



Market Reform Efforts Held Captive to Politics?

THOMAS F. "FRED" STOKES
PRESIDENT



At the OCM Annual Conference in St. Louis in August of 2009, Phil Weiser, Deputy to Antitrust Chief Christine Varney, and J. Dudley Butler, Administrator of the Grain Inspection and Packers and Stockyards Administration (GIPSA), laid out an ambitious and historic plan to reform the agricultural marketplace.

For the first time in our nation's history, there was to be a joint DOJ/USDA initiative to restore a competitive marketplace for agriculture. Our antitrust laws were finally going to be enforced and virility restored to the neutered Packers and Stockyards Act of 1921 (PSA) through rulemaking.

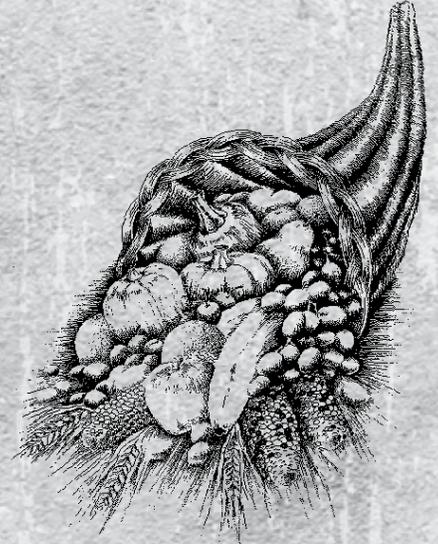
True to these pronouncements, five joint workshops were held and a new proposed rule for PSA was published in the federal register in June of 2010. Secretary of Agriculture, Tom Vilsack; Attorney General, Eric Holder; Assistant Attorney General, Christine Varney and GIPSA Administrator, Dudley Butler attended the workshops - a compelling statement that this administration was serious.

At the Poultry Workshop in Nor-

mal Alabama, some 50 contract growers testified about processor abuses. Almost without exception, they expressed their fears of intimidation and retaliation. Antitrust Chief, Christine Varney, received enthusiastic applause when she handed out her card and asked that she be called if reprisals occurred. Well, reprisals did take place and producer contracts were terminated. However, no action was taken by DOJ that I am aware of. Now, Ms Varney and her Deputy Phil Weiser have both left DOJ, abandoning the poultry growers they purported to protect.

True to his promise, Dudley Butler put forward a proposed rule for PSA that would at least begin to restore the law as the "Producer Protection Act" it was meant to be. Lacking, were provisions that would address the critically important captive supply problem, but it was undeniably a significant step forward. While there was powerful opposition from the big packers and their political lackeys, one particular provision really gave

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Disclaimer

The opinions of the authors presented in our newsletter are their own and are not intended to imply the organizations position. OCM has membership with diverse viewpoints on all issues. OCM is committed to one and only one principal; competition.





OCM Needs YOU!

ANITA ENDSLEY
EXECUTIVE DIRECTOR



The Organization for Competitive Markets is working diligently on behalf of farmers and ranchers to provide for fair, open, transparent and competitive markets. Washington is ripe with strife and we are at a **CRITICAL JUNCTURE** which will decide the future of how business is conducted in agriculture! "Big Ag" is marshalling its considerable forces against the Producer Rights rule known as the GIPSA Rule. Industrial Ag leaders are lobbying your representatives to make decisions against YOUR interest!



... we are at a CRITICAL JUNCTURE which will decide the future of how business is conducted in agriculture!

Help us to help you! OCM operates on a shoe string budget funded historically through memberships, grants and donations. Just as we are reaching farm bill crisis, funding is at a historical low. One of our major funders (a feedlot) has gone out of business and a foundation that formerly provided support for OCM has deemed competitive market issues to be outside their guidelines. We are having financial problems at a critical time, when major issues are at play. To continue fighting for

you, OCM needs your support NOW.

Any donation you make to OCM is tax deductible due to our being recognized by the IRS as a 501(c)(3) non-profit. That means that should you, or someone you know, need a deduction for your annual tax responsibility, a donation to OCM will result in OCM providing the needed documentation for you to claim the deduction on your 2011 tax debt. **You can help fight for competitive markets to sell your products AND get a tax deduction!**

OCM's annual budget is utilized to educate decision makers about the necessity of fair, open, and competitive markets. Additionally, OCM produces a newsletter and an email market report to keep members and policy makers up to date on pressing issues. OCM conducts research on emerging marketing tools and produces an annual conference to educate the

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Letter from Langdon: You Don't Prune Roots

RICHARD OSWALD

<http://www.dailyyonder.com/letter-langdon-you-dont-prune-roots/2011/10/04/3551>

We liked the idea of hope. We would like better some action.



