

**Testimony of John Zimmerman on behalf of the National Turkey Federation
May 17, 2023**

Good morning, Chairman Mann, Ranking Member Costa members of the subcommittee. Thank you for the opportunity to share the turkey industry's perspective today.

My name is John Zimmerman, and I'm a second-generation turkey grower from Northfield, Minnesota. On my farm, we raise about 100,000 turkeys annually that produce roughly four million pounds of turkey meat each year. We also grow corn and soybeans as well. For me, raising turkeys is a family business. I've been around the industry my entire life. My father raised turkeys before me, and I took over the family business. I won't say it's easy work. But I do what I love.

I also serve as the Vice Chairman of the National Turkey Federation, which represents every segment of the U.S. turkey industry – from growers like me to processors, breeders and the allied companies that produce the goods and services we use to bring turkeys from the farm to tables in this country and around the world.

Last year, more than 216 million turkeys were raised in the United States, and USDA's latest data projects that turkey meat production will exceed last year's 5.2 billion pounds of ready to cook turkey meat. As the industry continues to work through challenges and ultimately recover from the current highly pathogenic avian influenza (HPAI) outbreak, we are also working to find more ways to remain competitive and meet consumer demands in a crowded protein field. Turkey may have its big day on Thanksgiving, but it's also a great year-round protein source. While HPAI has dealt the industry a severe blow, our history indicates a tremendous resilience in our industry that translates into growth opportunities in the near future.

Disease isn't the only challenge we face. We need common-sense policies from our leaders in Washington that protect food safety, animal welfare and the environment without undermining our ability to produce safe, wholesome and nutritious products affordable to Americans of all income levels. We need your help, and we look forward to working with Congress, and this committee, to address these issues.

Highly Pathogenic Avian Influenza

Since the HPAI outbreak began in early February of 2022, there have been 227 cases in commercial turkey or turkey breeder flocks, resulting in the loss of slightly more than 10 million turkeys. Across all commercial poultry and egg producing operations, almost 57 million birds have been lost to the disease. The H5N1 strain has been found in commercial and backyard flocks in 47 states, taking a huge toll on farmers and the communities in which they operate.

NTF appreciates USDA's coordinated response to the outbreak, including the indemnification program that has been an economic lifeline to growers, processors and Rural America. We also deeply appreciate the strong congressional support as we manage through this crisis. That support will be critical in the months ahead as we seek to put this outbreak behind us and reduce the chances of another outbreak in the future.

Working together, we have come a long way from the 2015 outbreak. The viral loads in the wild-bird population have been significantly higher this time than they were in 2015, and the current strain of the virus is more heat resistant, meaning the virus did not die out with the arrival of summer. Nonetheless, we have scored some important victories on which we can build. USDA reports far fewer instances of farm-to-farm transmission of the virus, meaning the biosecurity enhancements implemented across the last seven years are working. The speed with which USDA deployed a coordinated response was impressive. Trade disruptions have been reduced.

We still have important work yet to be completed. We would like to outline some of the most important challenges that lie ahead.

Readiness: While the federal response has been impressive, dealing with a large multistate outbreak has put tremendous strain on USDA's Animal and Plant Health Inspection Service (APHIS). The agency has been understaffed for some time and needs at least 150 full-time employees (FTEs) to return to normal strength and provide maximum assistance with all aspects of this outbreak. Time is of the essence when dealing with a positive flock to reduce the shedding of additional virus into the environment. Addressing the staffing shortage will ensure the speediest possible depopulation and disposal times, which are essential to fully that save money and avoid unnecessary flock mortality. We encourage Congress to provide the funds that will allow APHIS to compete with the private sector and hire and train the 150-plus FTEs the agency so badly needs. It not only will help

speed the end of this outbreak; it will allow for the type of effective, rapid response that will be needed in any future outbreak.

In addition to providing APHIS with the necessary financial resources, Congress should empower the agency to pursue other creative solutions such as developing cooperative agreements to train state, or even industry employees, so they can be called upon during animal health emergencies. In addition, there should be an effort made to explore options to incentivize veterinarians to enter federal service. Potential programs could include a debt forgiveness package along with a more robust vet school intern program.

