



FROM THE President Mike Weaver

Taking It Back Tour Successful

OCM is on a mission to expose the beef packers and the associations they control for the abuse of family farmers and ranchers

using those farmers' and ranchers' own money.

Since last November, OCM has coordinated and conducted three "Taking It Back Tour" meetings in Mississippi, Virginia/West Virginia, and Alabama, all of which have been a great success. More are scheduled. Attendees have

“Using farmers' and ranchers' checkoff dollars to support the industry instead of the farmers and ranchers by NCBA and others must be exposed and stopped.”

been amazed at the level of abuse, using beef checkoff funds, by organizations controlled by the big meat packers we have uncovered

to date. The worst of the offenders is the National Cattleman's Beef Association (NCBA).

As a result of a Freedom

of Information Act request and lawsuits OCM has filed, we expect thousands of

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# MEMBERSHIP *Report*



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Happy New Year!

Membership renewals and applications were sent out the first of the year and I am happy to report that we are receiving a volume of returns to start the new year. If you have not already sent in your annual dues or donations, we ask that you put them in the mail TODAY.

You can mail your membership dues or donation to OCM, P. O. Box 6486, Lincoln, NE 68506 or you can pay by debit or credit card online through our secure, online system, [www.competitivemarkets.com](http://www.competitivemarkets.com).

Thank you for your continued support of OCM and all our efforts. Please share our information with others who might be interested in what we are doing. For questions or assistance, please call Pat at 402-327-8390 or [pcraycraft@competitivemarkets.com](mailto:pcraycraft@competitivemarkets.com).

## **CONGRATS to ONE OF OUR OWN**

Don Stull, OCM VP and Director - Selected to serve on the board of directors of the Socially Responsible Agricultural Project. SRAP is a national organization that provides support for communities most heavily impacted by concentrated animal feeding operations (CAFOs). Through education, advocacy, and community organizing, SRAP empowers rural communities to protect themselves from CAFOs and provides guidance and assistance to communities seeking to develop healthy, sustainable alternatives to industrialized livestock production.



## **OCM 19TH ANNUAL FOOD AND AGRICULTURE CONFERENCE August 11-13, 2017**

Embassy Suites Hotel by Hilton - KCI  
7640 NW Tiffany Springs Parkway  
Kansas City, MO 64153

WATCH for MORE information and details to follow.

# And the real question is: When were the words “United States beef” amended out of public law?

By Vaughn Meyer

U.S. cattle producers have been asking why we are forced to promote foreign beef with our personal checkoff dollars. The Cattlemen’s Beef Board (CBB) will tell you the number one reason the checkoff doesn’t specifically promote “United States beef” is because the Beef Act & Order - the enabling legislation under which our check-

off operates - also requires collection of a dollar per head on imported cattle.

As a six-year member of the CBB

Board of Directors, I know this standardized CBB speech is sent out to all CBB board members (along with other topics) telling us how to address producer questions. This is a tactic in total board control which I have never found to be expressed in the Act & Order.

Going back in history, the final Act & Order version does require importers to contribute a dollar per head for promotion, research, and information. However, the 94th Congress’ H.R. 7656 Public Law

94-294 (May 28, 1976) states: “The purpose of this program is to maintain and expand domestic and foreign market uses for **United States beef.**” In my research, I have only found two amendments: the first, which changed the required passage from two-thirds to a simple majority, and the second, which simply stated importers shall also be

assessed a dollar per head.

In retrospect, CBB’s answer is half true concerning importers. But the greater ques-

tions for us producers are these:

When were the words “United States beef” amended out of Congress public law?

- Could the circumstances be that we continue to operate the beef checkoff against the intent of Congress?
- Did the final drafters of the Act & Order take it upon themselves to omit original language?

The in-house powers-that-be will argue

that you cannot have domestic beef if you assess importers, too, but facts disputed this rhetoric while U.S. COOL was still alive.

Speaking of COOL, the standardized reply would point out the 6.9 million dollars of importer benefit to our checkoff. This sounds like a real smart business venture, but when I study the daily graphs of cattle market declines in relation to the congressional killing of COOL, I have to wonder how many years will it take to recoup the 20 billion dollar losses to our industry? Losses which were the result of a grand-multi-year lobbying effort partially funded through our own checkoff funds! My calculator provides an answer of 2,898.5 years!

Now many are going to claim that the use of checkoff funds for lobbying is impossible as stated in the Act & Order... in part due to that great mythical “firewall” between NCBA contractor and policy operations. This sounds like a true and proven safeguard of our money, but consider the fact that NCBA contract work usually is accompanied with implementation fees between 38% to 42% versus the standard 20% requested by other contracting entities... This additional doubling of their implementation fees amounted to nearly 5.4 million additional dollars in 2015. Implementation fees transcend into contractor income and are no longer checkoff dollars. When invested on the policy side of the firewall, they help finance lobbying efforts

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“... why we are forced to promote foreign beef with our personal checkoff dollars?”



