



April 16, 2026

Jeana Harbison
Acting Director
Packers and Stockyards Division, USDA, AMS, FTPP
1400 Independence Avenue SW
Washington, DC 20250

Submitted via [Regulations.gov](https://www.regulations.gov)

Re: Public Comment on Proposed Delay of the Poultry Grower Payment Systems and Capital Improvement Systems Rule

Dear Acting Director Harbison,

Farm Action submits this comment in strong opposition to the U.S. Department of Agriculture's (USDA) proposed delay of the Poultry Grower Payment Systems and Capital Improvement Systems final rule. This rule represents one of the most consequential updates to poultry contracting practices in decades and directly addresses structural imbalances that have long disadvantaged growers within highly concentrated poultry markets.

At its core, the rule curbs the use of payment deductions under tournament-style systems that systematically shift risk from integrators onto growers—despite integrators maintaining control over nearly all meaningful production inputs. These unfair practices expose growers to income volatility and limit their autonomy. USDA's proposal to delay implementation until December 31, 2027 would unnecessarily prolong well-documented harms to growers while preserving a status quo that the agency itself has already determined to be unjust. The agency's stated rationale—that additional time is needed to assess the rule's costs, impacts, and legal considerations—is inconsistent with both the extensive administrative record supporting the rule and real-world evidence demonstrating that the rule's central provisions are already workable in practice.

Notably, a major poultry integrator—representing a significant share of the national market—has already implemented reforms that mirror the rule's core requirements. This development demonstrates

the rule's feasibility and practicality, and refutes claims that its provisions are untested, impractical, or unduly burdensome.

Given the ongoing harm to growers and clear evidence of workability, USDA should reject the proposed delay and allow the rule to take effect as scheduled.

I. Background on the Poultry Grower Payment Rule and Proposed Delay

The poultry grower tournament system is a structural feature of contract poultry production that enables integrators to externalize risk while maintaining near-total control over production. Under this system, growers are compensated based on their performance relative to other growers, rather than based on absolute performance. While this system is often framed as incentivizing efficiency, in practice, it produces arbitrary and unfair outcomes because growers do not control the key variables that determine performance. Integrators control key inputs such as chicks, feed composition, and genetics. Variability in these inputs—rather than grower performance—often determines outcomes.

As a result, growers can be penalized financially for factors entirely outside their control. This means that payment volatility becomes a systemic feature, discouraging growers from raising concerns or challenging integrator decisions due to fear of retaliation through payment adjustments. This dynamic entrenches a profound power imbalance, leaving growers to shoulder financial risks while integrators retain decision-making authority.

The rule addresses these structural deficiencies by prohibiting payment deductions tied to comparative performance and establishing a guaranteed base pay structure. These changes do not impose radical restructuring of the poultry industry. Rather, they address systemic unfairness by ensuring growers are paid based on objective standards instead of relative rankings influenced by integrator-controlled variables.

USDA is proposing to delay the rule's effective date by approximately 18 months, citing the need to further evaluate economic impacts, legal considerations, and policy implications.

However, the agency has already conducted extensive analysis during the rulemaking process, including consideration of industry comments, cost estimates, and legal authority under the Packers and Stockyards Act (P&S Act). The proposed delay does not identify new evidence or changed circumstances that would justify reopening these questions. Instead, the delay risks functioning as a de facto suspension of reforms that have already been thoroughly vetted.

II. Farm Action’s Engagement on Poultry Grower Protections

Farm Action has a sustained and well-documented history of advocacy on behalf of both poultry growers and independent farmers more broadly. Farm Action has consistently advocated for stronger protections for poultry growers and greater transparency in contracting, identifying tournament-style compensation as a central mechanism through which integrators exert undue control and perpetuate unfair market conditions.

In public comments submitted in 2022¹ and 2024,² Farm Action urged USDA to take decisive action to eliminate abusive payment practices, increase transparency in grower contracts, and strengthen enforcement of the P&S Act. Farm Action’s support for the Poultry Grower Payment rule reflects its view that the rule is a necessary first step towards addressing unfairness in poultry contracting.

Delaying implementation undermines progress Farm Action has fought for to promote fair competition and protect farmers, and signals a retreat from USDA’s commitment to addressing harmful market dynamics in agricultural production systems.

III. Evidence from the Cargill–Continental Grain Merger

In 2022, Cargill and Continental Grain Company completed their acquisition of Sanderson Farms,³ creating a combined entity, Wayne-Sanderson Farms, with nearly 15% of the U.S. poultry market.⁴ This transaction further consolidated an already concentrated industry in which a small number of integrators dominate production.

As a condition of approving the merger, the Department of Justice (DOJ) required the companies to implement significant reforms to their poultry contracting practices. These reforms centered around eliminating tournament-style payment deductions and increasing transparency in grower contracts to increase fairness and transparency in grower relationships.⁵ DOJ’s intervention reflects a broader

¹ Farm Action. (2022, August 23). *Comment on proposed rulemaking on transparency in poultry grower contracting and tournaments* (AMS-FTPP-21-0044).

<https://farmaction.us/wp-content/uploads/2022/08/P-and-S-Act-Act-Transparency-in-Poultry-Comment.pdf>

² Farm Action. (2024, August 8). *Comment on proposed rule on poultry grower payment systems and capital improvement systems* (AMS-FTPP-22-0046).

<https://farmaction.us/wp-content/uploads/2024/08/Farm-Action-Comment-on-Proposed-Rule-on-Poultry-Grower-Payment-Systems-and-Capital-Improvement-Systems.docx.pdf>

³ Wayne-Sanderson Farms. (2022, July 22). *Cargill and Continental Grain complete acquisition of Sanderson Farms*.