Oswalds were built to play on the line. Here, grandson Clay swallows up the Tarkio quarterback.

An old rivalry was renewed again awhile back when my team, the Rock Port (Missouri) Bluejays traveled into Tarkio Indian territory for a game of football.

Compared to Tarkio's history, Rock Port always seemed modest. We have some nice homes in Bluejay country, but along just about every street in Tarkio there is at least one mansion. I suppose that dates back to the fact that Tarkio had a college and the jobs that came with it. (The college closed a few years ago, but the mansions are still there.)

On the other hand, Rock Port was put on the map by the Honey War (settling a contentious dispute over the boundary between Missouri and Iowa) and was eventually named the Atchison County seat.

It's hard to say when exactly it all started, but there are hard feelings between the two towns.

In the old days it wasn't unusual for

all the towns around here to have somewhere between 40 and 60 high school boys go out for football. Not everyone made the traveling squad.

Now, Rock Port still plays 11-man football, but many other schools here in northwest Missouri don't have enough students to field an 11-man squad. These schools, including archrival Tarkio, play eight-man football.



Look in the far northwestern corner of Missouri. You'll see Rock Port and Tarkio, neighbors and rivals.

Maybe the problem between the two towns began with the Honey War, or when Rock Port was named county seat.

This year Rock Port suits up the whole team, about 25 guys. The only 8-man game Rock Port has all year is with its archival, the Tarkio Indians.

My grandsons play on the line for Rock Port. The genes they got from you-know-who make them best suited to wrestling steers, bucking hay bales, and blocking.

Beyond watching my boys bear hug the other quarterback and hearing that unmistakable crack of plastic helmet and pads, it's hard to take much pleasure in old school football as both Tarkio and Rock Port struggle to stay afloat.

Every year a few people bring up school consolidation between the two towns as a way to save tax money. But rivalry and distance still prevail over elusive savings and a fantasy school-house on a hill midway between the two towns.

Most of us view consolidation as surrender. What we want most is to see our individual towns and heritage survive. Trample the weak...

At the game a week or two ago I noticed a t-shirt worn by a student. I suppose it was meant to be inspiring to young athletes. Printed across her back, a block-lettered phrase said "Trample the weak, hurdle the dead".

That seems to be the attitude everywhere these days.

Most people around here are descended from Scotch, Irish, and Germans. (That's who make the best football linemen because they're obstinate, determined and have a low center of gravity). Most were skeptical of

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OCM Goes to Washington

ANITA ENDSLEY
EXECUTIVE DIRECTOR

The Halls of Congress are open to all citizens to express their positions to our nation's legislators. With looming decisions on appropriations and the future of the GIPSA Rule, OCM's President, Fred Stokes, and Executive Director, Anita Poole-Endsley walked the revered Halls during the last week of September, 2011. Stokes and Endsley met with the offices of many members of the Senate Agriculture Committee as well as members from both the Senate and the House responsible for appropriations.

As expected there were many conflicted messages received during the numerous meetings attended over a two day period. One of the main topics addressed by Stokes and Endsley was the immediate need for the finalization of the GIPSA rule. The GIPSA rule is also known as the "Producer Rights" or "Producer Protection" rule because it is the rule drafted by the Grain Inspection, Packers and Stockyards Administration pursuant to the 2008 farm bill which puts in place specific protections for producers when contracting with agricultural businesses. The rule interprets the 90 year old Packers & Stockyards Act and clarifies the definitions of several key phrases in the Act.

Stokes and Endsley met with several key officials who strongly

support the GIPSA rule and believe that the USDA should finalize the rule as soon as possible. However, your OCM representatives also met with the offices of several key senators who oppose the rule and obviously have been influenced by packer groups who have tried repeatedly to delay or derail the rule. The purpose of those meetings was to educate the opposing senators on the need for the rule and to remind them of the interest of small to medium sized producers in their districts who will be well served by the finalized rule. Sometimes it is helpful to remind our elected officials just who their voting base actually consists of.

Another topic addressed during the Washington visit was the need for checkoff reform for our basic commodities. It recently came to the attention of OCM that checkoff funds are being used to fund a newly formed alliance which purports to promote all of agriculture. The Alliance is self titled as the United States Farmers & Ranchers Alliance (USFRA). OCM worked during the Washington visit to point out that commodity checkoff funds are legislatively directed to promote the specific commodity from which they are collected. Additionally, Stokes and Endsley pointed out that the message being conveyed

by USFRA is that industrial agricultural practices are the "best management" practices that consumers should embrace. The rub lies in the fact that the people that are forced by law to pay checkoff fees do not necessarily agree with the message being promoted!