Continue Funding APHIS Wild Bird Surveillance: Timely reporting of results from APHIS' wild bird surveillance program provide a vital early warning system about the potential introduction and distribution of avian influenza viruses in the United States. Routine sampling of wild birds in all four major flyways – Atlantic, Mississippi, Central and Pacific – allows for APHIS and the turkey industry to take timely and enhanced actions to reduce the introduction and spread to our commercial flocks. This program must continue to be fully funded in the future.

Vaccination: Vaccination could be an effective tool for eradicating an outbreak but trade agreements based on outdated science create enormous obstacles to vaccination, even if an effective vaccine is developed to combat the current strain. For this reason, NTF has repeatedly and emphatically stated we are not asking for USDA to approve vaccination of commercial poultry if it would severely damage the export opportunities for any poultry or egg product. USDA also has made it clear it would not authorize vaccination if it would decimate trade. With the federal government and all poultry and egg trade associations in complete agreement on this important issue, there should be no cause for alarm in any quarter of the poultry and egg industry. All of which makes it baffling to NTF that some continue to generate fearmongering communications about vaccination. So, we will try once again to state clearly and unequivocally the turkey industry's position on vaccination.

NTF and its members are calling for federally supported research to determine if an effective vaccine can be developed to treat the current HPAI strain. A verifiable program also must be in place to differentiate between vaccinated birds and birds that have been infected with HPAI (also known as a DIVA program). Any vaccine that meets these requirements should be used only to end an active outbreak, not as an open-ended control measure. We also are urging the federal government to begin discussions with our trading partners to see if new agreements can be reached that would permit vaccination without harm to trade. We appreciate that

Secretary Vilsack and the USDA team recognize that this strategy currently is being pursued in Europe and likely will be pursued by other poultry producing countries as well, creating the very real possibility that other countries will gain a competitive edge over the U.S. Those that do not support a judicious, constructive approach to vaccination – one that moves as fast as science and diplomacy allow – are fundamentally pursuing an America Last policy.

This obviously is a complicated challenging process, and it is impossible to predict exactly how long it will take. That is why we are gratified USDA has begun to take some preliminary steps. It still is unclear how the international community will respond, we are encouraged by the fact that the European Union is exploring vaccination strategies, and we hope others will follow suit.

Our industry remains strongly supportive of the process of developing a vaccination strategy through sound scientific research and critical conversations with our trading partners. The U.S. needs to pursue this regardless of whether the current outbreak remains active or not to better prevent further impacts on the poultry industry.

Indemnity to Mitigate the Impact of HPAI: Indemnity payments are made when the federal government orders the depopulation of a flock to control or eradicate HPAI and other animal diseases. While indemnity values traditionally reflected the costs associated with conventional commercial turkey meat production, APHIS (utilizing a limited NTF survey) during this outbreak has created turkey production subcategories of premium value, including turkey breeders and organic turkeys. Additional funding and congressional direction to update indemnity values for all current subcategories on a yearly basis to reflect current costs associated is necessary and to include missing subcategories, such as no antibiotic ever (NAE) production as well as grandparent and great-grandparent breeder stock.

2023 Farm Bill

The current HPAI outbreak is a prime example of how important the Farm Bill is to our industry and the animal agriculture community. Foreign animal diseases have the ability to cripple the entire agricultural sector and have long-lasting ramifications for the economic viability of U.S. livestock and poultry production. It is critical that the new Farm Bill continue to address these risks to animal health while likewise bolstering the long-term ability of U.S. animal agriculture to be competitive in the global marketplace and provide consumers around the world safe, wholesome, affordable food produced in a sustainable manner.

The 2018 Farm Bill established a three-tiered animal disease program with mandatory funding to ensure the sufficient development and timely deployment of all measures necessary to prevent, identify and mitigate the potential catastrophic impacts that an animal disease outbreak would have on our country's food security, export markets and overall economic stability. With Congress on the brink of writing a new Farm Bill, NTF and its coalition partners are asking for these programs to be renewed and remain robustly funded for the life of the next bill.

