

U.S. DEPARTMENT OF AGRICULTURE AGRICULTURAL MARKETING SERVICE FAIR TRADE PRACTICES PROGRAM PACKERS AND STOCKYARDS DIVISION	<b>6100 LIVE POULTRY DEALER DISCLOSURE                  DOCUMENT FORM INSTRUCTIONS</b>
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This form is for use by any entity engaged in business as a Live Poultry Dealer and is required by 9 CFR 201.102 of the regulations under the Packers and Stockyards Act, 1921 (Act), as amended and supplemented, to provide broiler growers the required disclosure information.

Submit the Live Poultry Dealer Disclosure Document, along with all required disclosure documents to each of the broiler growers under contract to you in the order, form, and content as instructed below and in § 201.102. Copies of this form may be obtained from the regional office covering your area, or on our website: <https://www.ams.usda.gov/resources/forms>.

<b>Regional Offices of the Packers and Stockyards Division                      Agricultural Marketing Service, Fair Trade Practices Program</b>		
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<b>States Covered</b>	<b>States Covered</b>	<b>States Covered</b>
AL, AR, CT, DC, DE, FL, GA, LA, MA, MD, ME, MS, NC, NH, NJ, NY, PA, PR, RI, SC, TN, VA, VT, WV	IA, IL, IN, KY, MI, MN, MO, ND, NE, OH, SD, WI	AK, AZ, CA, CO, HI, ID, KS, MT, NM, NV, OK, OR, TX, UT, WA, WY

**A. Prominent Disclosures (Cover Page(s)) Should Include Items A1-A13.**

The following information is required under 9 CFR 201.102(b)(1), (2), and (3).

- A1. Company Name
- A2. Business Type
- A3. Business Address
- A4. Contact Name
- A5. Telephone Number
- A6. Company Email Address
- A7. Website Address
- A8. Term of Contract (dates)

A9. The following statement, as required under section § 201.102(b)(4):

“The income from your poultry farm may be significantly affected by the number of flocks the poultry company places on your farm each year, the density or number of birds placed with each flock, and the target weight at which poultry is caught. The poultry company may have full discretion and control over these and other factors. Please carefully review the information in this document.”

A10. Under the terms of this broiler growing arrangement, as required under § 201.102(b)(5):

- a. Minimum number of flocks placed on the grower’s farm each year; and
- b. Minimum stocking density of each flock placed on the grower’s farm.

A11. The applicable of one of the following two statements, as required under § 201.102(b)(6):

a. “This disclosure document summarizes certain provisions of your broiler growing arrangement and other information. You have the right to read this disclosure document and all accompanying documents carefully. At least 14 calendar days before the live poultry dealer executes the broiler growing arrangement (provided that growers may waive up to 7 calendar days of that time period), the poultry company is required to provide you with: (1) this disclosure document, and (2) a copy of the broiler growing arrangement.” OR

b. “This disclosure document summarizes certain provisions of your broiler growing arrangement and other information. You have the right to read this disclosure document and all accompanying documents carefully. The live poultry dealer is required to provide this disclosure document to you simultaneously with (a) a copy of the broiler growing arrangement, (b) any new or modified housing specifications that would require you to make an original or additional capital investment, and (c) a letter of intent.”

A12. Statement and Sentence (in bold) as required under § 201.102(b)(7) and (8):

“Even if the broiler growing arrangement contains a confidentiality provision, by law you still retain the right to discuss the terms of the broiler growing arrangement and the Live Poultry Dealer Disclosure Document with a Federal or State agency, your financial advisor or lender, your legal advisor, your accounting services representative, other growers for the same live poultry dealer, and your immediate family or business associates. A business associate is a person not employed by you, but with whom you have a valid business reason for consulting when entering into or operating under a broiler growing arrangement.” AND

**“Note that USDA has not verified the information contained in this document. If this disclosure by the live poultry dealer contains any false or misleading statement or a material omission, a violation of Federal and/or State law may have occurred.”**

### **B. Required Disclosures Following Cover Pages - Items B1-B11:**

B1. A summary of litigation over the prior 5 years between the live poultry dealer and any broiler grower; including the nature of the litigation, its location, the initiating party, a brief description of the controversy, and any resolution, as required under § 201.102(c)(1).

B2. A summary of all bankruptcy filings in the prior 5 years by the live poultry dealer and any parent, subsidiary, or related entity of the live poultry dealer, as required under § 201.102(c)(2).

B3. A statement that describes the live poultry dealer’s policies and procedures regarding the potential sale of the broiler grower’s facility or assignment of the broiler growing arrangement to another party, including the circumstances under which the live poultry dealer will offer the successive buyer a broiler growing arrangement, as required under § 201.102(c)(3).

