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6 MR. CARLIN: Thank you. I understand
7 Gene Pharr wants to come up and help answer
8 questions, is the point here.

9 MR. PHARR: Yes, sir. I'm Gene Pharr.
10 I'm a native of Lincoln which is about 20 miles
11 southwest of here. I'm a poultry producer. I've
12 been in the poultry business all my life in one
13 fashion or the other. I graduated from the U of A,
14 year of 1975, with a degree in animal science. I
15 went to work for the Campbell Soup Company and
16 have worked 26 years in the industry before
17 quitting about five years ago to raise poultry on
18 my own farm.

19 My concerns, first of all, me and a lot of
20 other farmers are very concerned about the
21 environment, about the pollution of the Illinois
22 River and of the watersheds, and there's a lot of
23 farmers out here doing a lot of things to make sure
24 we're good stewards of the environment and the
25 land that we live on.

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1 A lot of poultry litter is going out of this
2 area to other areas, a lot to Oklahoma along with
3 the farming areas of southeast Arkansas. I've
4 heard estimates of maybe 60,000 tons last year
5 was moved out of the area. And poultry litter is a
6 good soil amendment where it's needed and
7 certainly there has been too much in this area in
8 the past. But the laws that the state of Arkansas
9 has passed I think were a good thing to get those
10 few people who don't do a good job to maybe take
11 care of things a little bit better.

12 The industry is very important to me and
13 thousands of other farmers in this area. It's one
14 of the few things that a farmer in this area can
15 make money on. The cattle business has been
16 pretty good lately, probably not going to be with
17 the high grain prices.

18 One of the previous speakers talked about
19 money that was given to the -- or supported the
20 industry at the cost of me. Well, right now we're
21 -- the poultry industry is really hurting because of
22 subsidies that are being given to the ethanol
23 industry and I think the ethanol industry is a good
24 thing. We need to use other sources of energy
25 besides oil, but a subsidy right now, I believe, is

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1 being paid of \$.50 a gallon of ethanol and that
2 comes back to a \$1.40 that they can pay for corn

3 more than a poultry company who I grow for can.
4 So there are subsidies on every side that maybe
5 help or hurt but the farmers. It's a very important
6 industry to us because it's one of the few things
7 that --

8 MR. CARLIN: Well, getting back if we
9 could to the environmental issue, particularly
10 linking what you've shared with the previous
11 gentleman and the concern about the Illinois
12 River, and I'd like to have some help in better
13 understanding as to whether you believe what is in
14 place is going to address the gentleman from
15 Oklahoma's concern about the Illinois River.

16 MR. PHARR: I personally believe there
17 are things that are underway, the hauling of
18 poultry litter both being subsidized by grants and
19 that that is moving out based on the value of the
20 litter. I think there's a lot of room to continue to
21 move excess litter and certainly Arkansas has done
22 a lot to regulate the use of litter and commercial
23 fertilizer, which Oklahoma has not.

24 MR. CARLIN: Mary?

25 MS. WILSON: The excess litter that's

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1 being transported from this area, is it going to
2 areas where it's being purchased? What control is
3 there over where it is -- where it ends up?

4 MR. PHARR: Most of the litter to get a
5 subsidy has to go out of the nutrient surplus area
6 and to an area that is not a nutrient surplus area.
7 So not a nutrient surplus area means they're
8 buying a lot of phosphorus fertilizer to grow the
9 crops in that area, so it's being used in an area
10 where the phosphorus would be needed to make
11 crops grow.

12 MR. CARLIN: Jim?

13 MR. MERCHANT: In my home state we
14 also have a manure management plan regulated by
15 DNR. We find it only applies to producers that
16 have a certain number of animal units and then we
17 find even their compliance isn't what one would
18 wish. Is that the case in Arkansas or all
19 producers regardless of size required to file such a
20 plan, and what is the compliance like?

21 MR. PHARR: In the regulations Title 22
22 that went into effect a couple of years ago, it
23 requires anybody with two and a half acres or more
24 to have a manure management plan. Until this
25 year you were allowed to spread poultry litter at

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1 what was called a protective rate of a ton and a
2 half per acre. That has went out the door in 2007,
3 so now everybody has to have a plan.

4 As far as compliance on the plans that
5 have been checked that I'm aware of, I am on the
6 board of the Conservation District in Washington
7 County and so have some knowledge of that, we
8 have found very few problems in the people that
9 have been checked, so far it's all in compliance.

10 MR. CARLIN: Alan?

11 MR. GOLDBERG: Could you share how
12 you think of this industry in this area ten years
13 from now?

14 MR. PHARR: My personal belief that the
15 industry in this area will diminish ten years from
16 now, primarily because the cost of feed as you get
17 it closed out gets higher. The feed mills are being
18 built in Missouri, northern Oklahoma because of
19 the proximity to the grain belt, so I would expect
20 to see considerably less poultry in this area in ten
21 years. Also, the development of this area is
22 tremendous. Land is getting so high I don't think
23 you will see a new poultry operations cash flow in
24 this area.

25 MR. CARLIN: As a follow up very quickly

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1 to what you just shared, I mean, we can see that
2 the area is growing very, very fast and I assume
3 this only complicates the problems we've got
4 because you're going to have less and less land
5 you can spread manure on, which means there's
6 going have to be more of that manure moved
7 elsewhere, which means there's going to be some
8 kind of -- have to be some kind of program to make
9 that economically feasible or you're going to start
10 to shut down the poultry industry in this area.

11 MR. PHARR: Well, not necessarily.
12 They're talking about this spring -- and with
13 ammonium nitrate fertilizer being \$600 a ton,
14 Melody could probably give us an idea of what that
15 would cause poultry litter to be worth, but the last
16 calculation I did on my own poultry litter was
17 worth about \$42 per ton, the best I remember, and
18 that was with nitrogen, I think, around \$200 a
19 pound. So poultry litter is a very valuable asset
20 to be moved into areas where we -- where the crops
21 are grown.

22 MR. CARLIN: Have you done any work
23 that would indicate how far you could -- when is it
24 still economically feasible? I mean, you're not
25 going to take it to my buddy, Dan, in Montana or

1 Wyoming, I assume.

2 MR. PHARR: Probably 50 miles --

3 MR. CARLIN: 50 miles.

4 MR. PHARR: -- or so without subsidies
5 based on past fertilizer prices.

6 MR. CARLIN: But you think up to 50
7 miles without any subsidization just because of
8 the value of the fertilizer?

9 MR. PHARR: There's a lot --

10 MR. CARLIN: Assuming there was a
11 nutrient need.

12 MR. PHARR: There's a lot to be moved
13 into the river valley, the Arkansas River Valley, on
14 the sod farms over in Oklahoma and in Arkansas
15 without subsidies.

16 MR. CARLIN: Gentleman, thank you very
17 much. Dr. Goodwin?