There was a strong air of partisanship in Washington which you see daily on the news. It is very difficult to feel optimistic about positive reforms in agriculture when the economy is in poor shape, and our leadership in Washington is more concerned about fighting each other rather than doing what is right for our citizens. There are some bright spots among the fray that strongly support family farmers and ranchers. As the debt reduction negotiations continue, OCM continues to work with those forward thinking leaders to help push for rules and laws that even the playing field for all agricultural producers.

Planning for 2012 farm bill has reached a strange impasse as well. Due to deficit reduction negotiations, the *de facto* farm bill may actually be written by the Super Committee – the Committee appointed to determine where and the amount of cuts in the national budget will occur to reduce the deficit. Consider the fact that there are only a couple of members on the committee with any



agricultural knowledge and expertise and you can quickly understand why this is not the best case scenario for setting farm policy! The Super Committee is taking recommendations from the agricultural committees, but that results in the budget for agricultural essentially being written by four people – two senators and two representatives – without the public having the opportunity to discuss and debate the policies which will affect their livelihoods and the needs of agriculture for the future.

OCM is working diligently and at a fevered pitch to advocate for markets which do not exclude family farmers and ranchers and gives everyone an equal seat at the table. One thing that is very apparent is that your Senator and Representatives need to hear from you! Please do not hesitate to call your leaders and tell them that you want the GIPSA rule finalized, you want the 2012 farm bill to be written with public input, and reform of checkoff programs is important to you.^{AE}



OSWALD (continued from page 3)

President Obama back when he was candidate Obama. A nice way to put it might be to say simply that he doesn't look like most of the people in Atchison County or share our common heritage.



Tarkio has a mansion on nearly every street. This was the president's mansion at the college.

President Obama's opposition is still struggling to define him as somebody other than "us." I don't care much for stereotypes, because they may be the reason why Oswalds have never touched the ball except to hand it between our legs to the quarterback.

Stereotypes are also the way we choose our leaders, but given the results of the last 20 years, is it really such a bad idea to try something new?

We've made a little progress under our current President, but tiny gains only count when it's fourth down and inches. Today the hope and change we wanted in 2008 seem more like cash and change for the usual offenders. No crooked bankers or speculators have been benched for stealing \$1 trillion and monopolies continue to grow without opposition. (Unless they're AT&T.)

A law governing livestock sales (the Grain Inspection, Packers and Stockyards Act) was passed in the day of President Woodrow Wilson.

But the rules implementing GIPSA still haven't been written. Shouldn't 90 years be long enough to wait?

Some of the same politicians who said Obama wanted to kill your grandma led a tea party rally that cheered in favor of letting a young uninsured American die for lack of health insurance. Universal health care is common in most of the developed world, but those who want to erase Roosevelt and his New Deal from history have blocked it here. Now health insurance costs are rising again. Hasn't this gone far enough?



Big and with a low center of gravity, grandson Ryan (73) backs up a Tarkio player. Maybe it's time to give one of the new kids the ball

Farm groups warmed to Democratic support of renewable fuel in the last election. Oily opposition pledged to end it. Now many of the same farm groups who backed the home team have forgotten, as big oil and big beef use millions to kill renewable fuels. How long should a good memory be?

Be it football or politics, old rivalries know no limits.

The New Deal and renewed industry grabbed our nation by the jersey and pushed us across the goal line. More than giving hope, the New Deal was about Americans rising to challenge, grinding it out on the ground.

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them heartburn - the Proposed Rule corrected misguided appellate court rulings requiring that harm to competition across the industry had to be established before harm to an individual or class could be claimed. The appellate court rulings amounted to a get out of jail free pass for packer and integrator wrongdoing. If these injudicious rulings stand, PSA, and its intended protection for producers will be gutted.

After more than 60,000 comments (most of them favorable) and eighteen months, the proposed rule still languishes. When it will be finalized is unknown.

While initially there was lots of PR and hype by DOJ concerning renewed enforcement of antitrust laws, there is still no evidence of litigation against Monsanto, Dean Foods or any action against any of the four major meat packers.