B4. A statement describing the live poultry dealer’s policies and procedures, as well as any appeal rights arising from the events described in § 201.102(c)(4)(i) through (c)(4)(vi). If no policy or procedure exists, the live poultry dealer will acknowledge “no policy exists” relating to the items in § 201.102(c)(4)(i) through (c)(4)(vi):

(i) Increased lay-out time.

(ii) Sick, diseased, and high early-mortality flocks.

(iii) Natural disasters, weather events, or other events adversely affecting the physical infrastructure of the local complex or the grower facility.

(iv) Other events potentially resulting in massive depopulation of flocks, affecting grower payments.

(v) Feed outages, including outage times.

(vi) Grower complaints relating to feed quality, formulation, or suitability.

B5. A table showing the average annual broiler grower turnover rates for the previous calendar year and the average of the 5 previous calendar years at a company level and at a local complex level, as required in § 201.102(c)(5). Specific computation instructions and an example table for annual grower turnover rates appear in the Appendix to this form.

B6. Tables showing average annual gross payments to broiler growers at the local complex for each of the 5 previous years. The tables must express average payments in U.S. dollars per farm facility square foot. The tables must be organized by year, housing specification tier (lowest to highest), and quintile (lowest to highest), or by mean and standard deviation, as required under § 201.102(d)(1). Specific computation instructions and an example table for average annual gross payments by quintile appear in the Appendix to this form.

B7. If poultry housing specifications for broiler growers under contract with the complex are modified such that an additional capital investment may be required, or if the 5-year averages provided under § 201.102(d)(1) do not accurately represent projected grower gross annual payments under the terms of the applicable broiler growing arrangement for any reason, provide the following additional information, as required under § 201.102(d)(2):

(a) Tables providing projections of average annual gross payments to broiler growers under contract with the complex with the same housing specifications for the term of the broiler growing arrangement at five quintile levels, or by mean and standard deviation, expressed as dollars per farm facility square foot. AND

(b) An explanation of why the annual gross payment averages for the previous 5 years, as provided under § 201.102(d)(1), do not provide an accurate representation of projected future payments, including the basic assumptions underlying the projections provided under § 201.102(d)(2)(i).

B8. A summary of information the live poultry dealer collects or maintains relating to grower variable costs inherent in broiler production, as required in § 201.102(d)(3).

B9. Current contact information for the State university extension service office or the county farm advisor's office that can provide relevant information about broiler grower costs and broiler farm financial management in the broiler grower's geographic area, as required under § 201.102(d)(4).

B10. Certification, as required under 201.102(f)(2):

"I certify that, to the best of my knowledge, \_\_\_\_\_ [company name] has established, maintains, and enforces the governance framework and that based on my knowledge, the Live Poultry Dealer Disclosure Document does not contain any untrue statement of a material fact or omit to state a material fact which would render it misleading."

B11. Broiler Grower's Signature page that contains the following statement, as required in 201.102(g)(1) and (2):

"If the live poultry dealer does not deliver this disclosure document within the timeframe specified herein, or if this disclosure document contains any false or misleading statement or a material omission (including any discrepancy with other oral or written statements made in connection with the broiler growing arrangement), a violation of Federal and State law may have occurred. Violations of Federal and State laws may be determined to be unfair, unjustly discriminatory, or deceptive and unlawful under the Packers and Stockyards Act, as amended.

You may file a complaint at *farmerfairness.gov* or call 1-833-DIAL-PSD (1-833-342-5773) if you suspect a violation of the Packers and Stockyards Act or any other Federal law governing fair and competitive marketing, including contract growing, of livestock and poultry. Additional information on rights and responsibilities under the Packers and Stockyards Act may be found at [www.ams.usda.gov](http://www.ams.usda.gov).”

**Appendix to Form PSD-6100**

**Specific Computation Instructions and Examples for § 201.102(c) and (d) (Items B1 through B9)**

**Annual Grower Turnover Rates (201.102(c)(5))<sup>1</sup>**

To calculate grower turnover rates:

1. Define the time period for the calculation (previous-year or five-year average annual).
2. Calculate the average number of growers during the period at a company level and at a complex level by averaging the number of growers at the beginning and end of the period.
3. Determine the total number of grower separations during the period at a company level and at a local complex level.
4. Use the Grower Turnover Rate formula to calculate the grower turnover rate at a company level and at a local complex level.
5. Complete the Company and Complex Grower Turnover Rate table.