<https://waynesandersonfarms.com/cargill-and-continental-grain-complete-acquisition/>

⁴ Farm Action. (2024, July). *Agricultural system concentration data*. <https://farmaction.us/concentrationdata/>

⁵ U.S. Department of Justice, Office of Public Affairs. (2022, July 25). *Justice Department files lawsuit and proposed consent decrees to end long-running conspiracy to suppress worker pay at poultry processing plants and address deceptive abuses against poultry growers*.

recognition within federal antitrust enforcement that tournament systems can produce anticompetitive and unjust outcomes, particularly in highly concentrated markets.

IV. Demonstrated Feasibility of the Rule

The experience of Wayne-Sanderson Farms provides a direct, real-world test case for the feasibility of the rule's core provisions. Following the merger, the company transitioned away from compensation structures that deduct payment based on grower rankings.

Since the transition away from pay deductions, there has not been evidence of disruptions to production or processing capacity, supply chain instability, or a diminished capacity to compete nationally. This demonstrates that integrators can successfully operate under compensation systems that do not rely on tournament-style penalties.

The fact that large-scale operators have implemented these changes undermines any claim that compliance requires extensive new infrastructure, prolonged adjustment periods, or prohibitive costs. To the contrary, it suggests that the operational changes required by the rule are well within the capabilities of major industry participants.

V. USDA's Justification for Delay

USDA's justification for delaying the rule—that additional study is needed—is contradicted by real-world implementation. The poultry industry already has a working example of the proposed reform in Wayne-Sanderson Farms, which provides more than sufficient data on the functionality and effects of the rule, rendering further delay unnecessary. In addition, this further study would create additional unnecessary costs for USDA by allocating resources to gather information and data that functionally already exists.

The delay also introduces regulatory inconsistency. Growers under integrators that have already reformed their practices benefit from greater stability and fairness, while others remain subject to harmful systems. Delaying implementation of the rule perpetuates uneven treatment of producers and integrators like Wayne-Sanderson, who have already been required to transition their pay structures. This patchwork application of protections is both unfair and economically distortive.

<https://www.justice.gov/archives/opa/pr/justice-department-files-lawsuit-and-proposed-consent-decrees-end-long-running-conspiracy>

Additionally, industry complaints of excessive compliance costs or operational challenges are contradicted by observed outcomes. The continued success of firms that have adopted these reforms suggests that such concerns are overstated.

VI. Consequences of Delaying Implementation

Delaying the rule perpetuates a system with a heavy power imbalance between integrators and growers, in which growers face unpredictable income and exposure to unjust financial penalties. These conditions not only harm individual producers but also deter new entrants and reduce the long-term resilience of the agricultural sector.

Postponing a finalized rule without compelling new evidence risks undermining confidence in USDA's rulemaking process. It signals that even well-supported reforms may be subject to indefinite delay, weakening the agency's credibility as a regulator.

The P&S Act was enacted to prevent precisely the kinds of unfair practices the rule addresses. Delaying implementation delays enforcement of these statutory protections and allows harmful practices to persist.

VII. Relationship to Broader Agricultural Competition Policy

The issues addressed by this rule are inseparable from broader concerns about concentration and competition in agricultural markets. In highly concentrated industries, contract terms are not negotiated—they are imposed. Payment systems are not merely contractual details—they are mechanisms through which market power is exercised.

The poultry sector is highly concentrated. Currently, four firms—Tyson Foods, Pilgrim's Pride Corp., Wayne-Sanderson Farms, and Mountaire Farms Inc.—control 58% of the domestic poultry market.⁶ On a regional basis, concentration is even more acute, with many growers reporting only one or two integrators operating in their region.⁷ In these conditions, growers have little to no ability to switch buyers or reject unfavorable terms.

This lack of competition enables integrators to use contract structures—such as tournament-style payment systems—to shift risk onto growers and impose financial penalties for factors outside their

⁶ Farm Action. (2024, July). Agriculture concentration data. <https://farmaction.us/concentrationdata/>

⁷ Transparency in poultry grower contracting and tournaments, 88 Fed. Reg. 83,210 (November 28, 2023). <https://www.federalregister.gov/documents/2023/11/28/2023-24922/transparency-in-poultry-grower-contracting-and-tournaments>

control. In a competitive market, such terms would be disciplined by the ability of growers to exit and contract elsewhere. In the absence of that competition, regulatory intervention is necessary to prevent abuse.

The Poultry Grower Payment rule directly addresses this gap by establishing baseline fairness in compensation where market forces fail to do so. In this way, USDA's action complements antitrust enforcement by addressing how market power is exercised in practice, not just how it is structured.

VIII. Recommendation

USDA should reject the proposed delay and allow the Poultry Grower Payment Systems and Capital Improvement Systems rule to take effect on its original timeline.

IX. Conclusion

The central reforms embodied in this rule, curbing payment deductions for growers under tournament-style systems, are not theoretical. These reforms are already being implemented at scale by major industry participants representing a significant share of the market. This demonstrates that the rule is feasible, practical, and consistent with a competitive poultry industry.

Delaying implementation would not generate meaningful new insights. It would only prolong harm to growers, perpetuate structural imbalances, and undermine the progress USDA has already made.

Relief for poultry growers should not be delayed when the industry has already proven that reform is both practical and sustainable. USDA should act decisively to uphold fairness in poultry contracting and ensure that these long-overdue protections are delivered without further delay.