those nine years. They haven't cut
13 you off. You've either done what they told you to
14 do or you've convinced them that not doing it was
15 right.

16 MR. ANDERSON: Or out lasted

17 management. Sometimes that, you know, you kind
18 of learn that in our field. In fact, an older
19 producer told me that when I got into it. He said,
20 you know, they'll have a new group come in with
21 different ideas and, you know, sometimes you can
22 -- they'll be better, hopefully.

23 MR. CARLIN: In your observation are you
24 aware of colleagues of yours that have been shut
25 down or closed out because of the company

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1 deciding they didn't like the way things were being
2 done.

3 MR. ANDERSON: I guess the most recent
4 thing in my mind would be, I believe last year they
5 had to -- in the industry they'll have either too
6 many eggs or not enough eggs and it's a constant
7 battle to keep that -- keep the supply correct.
8 Last year they brought in new management, I
9 believe it was last year or year before last, and
10 decided we had too much production in the field
11 and so when they brought the new management in
12 they suddenly got very, very strict, unreasonably
13 so, and frustrated a lot of growers. And some of
14 them quit on their own and they actually made too
15 many quit and so now they're in the opposite --
16 you know, they have the opposite problem. They
17 don't have enough eggs, so now they've slacked off.

18 MR. CARLIN: When you say some quit,
19 they just didn't want to continue the contract?

20 MR. ANDERSON: Right.

21 MR. CARLIN: They were able to afford to
22 -- their house was paid for or --

23 MR. ANDERSON: Correct, correct. And I
24 have seen since -- I don't know if you're aware of
25 it, but here a few years ago they had a situation

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1 where the hog side of it was not profitable and
2 they tried to shut down the hog farms and that
3 didn't go well for them. They were just going to
4 leave all these guys with their payments and they
5 took them to court and I guess Tyson says that,
6 you know, we had to do an arbitrator but the judge
7 threw that out and took them to court. And from
8 what I understand, Tyson had to pay off those
9 farms, so I believe since that has happened they
10 have been a little more careful about forcing their
11 hand. So for their producer that has been a good
12 thing, I would say.

13 MR. CARLIN: But your plan is to
14 continue your year to year?

15 MR. ANDERSON: Until I get my farm paid
16 off.
17 MR. CARLIN: John?
18 MR. HATCH: Yeah. What do you think
19 the contractor could do to improve the relationship
20 between farmers and the company?
21 MR. ANDERSON: What the farmer can?
22 MR. HATCH: You know, how to make it
23 more equitable for everybody. They've got to make
24 a profit. We know that.
25 MR. ANDERSON: Right.

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1 MR. HATCH: But how could they do that
2 in such a way that you kind of feel like you're in
3 charge, your life is okay?
4 MR. ANDERSON: Right. I guess because
5 you are going to have -- and you have to protect
6 the company, too. I mean, you just can't let
7 anybody grow chickens because you have people
8 out there that do silly things and would cost the
9 company money, you know. I guess if there was a
10 board of growers who could get together and
11 whenever the company says we want this done and
12 then they could go to the board because, you
13 know, a lot of these growers have been growing for,
14 you know, 20 years and they know how to grow a
15 chicken. And then, you know, sometimes they'll
16 bring in these people who are just out of college
17 and, you know, they think they know everything
18 and they don't. And I'm not -- you know, I went to
19 college, too.
20 MR. CARLIN: None of those could be
21 from Kansas State.
22 MR. ANDERSON: I understand.
23 MR. CARLIN: It had to be the University
24 of Arkansas.
25 MR. ANDERSON: Okay. But, you know,

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1 they come in with these new ideas and, you know,
2 a lot of these ideas have been before 15 years ago
3 and these farmers say, hey, you know, we've been
4 down that road, it didn't work, you know. And I
5 believe the company would actually gain from the
6 experience of some of these growers if they could
7 get a group together that would work together on
8 some of these things.
9 MR. CARLIN: Interesting. I believe
10 that's our last question, but thank you very much
11 for coming and we appreciate you answering our
12 questions.

13
14

MR. ANDERSON: Okay. Thank you very
much.