05-012P
05-012P-41
Herb Kohl

41

HERB KOHL
WISCONSIN

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United States Senate

WASHINGTON, DC 20510-4903

COMMITTEES:

APPROPRIATIONS

JUDICIARY

SPECIAL COMMITTEE
ON AGING

February 2, 2006

Mr. Arlen Lancaster
Deputy Assistant Secretary for Congressional Relations
U.S. Department of Agriculture
213A Whitten Building
1400 Independence Avenue, SW
Washington, D.C. 20250-0001

Dear Mr. Lancaster:

I am writing to request your assistance in helping a Wisconsin constituent. Enclosed, please find a copy of the correspondence I received.

Any assistance you could provide in responding to these concerns would be greatly appreciated. Please respond directly to my constituent and send a copy to my office.

Thank you for your attention to this matter.

Sincerely,

Herb Kohl

Herb Kohl
United States Senator

HK:cg
Enclosure

MILWAUKEE OFFICE:
310 WEST WISCONSIN AVENUE
SUITE 950
MILWAUKEE, WI 53203
(414) 297-4451
T.T.Y. (414) 297-4485

MADISON OFFICE:
14 WEST MIFFLIN STREET
SUITE 207
MADISON, WI 53703
(608) 264-5338

EAU CLAIRE OFFICE:
402 GRAHAM AVENUE
SUITE 206
EAU CLAIRE, WI 54701
(715) 832-8424

APPLETON OFFICE:
4321 WEST COLLEGE AVENUE
SUITE 235
APPLETON, WI 54914
(920) 738-1640

LACROSSE OFFICE:
425 STATE STREET
SUITE 202
LACROSSE, WI 54601
(608) 796-0045

#1 7283811 - Mr. Terry Tucker, In ID: 2348164, Out ID: 2522513

From: jdeatsman@mapleleaffarms.com
Date: 1/17/2006 1:19:18 PM
Subject:FSIS [Docket No. 05-12P]

January 17, 2006

Dear Senator Kohl:

On behalf of Maple Leaf Farms and the United States poultry industry, we would like to make you aware of a proposed Food Safety and Inspection Service rule (Docket No. 05-012P) that would allow the People's Republic of China to export processed poultry products to the United States. Not only do we view such a proposal to be a threat to smaller U.S. poultry industries and producers, but we also feel that it will undermine U.S. consumer confidence in poultry products and our federal government's attempts to protect the $29.5 billion U.S. poultry industry from avian influenza. Consequently, we have submitted the following comments about the proposed rule to the Food Safety and Inspection Service.

Impact on U.S. Poultry Industries and Producers
Through its investigation, the USDA determined that the proposed rule would result in approximately 2,500,000 pounds of poultry imports from China and that these products would have a small effect on domestic poultry supplies and prices. While this amount may be small when compared to the United States' total poultry production, it represents a significant threat to our country's smaller poultry industries such as duck, goose and squab. U.S. producers of these specialty poultry products could easily be undercut by low grade Chinese products produced at a fraction of the price due to lower wages and benefits.

Furthermore, our experience with world markets leads us to believe that the 25 establishments that would be authorized to export products to the U.S. through such a rule could certainly export more than the USDA estimated - particularly since many Asian countries have seen a notable decrease in domestic poultry consumption during their ongoing struggles with Avian Influenza H5N1 over the past few years. According to a November 2005 Wall Street Journal Article, consumption of poultry products in these countries has dropped by as much as 60% due to bird flu concerns. This has left many poultry companies looking abroad for alternative markets for their products.

We also believe that the impact of China's poultry imports to our country could easily escalate should the United States experience even a minor disease outbreak, which would lead other countries to ban our own poultry exports as they have done in the past. In 2004, China and other countries banned all imports of U.S. poultry products after a case of low pathogenic avian influenza was identified in Delaware.

Impact on U.S. Consumer Confidence
Although the proposed rule does not allow raw poultry products to enter the U.S. and it requires Chinese companies to use poultry raised and slaughtered outside of China, we feel that it would nevertheless undermine the confidence of American consumers who are already weary of foreign poultry products and have questioned the safety of domestic supplies. Since China, Vietnam and other Asian countries have been fighting outbreaks of highly pathogenic avian influenza, our own company has received numerous inquiries from consumers and retail customers wanting reassurance that none of our products were obtained from countries facing outbreaks of H5N1 Avian Influenza and that our domestically produced products are safe. This sentiment was mirrored in a consumer study conducted by Penn, Schoen, and Berland Associates for the National Chicken Council and National Turkey Federation, which found that many consumers still doubt statements about the safety of cooked poultry despite World Health Organization, Centers for Disease Control and industry efforts to educate consumers on this point.

The same study found that American consumers thought it was very important that the U.S. government had prohibited Asian poultry imports. The consumers indicated that such a move demonstrated that our country is serious about protecting consumers. Therefore, if the proposed rule passed and cooked poultry products from China were allowed to be sold in the U.S., American consumer confidence could be shaken. Consumers who already doubt the safety of cooked poultry products might not fully understand the distinction between products grown and slaughtered in China versus those obtained from other countries and further processed in China. In addition, those consumers who do not want to use products produced or processed in other countries would not have the opportunity to make informed decisions unless these products were clearly labeled and truthfully marketed. If American consumers cannot buy with confidence, they may decide to avoid poultry products altogether.

