



**U.S. Department of Agriculture Advanced Notice of Proposed Rulemaking  
“Poultry Growing Tournament Systems: Fairness and Related Concerns”**

Agricultural Marketing Service, USDA  
1400 Independence Avenue  
SW Washington, DC 20250-0201

Re: Docket Number: AMS-FTPP-22-0046  
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Thank you for the opportunity to offer our comments and inform policy development and future rulemaking proposals regarding the use of poultry grower ranking systems commonly known as tournaments in contract poultry production.

For nearly forty-five years the Government Accountability Project has worked to empower whistleblowers, truth tellers and citizen activists. Our organization has represented whistleblowers from various industries and addressed their concerns touching upon many issues of vital public interest. Whistleblowers are people who speak out against waste, fraud, threats to public health and safety, and abuse of power. Very often at their own peril, they do the unthinkable when they disclose violations of the public’s trust. Government Accountability Project makes sure their voices are heard and their concerns addressed in both courts of law and public opinion.

Government Accountability Project established the Food Integrity Campaign (FIC) ([www.foodwhistleblower.org](http://www.foodwhistleblower.org)) over twelve years ago to address the unique issues facing truth-tellers working in the food and agriculture sectors of the economy. FIC’s clients include contract growers. Government Accountability Project, in addition to joining the Campaign for Contract Agriculture Reform’s coalition comments, is submitting the following comment to share FIC’s unique perspective having represented over a dozen whistleblower contract growers.

- I. Given the control that poultry companies have over their growers and inputs, it is not likely possible to create a tournament system that does not result in undue prejudice.**



When asked what the purpose of the tournament system is, one of our farmers told us simply: “It’s an unfair way to pay growers. It’s just a way to get cheap product at the farmer’s expense.” We agree.

The tournament system flourished in the 1990s as a way for poultry companies to efficiently and profitably raise broiler chickens. The stated purpose of the system is to pit farmer against farmer as they compete against each other based on how efficiently the chickens are raised. By rewarding the top performer with a bonus and penalizing the lowest performer to pay that bonus, the system was thought to produce a higher quality and quantity of broiler chicken.

Because the companies control every input variable and grower behavior, and because companies have shown willingness to use that control to retaliate against or unduly benefit certain farmers, we cannot endorse any ranking system under those conditions. As one farmer told us, “The only way this can ever be fair is for the tournament system to be done with it.”

FIC’s comments below, in addition to its previously submitted comments on the proposed rule, strongly suggest a guaranteed base pay for farmers. Below, FIC argues that, on its face, the tournament penalty is unfair and should immediately be stopped. Lastly, even without the tournament penalty, the ranking systems must be eliminated in contracts where companies exercise extreme levels of control over grower inputs and behavior.

**A. The tournament system exceeds its stated purpose to incentivize efficiency and operates instead as a cost-shifting mechanism that perpetuates the misclassification of contractors and keeps growers from collaborating in furtherance of their best interest.**

The tournament perpetuates the false idea that farmers, by dint of will and hard work, can improve their financial status. The tournament system considered the “gem of the industry” is known to produce huge profits for the industry. However, how it operates is largely a mystery to most farmers. One farmer told us “It’s been years and I still don’t know how the system works. I don’t know who I’m competing against, and I don’t know how they [the integrators] are getting their numbers. Our pay completely depends on factors out of our control, and we don’t even know how the system works. We can’t control what is given to us.”

FIC offers the following observations:



1. Under the current tournament ranking model, the company is essentially asking farmers to innovate on the company's behalf, and then provide that innovation as guidance to other farmers thus making the pool more competitive again for the ones who have put in the extra work and adjusted early. The companies receive, access, and control all data associated with farmer's barns across all complexes. Under the guise of promoting efficiency through competition, the companies extract data from farmers. Using that data, the companies standardize everything from lighting, feed schedules, pharmaceutical efficacy, temperature, water line height, etc. As one farmer put it, "We have no control over what feed they give us or how much. My invoice will say one thing and the amount will be different. I will typically be short feed every time. If we have no control over this then how can we compete?" Farmers' paychecks can vary by tens of thousands of dollars based on company-made mistakes, such as quality of the feed provided.
2. The current system operates to keep farmers from communicating and advocating in their own interest. Operating in the dark, one farmer stated: "If the amount of pay depends on too many factors out of our control it's not fair to compete with others who get different things." The dog-eat-dog nature of the tournament system (coupled with fear of retaliation) discourages farmers from sharing information about how their integrator is treating them, how they performed in the tournament, why they succeeded or failed, and how their integrator grievances and concerns were addressed. This isolation stifles cooperation or any attempt to organize in their shared interests. Moreover, pitting of neighbor against neighbor facilitates the identification and retaliation against the lone farmer who dares challenge the system.
3. Lastly, we contend that the tournament system is a myth that its existence facilitates the "illusion" that poultry growers are indeed independent contractors. The tournament system suggests that farmers, through their agency and ingenuity, can improve their financial outcomes. In reality, we know that integrators exercise an extreme level of control over farmers. It is our contention that the current system is one that is rigged to insure the house always wins, not one that rewards individuals for work ethic and efficiency.

**B. FIC recognizes the integrators' interest in rewarding grower productivity, but not to the detriment of America's farmers, rural communities, and taxpayers.**

To be clear FIC has no argument against rewarding exceptional growers or incentivizing top performers. However, the tournament system is not a simple "bonus system," but rather a cost-shifting mechanism that rewards the companies with the farmer's labor and data and divorces growers from the fruits of their innovation and hard work. In the end, the punishing tournament



system further indebts farmers already under the weight of a heavy debt burden, forces them into default, has the taxpayer pick up the bill, and forces rural communities endure the blight of farm bankruptcies. Indeed, any chicken production efficiencies gained is paltry when compared to the losses born by externalities.

Shortly before these comments were dated due, Politico published an article about new changes at Wayne-Sanderson post-merger.<sup>1</sup> FIC asked its clients for some feedback regarding those proposed changes, specifically as they impacted the tournament system. All were very pleased to see that actions were being taken on farmers' behalf. The general thinking was that guaranteed flat payment was desperately needed, but that under the current system, the proposed changed to the tournament system do not safeguard against favoritism and/or discrimination against growers. Two farmers asked us to share the following thoughts on the concessions mentioned in the Politico article:

“Sanderson-Wayne is supposed to be making monumental changes that aren't being done anywhere else. They're supposed to be switching to a base pay system. It's going to be really good for the growers. It's going to be life changing. No one I've ever grown for has done this. I think it will be awesome if it is enough of a base pay to cover expenses. It would make it easier for growers to manage their finances because now we know what we will be getting.”

“A base pay would help but still more needs to be done. We still don't have a control of the outcome based on what they're giving us because if they're cheating us every single time they deliver, we can never get bonuses or make more money, etc.”

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<sup>1</sup> <https://subscriber.politicopro.com/article/2022/09/wayne-sanderson-farms-alert-contract-poultry-growers-to-new-changes-post-merger-00054336>