$$\text{Grower Turnover Rate} = \frac{\text{number of grower separations in time period}}{\text{average number of growers in time period}} \times 100$$

**Example Table:**

Company and Complex Grower Turnover Rate

<b>Company Name</b>	
Previous-Year Annual Grower Turnover Rate	
Five-Year Average Annual Grower Turnover Rate*	
<b>Complex Name**</b>	
Previous-Year Annual Grower Turnover Rate	
Five-Year Average Annual Grower Turnover Rate	
<b>Complex Name**</b>	
Previous-Year Annual Grower Turnover Rate	
Five-Year Average Annual Grower Turnover Rate*	

\* If a live poultry dealer has been in operation for fewer than 5 years, the live poultry dealer should report the average for the number of years it has been in operation.

\*\* Live poultry dealers should lengthen or shorten the table as needed to include each local complex (if more than one) for a prospective or current broiler grower.

<sup>1</sup> AMS has provided specific computation instructions so that all live poultry dealers calculate annual grower turnover rates using the same formula. This ensures consistency across all live poultry dealers in the calculation and disclosure to broiler growers. This consistency also ensures that broiler growers can accurately compare annual grower turnover rates across several live poultry dealers.

**Average Annual Gross Payments by Quintile (201.102(d)(1)(A))<sup>2</sup>**

To calculate average annual gross payments and quintiles:

1. Group growers according to the housing specification affiliated with their broiler growing arrangement.
  - a. Include all growers under contract for a complete calendar year and growers under flock-to-flock broiler growing arrangements for the full year, and
  - b. Exclude growers whose housing specifications changed during the calendar year from the calculation for that year.
2. Sum all gross payments to each grower during the calendar year to determine each grower's annual gross payments.
3. Divide each grower's total annual gross payments by the square footage of floor space of the grower's farm facility to reflect dollars per farm facility square foot of floor space.
4. Rank the annual gross payments per square foot in numerical order from lowest to highest.
5. Multiply the total number of growers by 0.2, and round to the nearest whole number to determine the largest ranking annual gross payment per square foot in the first quintile. All annual gross payments (\$/ft<sup>2</sup>) at this upper bound and below form the first quintile.
6. Multiply the total number of growers by 0.4, 0.6, and 0.8, respectively and round to the nearest whole number to determine the largest ranking annual gross payments per square foot for each of the remaining quintiles. The lower bounds for each quintile are simply the next largest annual gross payments per square foot above the upper bound of the previous quintile. All remaining annual gross payments per square foot greater than the upper bound of the fourth quintile form the fifth quintile.
7. Group each annual gross payment per square foot into each quintile using the respective lower and upper bounds calculated above.
8. Calculate the average of the annual gross payments per square foot in each quintile.
9. Place the average of the annual gross payments per square foot for each quintile into tables based on the following example table.

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<sup>2</sup> AMS has provided specific computation instructions so that all live poultry dealers calculate average annual gross payments by quintile using the same computation instructions. AMS is aware that different computer applications (Excel, SAS, for example) use different algorithms to determine quintiles, which yield slightly different results. Providing live poultry dealers with specific instructions to use the same computation instructions ensures consistency across all live poultry dealers in the calculation and disclosure to broiler growers. This consistency also ensures that broiler growers can accurately compare average annual gross payments by quintile across several live poultry dealers.

**Example Table for a Local Complex:**

Quintiles of Average Annual Gross Payment per square foot for Calendar Year \_\_\_\_.\*

Complex and Housing Information	Quintiles	Average Annual Gross Payments **
Complex name (City, State, complex)		
Short description of Housing specification	1 <sup>st</sup> quintile (lowest average annual gross payments) (lowest 20%)	\$__ per farm facility square foot
	2 <sup>nd</sup> quintile (next 20%)	\$__ per farm facility square foot
	3 <sup>rd</sup> quintile (next 20%)	\$__ per farm facility square foot
	4 <sup>th</sup> quintile (next 20%)	\$__ per farm facility square foot
	5 <sup>th</sup> quintile (highest average annual gross payments) (highest 20%)	\$__ per farm facility square foot
Short description of Housing specification	1 <sup>st</sup> quintile (lowest average annual gross payments) (lowest 20%)	\$__ per farm facility square foot
	2 <sup>nd</sup> quintile (next 20%)	\$__ per farm facility square foot
	3 <sup>rd</sup> quintile (next 20%)	\$__ per farm facility square foot
	4 <sup>th</sup> quintile (next 20%)	\$__ per farm facility square foot
	5 <sup>th</sup> quintile (highest average annual gross payments) (highest 20%)	\$__ per farm facility square foot
Short description of Housing specification	Same information as above	Same information as above
Complex name (City, State, complex)		
Same information as above for each Housing specification	Same information as above	Same information as above
Complex name (City, State, complex)		
Same information as above for each Housing specification	Same information as above	Same information as above

\* Live poultry dealers should prepare this table for each of the five previous years.