Impact on U.S. Efforts to Prevent Avian Influenza

Under the proposed rule, the certified Chinese establishments would have to acquire the raw poultry products from other countries and then further process them. While the rule calls for measures to ensure that they do not use poultry raised in China, we doubt how effective these measures would be-especially if domestically produced poultry is cheap and very accessible. In the past several months, we've heard numerous reports of illegal smuggling of poultry products from areas affected by H5N1 Avian Influenza. We've also read reports of infected poultry products being shipped to other countries. An October 2004 article in The China Post reported that Taiwan reported finding poultry with the H5N1 Avian Influenza virus that was smuggled in from mainland China.
A July 2005 article in the Seattle Times reported that an H5N1 bird flu virus was found in processed frozen duck meat exported to Japan from the Chinese province of Shandong in 2003.
A November 2005 St. Louis Post-Dispatch article outlined how more than 165,000 pounds of Asian poultry products were seized in a two-month period. The products included frozen chicken, duck, goose, and pigeon meat in mislabeled containers. The article highlighted an interview with a Department of Homeland Security contractor who said that the government should be doing more to stop imported poultry at the borders.
If Asian smugglers are able to succeed in shipping illegal products into the United States, it's not hard to imagine that they could more easily market these products to entities in their own country that have an outlet for additional products in the United States.

Currently, our administration has proposed to spend more than $7 billion to combat the avian influenza threat in the world. In our opinion, it would be careless of our government to then turn around and allow processed poultry products from China into our markets. While such a move may be looked at as an opportunity to open up trade with China, we feel it could make our country and its $29.5 billion poultry industry more vulnerable to H5N1 Avian Influenza.

We feel that passing the proposed rule could do much to hurt small U.S. poultry producers and damage the confidence that American consumers have in our government's avian influenza programs and our country's food system. Therefore, we encourage you to contact the FSIS and ask them to not pass the proposed rule to allow the addition of the People's Republic of China to the list of countries eligible to export processed poultry and poultry products to the United States.

Sincerely,

Terry L. Tucker
Chief Executive Officer
Maple Leaf Farms, Inc.

==== Original Formatted Message Starts Here ====

<APP>SCCMAIL
<PREFIX>Mr.</PREFIX>
<FIRST>Terry </FIRST>
<LAST>Tucker</LAST>
<ADDR1>2319 Raymond Ave</ADDR1>
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<CITY>Franksville</CITY>
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<PHONE>1-800-348-2812</PHONE>
<EMAIL>jdeatsman@mapleleaffarms.com</EMAIL>
<ISSUE>td</ISSUE>
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Impact on U.S. Poultry Industries and Producers

Through its investigation, the USDA determined that the proposed rule would result in approximately 2,500,000 pounds of poultry imports from China and that these products would have a small effect on domestic poultry supplies and prices. While this amount may be small when compared to the United States' total poultry production, it represents a significant threat to our country's smaller poultry industries such as duck, goose and squab. U.S. producers of these specialty poultry products could easily be undercut by low grade Chinese products produced at a fraction of the price due to lower wages and benefits.

Furthermore, our experience with world markets leads us to believe that the 25 establishments that would be authorized to export products to the U.S. through such a rule could certainly export more than the USDA estimated - particularly since many Asian countries have seen a notable decrease in domestic poultry consumption during their ongoing struggles with Avian Influenza H5N1 over the past few years. According to a November 2005 Wall Street Journal Article, consumption of poultry products in these countries has dropped by as much as 60% due to bird flu concerns. This has left many poultry companies looking abroad for alternative markets for their products.

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Sincerely,

Terry L. Tucker
Chief Executive Officer
Maple Leaf Farms, Inc. </MSG>
</APP>

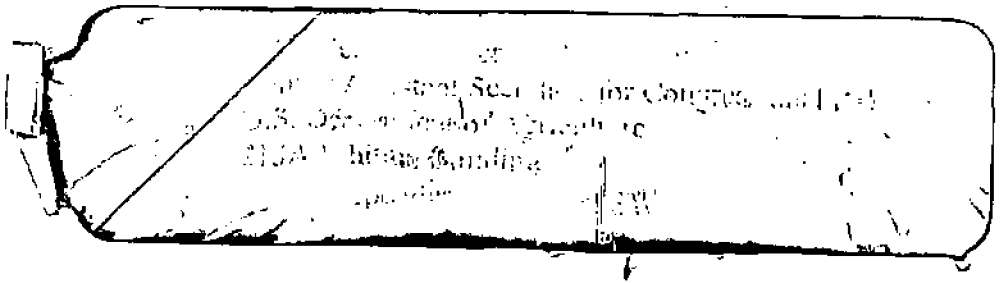
United States Senate

WASHINGTON, DC 20510–4903

OFFICIAL BUSINESS

Herbert Kohl

U.S.S.



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