

Townsend Farms of Arkansas, Inc. Pays \$48,000 Penalty To Settle USDA Complaint

WASHINGTON, Mar. 22, 2010 - On March 5, 2010, the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration (GIPSA) and Townsend Farms of Arkansas, Inc. (Townsend), of Batesville, Arkansas, settled an administrative complaint filed against Townsend in June of last year. The complaint and subsequent consent decision follow a GIPSA investigation in which GIPSA found evidence that Townsend Farms agreed to certain payment terms with poultry growers, but failed to follow through on that agreement with 32 of the 33 growers.

Following GIPSA's investigation, Townsend made payments to the 32 affected poultry growers totaling approximately \$114,000. As part of the consent decision, Townsend Farms paid an additional sum of \$48,000 as a civil penalty and has been ordered to cease and desist from failing to pay, when due, for live poultry obtained under any type of poultry growing arrangement before the close of the fifteenth day following the week in which the poultry is slaughtered.

"When growers don't get paid the money they are due, they are unable to make their mortgage payments and ultimately could lose their farms," according to GIPSA Administrator, J. Dudley Butler. "Life in rural America can be challenging. It is imperative that everyone plays by the rules."

The Packers and Stockyards Act is a fair trade practice and payment protection law that promotes fair and competitive marketing environments for the livestock, meat, and poultry industries. GIPSA is committed to helping rural America prosper through enforcement of the Packers and Stockyards Act.

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