The three-tiers include:

- The National Animal Disease Preparedness and Response Program (NADPrep), which allows APHIS to collaborate with farmers, ranchers and animal health companies to develop programs that help prevent and eliminate the most serious animal disease threats.
- The National Animal Disease Vaccine and Veterinary Countermeasures Bank (Vaccine Bank), which helps fund the stockpiling of vaccines and diagnostic tests that may be needed to prevent or control disease outbreaks.
- The National Animal Health Monitoring System (NAHMS) Laboratory Network, which is comprised of more than 60 federal, state and university veterinary diagnostic labs. The NAHMS network has been critical in the effort to rapidly detect and diagnose HPAI cases.

We are extremely grateful for the support Congress has shown to our industry through this challenging time of HPAI. We look forward to continuing our work together in the upcoming Farm Bill.

Carbon Dioxide (CO₂) Supply Disruptions

Carbon Dioxide (CO₂) is essential to turkey production. It is a highly effective stunning agent for turkeys that are about to be processed, it is used to help cool the chillers that are a critical component of plants' food safety systems and it is utilized in other facets of turkey production. During the last year, CO₂ prices have soared, and suppliers have invoked force majeure numerous times because of increasing CO₂ shortages. This has created new chaos in a supply chain that had just begun to recover from the Covid-19 pandemic, has disrupted production and processing schedules and created new levels of uncertainty for an industry already reeling from the HPAI outbreaks. Many of these initial shortages have been caused initially by disruptions at CO₂ processing plants, but the looming tax incentives for carbon sequestration, passed as part of the Inflation Reduction Act, are sure to exacerbate the problem.

As background, we associate carbon dioxide with global warming and climate change. It's easy to assume that a carbon dioxide shortage would be a good thing, but in recent years the depletion of this gas has caused an onslaught of issues for the industries that rely on it for key elements of their supply chain. There simply isn't enough of it in the right places to satisfy the myriad uses of this atmospheric gas. With global shortages on this rise, there is no clear solution to the CO₂ shortage and disruptions in the food and beverage space at the current time. As stated, the food and beverage industry has been the most affected by the carbon dioxide shortage. From the carbonation of beer and soda to food chilling and packaging applications, CO₂ is an essential component of the supply chain for our industries. Furthermore, the turkey industry has a specific and critical use of CO₂ in the stunning of birds at the start of processing. All of this has led to what is now being categorized as a potential food and drink crisis.

CO₂'s importance to many food and beverage production systems was most obvious during the supply chain challenges at the beginning of the pandemic. However, as most supply chain challenges have improved, CO₂ has continued to be a source of significant challenges and it is no better observed than during high demand season — especially in the summer when many plants that produce CO₂ shut down for maintenance.

Now we are beginning to learn that these shortages have caused almost everyone, across all sectors, to ration or prioritize products to some degree, but over the past 12 months the turkey industry alone has witnessed a cumulative of 505 days of lost processing because of not enough CO₂ available for a day's production. That does not even include turkey plants that had to reduce daily capacity because of rationing. This is leading to significant price increases, so we ask a couple of critical questions. Other concerning developments since 2020 is the ever-increasing use of the Force Majeure clauses to limit supply as ALL turkey companies have indicated the use, at least once in the past 12 months, of this and one company indicated its use as many as 18 times. The exponential uptick in the use of this clause should be one that Congress should more closely monitor and evaluate to reduce disruptions and efficiencies. All totaled these actions have resulted in increased costs to all turkey companies with a range of mid-six figured to low seven-figures across the board.

This all creates questions that we think Congress should more closely review to ensure the federal government policy that is now law is not a driving factor of this realized tax. First, minus true oversight of the CO₂ utilization market, can any federal department or agency have the ability to assist in predicting or better

forecasting when CO₂ supplies will truly respond to the market and correct itself thus curbing this increased cost or tax? With annual shutdowns of CO₂ production facilities for maintenance causing supply chain disruptions, could the federal government assist in managing this commodity to improve the predictability of the markets? Finally, there is significant concern for those of us that need CO₂ on a daily basis to make the food and beverages that the Inflation Reduction Act's (doubling of the 45Q tax credit has prioritized carbon capture over other important and necessary uses. I recognize the realities of what this tax incentive was meant to do but Congress overlooked an important sector of the economy that is harmed by increasing the tax credit.