In the meantime, we learned that NCBA, a leading opponent to the proposed GIPSA Rules and other market reforms, has misappropriated significant funds from the Beef Checkoff program. They are essentially the exclusive contractor, receiving some 98% of all funds paid to contractors from the approximately \$80 million promotion and research fund. According to their information submitted to the IRS, 80% of their total revenue comes from the Checkoff program. It could be fairly stated that their very existence depends on the Beef Checkoff and that producers are being unfairly compelled to finance their opposition.

Given the facts, one would assume

that NCBA's contract would have been summarily terminated by the Secretary of Agriculture, but instead, a USDA OIG Audit was initiated. Expected to be completed last month, it is now on hold. We are told two more months of work will be required for completion. Meanwhile, NCBA continues to feed off the millions of producer dollars.

New to the scene is the U. S. Farmers and Ranchers Alliance (USFRA), a confederation of big ag apologists and transnational corporations. They propose to trademark, "Farmers and Ranchers", hoping to ride on the trust the general public has in family farmers and ranchers. Like NCBA, USFRA is robbing from producer commodity promotion funds to augment their \$30 million annual media campaign. They have retained Drake and Company as their management agency and Ketchum, a public relations firm, to promote their false image.

Using commodity promotion funds in this manner is not only highly improper, under the Act, illegal. Repeated attempts to obtain meaningful information from USDA regarding the USFRA/Checkoff issue have so far been unsuccessful.

So, more than two years after the initiation of an unprecedented joint effort by USDOJ and USDA, and after the five workshops, nothing meaningful has happened. They raised our hopes and expectations and then let us down. Corporate influence and politics seem to have prevailed.

Independent family farmers and ranchers remain alone and unprotected.^{FS}

ENDSLEY (continued from page 2)

public by providing a learning opportunity based on the how agricultural policies affect small to medium sized producers. To accomplish these tasks, OCM employs a dedicated skeleton staff and relies heavily on volunteer efforts.

We can do a lot with very little, but much like the rest of the nation, we are in an economic crisis. Your tax deductible donation, membership renewal, or referral to a friend will make a huge difference. Donations can be made to "OCM" and mailed to: Organization for Competitive Markets P. O. Box 6486, Lincoln, NE 68506

Will you help?^{AE}

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OSWALD (continued from page 5)

So what's the game about today? We can't all be billionaires. Seems like anyone who earns less than \$250,000 a year in America isn't even considered human unless he can score.

Are we just corporate assets?

People like us are generally known for having strong backs and weak minds.

Actually my neighbors are smarter than that sounds, because what it really means is that we don't subscribe to every big deal that spins off the D.C. beltway. Once we knew that with hard work and perseverance, ideas didn't have to be big to be successful. All it took was work, honesty, and a rigid spine.

But both here and around the world today there are a lot of people who have lost the faith. Hard work doesn't seem to offer more these days than it offered the average 1850 vintage plantation slave. Lucky ones got basic necessities while the rest barely survived. Descendants of some of those unfortunates have finally made it big by excelling in sports.

Ironically, those same sports opportunities are now seen as the great

hyped hope for some of our kids here in Rock Port.

Over the years we've seen both our population and our standard of living decline, even as bigger mansions go up in the cities. Opportunity has been stolen a hundred different ways. A good education now costs about the same as what rich folks spend for a new car even though entry-level wages don't offer enough return to pay for a house and a used Ford.

While most of us look for ways to make money, the best of us look for places to hide it.

Some call taxation redistribution of wealth. Fine, but without that we have sap drained from working class roots to bring bountiful growth at the top.

Concentrated wealth always comes from the bottom up. As any farmer knows, roots feed the whole plant. That's why every so often the tree has to be pruned or inedible foliage replaces fruit.

You almost never prune roots. But that's what our economic policies are doing today.

Higher learning is dying on the vine as we argue how to pay for two wars, and how to replace the money stolen from big banks via crooked

mortgage traders motivated only by the size of their bonuses. A few more dollars in tax won't break the rich just like a few fair rules won't break the meatpackers or the bankers.

What a few taxes and rules will do is help level the playing field for average every day taxpaying U.S. citizens — those of us who would rather work independently than be the property of organized, money-motivated business interests.

Heaven forbid we tax billionaire contractors, speculators, integrators, consolidators, and money launderers more than the rest of us.

The next election is only 13 months away. It's time for the presidential candidacy built on hope to remember they promised to become an Administration of action.

I feel a little like one of my hefty grandsons finally got the ball. We're down by three points. It's fourth and long. There are five seconds left.

Run with it, kid!^{RO}

Richard Oswald is a fourth generation farmer living in Langdon, Missouri. He is president of the Missouri Farmers Union.





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