



Testimony of Joseph Koch, General Manager Co-Products, Perdue Farms
Before the Subcommittee on Fisheries Conservation, Wildlife and Oceans
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I would like to thank Chairman Gilchrest and the subcommittee for this opportunity to discuss Perdue Farms' initiatives to convert poultry manure to organic fertilizer.

My name is Joseph Koch. I am the General Manager of Co-Products for Perdue Farms and also serve as the General Manager of Perdue AgriRecycle.

I joined Perdue Farms Incorporated in July of 2003. Prior to that, I served as the Chief Operating Officer for Southern States Cooperative in Richmond, VA. For 25 years I have been actively involved in the agriculture industry, more specifically the commercial fertilizer industry.

Perdue Farms is well-known as a national poultry marketer headquartered in Salisbury, Maryland. We are the third largest poultry marketer in the United States. For many years, Perdue Farms has been the "quiet professional" devoting significant time and money to developing innovative solutions fulfilling our environmental responsibility. Several years ago, it became apparent that an alternative solution needed to be developed concerning surplus poultry litter. While various legislative bodies debated how to deal with this public policy, Perdue responded with action. In July 2000, Perdue Farms Incorporated and Perdue-AgriRecycle constructed a \$15 million, state-of-the-art poultry litter recycling facility. Through this private venture solution, Perdue-AgriRecycle collects litter (wood shavings used as bedding) from more than 500 poultry houses on the Eastern Shore, at no cost to the producer, and processes it into an organic fertilizer. Working with poultry producers, including those from competing poultry companies, we implemented this visionary solution to manage nitrogen and phosphorus in the soil. Perdue has successfully moved approximately 100,000 tons of litter "off of the Shore" since we began production. While this may seem like a large amount, we want to process more of the 300,000 to 400,000 tons of surplus litter that is produced on the Shore each year.

Perdue has set a goal to recycle more litter, but regrettably, we are challenged in our effort to develop markets for our organic fertilizer product. A major part of developing markets is educating the consumer and the general public on the value of biobased products as an enhancement for commercial fertilizers as well as its importance to improving our environment.

Our product is currently being used in the agriculture, golf course and homeowner markets. We urge Congress to support the adoption of the proposed USDA regulation on

the procurement of biobased products. This proposal would help open up an additional market that will aid in our effort to move more litter off the Eastern Shore. The Federal government is one of the largest consumers of commercial fertilizers in the United States. Federal government uses include landscaping, agriculture, bio-remediation, roadside maintenance and erosion control. Presently, we are seeking the inclusion of biobased products in the preferred procurement program. The USDA's support of our environmentally friendly product may ultimately reduce the funds spent by the federal government on environmental solutions for the Chesapeake and inland bays. The adoption of this proposed rule may prove a significant advance in supporting the use of concepts such as our litter-recycling project as a national model for managing nutrients in agriculture.

When you and your colleagues deliberate to consider public policy as it relates to solutions for the Chesapeake Bay and other waterways, know that Perdue too is committed to finding common sense solutions to provide an equitable balance between the agricultural community and our environment. That is why we developed the Perdue-AgriRecycle project and why we urge you to help us find ways for the government to support and encourage the use of products developed from biobased materials.

Again thank you for allowing me to testify here today. If you have any questions, I will be happy to answer them.