

Livestock Sellers to Receive \$2 Million in Agriprocessors Trust Payout

WASHINGTON, Jan. 30, 2009 - Agriculture Secretary Tom Vilsack today announced that previously unpaid livestock sellers are receiving full payment this week for animals sold to Agriprocessors, Inc., of Postville, Iowa, in the months before it filed for Chapter 11 Bankruptcy Protection. The payouts, totaling over \$2 million, result from the trust protection provisions of the Packers and Stockyards Act (P&S Act).

"USDA is committed to supporting the financial viability of America's farmers and ranchers," said Agriculture Secretary Tom Vilsack. "Protecting independent producers through vigorous oversight and enforcement of the Packers and Stockyards Act is essential in these tough economic times, and it is a priority of the Obama Administration."

Under the P&S Act, packers are required to hold, in trust, all livestock inventories and receivables or proceeds from the sale of meat for the benefit of unpaid cash sellers. The "packer trust" provisions were added to the P&S Act by amendments in 1976 following packer failures that left producers unpaid for over \$43 million in livestock sales.

The United States Bankruptcy Court for the Northern District of Iowa cleared the way for payment when it granted a motion to pay Packers and Stockyards Act Trust claims on January 16. The motion, filed by the Chapter 11 Trustee, requested approval of the Bankruptcy Court to pay the trust claims, which totaled \$2,058,946.78, after review of the claims by USDA to determine that the claims met the requirements of the P&S Act.

Twenty-four sellers filed valid claims with the packer and with USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) for sales of livestock to Agriprocessors that occurred between Sept. 14 and Oct. 24, 2008. Sellers began receiving payments from the Trustee on claims ranging from under \$1,000 to over \$500,000 on Wednesday, January 28.

The P&S Act is a fair trade practice and payment protection law that promotes fair and competitive marketing environments for the livestock, meat, and poultry industries.

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