A coalition of like-minded industries including a broad swath of food and beverage producers has begun asking these questions. Without exception, members of Congress, their staff and committee staff all have indicated they did not take into account the signals this legislation sent to the market. We recognize this committee does not have jurisdiction over these provisions; however, you do have the ability to shine a spotlight on the impact this legislation has had on the industries you do oversee.

Food Safety

The turkey industry's commitment to food safety is widely recognized by a wide range of stakeholders. It always will be our top priority. NTF is supportive of new approaches or technological advancements that enhance control of Salmonella and other foodborne pathogens. However, any new policies should be founded in science, data driven and highly likely to impact public health.

On April 25 USDA's Food Safety and Inspection Service (FSIS) released a proposed rule to declare Salmonella an adulterant in breaded stuffed raw chicken products when the chicken component tests. While this proposed rule does not impact the regulatory process for turkey products, this is the first time FSIS has declared Salmonella an adulterant in raw poultry and represents a substantial shift in the agency's position.

Additionally, FSIS is currently conducting two risks assessments related to Salmonella in poultry. Ultimately, the risk assessments will be released for public comment and review from industry and all other stakeholders before being updated and finalized. Simultaneously, FSIS has indicated it will be drafting new Salmonella policy for establishments producing turkey and chicken products and anticipates publishing a proposed rule this summer. A proposed rule ultimately may lead to important advances in food safety regulation, but the timing is

troubling. New regulations should not be proposed before the risk assessments are complete.

We also are concerned that FSIS engagement with stakeholders since the proposed framework was issued has been limited. Additional data input would be incredibly valuable to the risk assessments, however, due to the policy timeline posed, the collection period was short. That is why, NTF along with the National Chicken Council and the North American Meat Institute have officially asked for an additional 120-day extension to that review process given the significance of the impacts this could have on all parties involved. Unfortunately, on Friday, May 12th the agency granted only a 30-day extension. Given the magnitude of this proposed determination, we ask that the Committee also support us by seeking an additional extension.

Packers and Stockyards Act Contracting Rules

USDA so far has issued two proposed rules in the last year seeking to address what the department says are flaws in the current poultry production contracting process. The first rule dealt with contract transparency and indicated a surprising lack of understanding about turkey production. In the preamble to rule, USDA acknowledged that it based most of the rule based on information it had gathered about the chicken industry. It shows. It sought to require provisions that fundamentally already exist in turkey contracts but that now may need to be rewritten to comply with a rule designed for another industry. As a turkey grower, I can tell you this does not benefit me, and it does not benefit most of my neighbors. We have urged USDA to withdraw the rule. If it must move forward with a new rule, it should gather additional input to better reflect unique differences between the various species it is attempting to regulate.

The second proposed rule, “Inclusive Competition and Market Integrity Under the Packers and Stockyards Act,” is even more concerning. NTF has urged the agency to withdraw and repropose the rule because the current version is far too ambiguous regarding what activities are prohibited. It will lead to increased legal and regulatory uncertainty, clearly invites increased litigation, and will make it far more difficult for processors and growers to conduct business. In addition, the proposed rule targets conduct that is already clearly prohibited by provisions of the Packers and Stockyards Act, creating redundant, duplicitous red tape.

Labor

As I mentioned a few years ago during my testimony before this committee, our industry continues to suffer from a lack of access to workers. The turkey industry

supports immigration reform that includes policies and provisions that will maximize benefits to the industry and ensure a strong and durable immigration system that meets the needs of the U.S. economy.

Most turkey plants are located in rural, low-unemployment areas. To fully staff these plants, producers must recruit from outside of their local areas and in many instances must rely on immigrant labor. Existing guestworker programs target only seasonal, on-farm labor and non-agricultural manufacturing. We need workers in our plants year-round, and we stand ready to work with all parties to achieve a workable system. The turkey industry hopes that Washington can put the rhetoric aside and find a solution.

Once again, thank you for the opportunity to testify today on the state of the U.S. turkey industry and the issues impacting our businesses. I will be happy to answer any questions.