\*\*Live poultry dealers should lengthen or shorten the table as needed to include each housing specification at each complex.

**Mean and Standard Deviation of Annual Gross Payments per Square Foot (201.102(d)(1)(B))**

To calculate the mean and standard deviation of annual gross payments per square foot<sup>3</sup>:

1. Group growers according to the housing specification affiliated with their broiler growing arrangements.
  - a. Include all growers under contract for a complete calendar year and growers under flock-to-flock broiler growing arrangements for the full year, and
  - b. Exclude growers whose housing specifications changed during the calendar year from the calculation for that year.
2. Sum all gross payments to each grower during the calendar year to determine each grower's annual gross payments.
3. To get annual gross payments for each grower on a U.S. dollars per farm facility square foot basis (\$/ft<sup>2</sup>), divide each grower's total annual gross payments by the square footage of floor space of the grower's farm facility to reflect dollars per farm facility square foot of floor space.
4. To calculate the mean of annual gross payments, sum the annual gross payments (\$/ft<sup>2</sup>) for each grower during the calendar year and then divide the sum by the number of growers.
5. To calculate the standard deviation from the mean, s, use the following formula and instructions:

$$s = \sqrt{\frac{\sum(X_i - \bar{X})^2}{n-1}} \text{ where}$$

- s = standard deviation;
  - $\sum$  = the sum of over all individuals;
  - $X_i$  = annual gross payments (\$/ft<sup>2</sup>) to each individual grower;
  - $\bar{X}$  = mean of annual gross payments (\$/ft<sup>2</sup>) of all growers from number 4 above;
  - n - 1 = number of growers minus 1.
6. Subtract the mean from the annual gross payment of each grower to get the deviation from the mean of each grower's annual payment.
  7. Square each deviation from the mean of each grower's annual payment.
  8. Sum all the squared deviations.
  9. Divide the sum of the squared deviations by the number of growers minus 1, n-1.
  10. Take the square root of the quotient to get the standard deviation, s.
  11. Place the mean and standard deviation of the annual gross payments per square foot (\$/ft<sup>2</sup>) into tables based on the following example table.

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<sup>3</sup> If there are nine or fewer growers at a local complex, live poultry dealers should report only the mean of annual gross payments per square foot and one standard deviation from the mean for each of the five previous years.

**Example Table for a Local Complex:**

Mean and Standard Deviation of Annual Gross Payment per square foot (\$/ft<sup>2</sup>) for  
 Calendar Year \_\_\_\_.\*

	Complex and Housing Information	Mean	Standard Deviation **
	Complex name (City, State, complex)		
	Short description of Housing specification	\$__ per farm facility square foot	\$__ per farm facility square foot
	Short description of Housing specification	\$__ per farm facility square foot	\$__ per farm facility square foot
	Short description of Housing specification	\$__ per farm facility square foot	\$__ per farm facility square foot
	Complex name (City, State, complex)		
	Same information as above for each Housing specification	Same information as above	Same information as above

\* Live poultry dealers should prepare this table for each of the five previous years.

\*\*Live poultry dealers should lengthen or shorten the table as needed to include each housing specification at each complex.

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The valid OMB Control Number for this information collection is 0581-0337. This information collection requirement adds targeted transparency to the market for grower services that strengthens the ability of growers to make better-informed contracting decisions.

Maintaining this information allows the USDA the legal authority to collect and access the records during a review to assess compliance with 9 CFR § 201.102, conduct investigations, and administrative legal actions.

The average burden of this information collection is 279 hours per regulated entity in the first year and 95 hours per regulated entity in subsequent years for live poultry dealers to create, produce, distribute, and maintain the documents. The Packers and Stockyards Division requests that the public direct to the Division any comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden using the contact information at the bottom of this form.

The responses to this information collection are required under 9 CFR § 201.102.

Regulation 201.96 (9 CFR § 201.96) prohibits unauthorized disclosure of business information by Packers and Stockyards Division employees. Section 10 of the FTC Act, which is incorporated into the Packers and Stockyards Act, also prohibits unauthorized disclosure of business information. Information collected by the USDA may be protected by Freedom of Information Act (FOIA), 5 U.S.C. 552, requests based on one or more FOIA exemptions.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number.

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To file a complaint alleging discrimination, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (a) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (b) fax: (202) 690-7442; or (c) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

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