Photo by Jay George

# OCM Still Focused on Competitive Markets



By Fred Stokes

On August 11th, OCM will return to the Airport Embassy Suites in Kansas City for our annual convention. There, in October of 1998, OCM was founded and declared its mission to be reestablishing fair and competitive markets for agriculture. Fair and competitive markets are what OCM still strives for; not as an end in themselves but as a critical contributor to the survival of independent family agriculture, a tenable rural America and our national food security.

In my view, successfully bringing about competitive markets will require at least these four things: (1) Country of Origin Labeling (COOL), (2) an intact Packers & Stockyards Act, (3) a ban on packer ownership (eliminating captive supply) and (4) antitrust enforcement.

## COOL:

Our focus on COOL is because we believe consumers need to at least know what country their meat comes from and U. S. producers should have a right to differentiate their product in the marketplace. In addition, repeal of COOL for pork and beef was a precursor to significantly increased imports.

## Packers and Stockyards Act:

The Packers and Stockyards Act of 1921 (PSA) came into being to protect livestock producers during a period of rampant abuses by meat packers. The PSA was intended to curb these abuses and provide for a more competitive and equita-

ble market for livestock and poultry. But the PSA has fallen short of its intended purpose due to lack of clarity and proper promulgation and systematic judicial distortions. Today, four packers control 85% of the beef market and vigorously oppose any effort to reconstruct and clarify the Act through rulemaking.

The 2008 (Farm Bill) tasked USDA with writing a rule which would further promulgate and clarify the PSA. However, packer lobbyists and their chief minion,

NCBA, were successful in influencing legislators to reject the USDA proposed rule. There is currently another submission of a GIPSA rule before the Congress, but it is held hostage to the President's hold on pending rules. We are working to show the new administration the importance of implementing this rule and restoring agricultural producers' protection by the PSA.

## Packer Ownership Ban:

Meat packers are the markets for livestock. When they are allowed to own their own livestock, they can and do manipulate prices paid to producers. In 2001, the United States Senate approved an amendment to the Senate Farm Bill, making it unlawful for a packer to own, feed, or control livestock intended for slaughter more than fourteen days prior to slaughter. The amendment included exemptions for packing houses owned by farmer cooperatives, and packers with less than two percent of national slaughter. The amendment was approved 51-46 in the Senate but was defeated in the House of Representatives. Packer lobbyists and NCBA were instrumental in the defeat of this essential element of fair and competitive markets for cattle.

## Antitrust Enforcement:

Ever since the 80's there has been a steady and significant decline in the enforcement of our antitrust laws. Merger after merger has been allowed. We are presently working with Senator Mike Lee of Utah on antitrust issues. He chairs the Senate Judiciary Subcommittee on Antitrust. He is expected to meet with Senator Jeff Sessions when he assumes office as Attorney General and make the case for vigorous antitrust action. We are hopeful!



Photo by Jay George

## NCBA: Funding the Demise of Our Way of Life

The National Cattlemen's Beef Association (NCBA) is the prime obstructor of our market reform efforts. The group is enabled by the \$50 million or so it receives each year from the beef checkoff, which accounts for 83% of their total revenue. Having received some \$1 billion in checkoff funds over the years, NCBA has sold itself as the voice of the industry, notwithstanding the fact that less than 4% of cattle producers are NCBA members. Through its PAC, it has exerted considerable political influence. Through its advertising buys in farm publications (with checkoff funds) it has biased editorial policy. NCBA simply must be defunded and discredited!

Our lawsuit against the USDA's Office of Inspector General, aimed at compelling the release of records regarding NCBA's mishandling of checkoff funds, is going well. We have apparently drawn an honest judge and expect to receive damning information regarding the many misappropriations by NCBA. We have already received strong evidence in that regard, but some 9,300 pages of raw financial data have now been deemed relevant to our FOIA request. NCBA panicked when it learned of this and filed to intervene in our suit, with the obvious purpose of obstructing our access to these records. The judge allowed NCBA's intervention but severely restricted its ability to challenge release of the records. This has been a long, drawn out process but we expect to the judge to order release of the requested records and data. We believe this information will reveal new and egregious abuses of checkoff funds that will result in the end of NCBA's using

checkoff funds against those compelled to provide them.

Further, through OCM's encouragement, two U.S. Senators are working together to end the check-off programs' abuses. U.S. Senator Lee (R) Utah has filed the Voluntary Check-off Program Participation Act (S.B. 3200), which would ensure those farmers who do not want to participate in a checkoff program would not be mandated to do so, while allowing those who want to participate to continue to do so. U.S. Senator Cory Booker (D) New Jersey has joined Senator Lee in filing the Commodity Checkoff Program Improvement Act of 2016 (S.B.3201), which would strengthen prohibitions against using checkoff funds to engage in lobbying, conflicts of interest, or other harmful anti-competitive activities. When enacted, these bills would end the abuse of the checkoff programs, helping restore opportunity for U.S. family farmers and ranchers.

We are now embarked on a series of meetings regarding the present cattle market crash and contributing factors. The first was in my home state of Mississippi. Similar meetings in Virginia and Alabama followed, and more meetings are being scheduled. This effort is designed to educate, raise awareness, and build grassroots capacity. Cattle producers are responding well and we are increasing our support and membership. If you aren't already an OCM member, we encourage you to join us. If you are, please recruit your friends and neighbors. If we are going to take on NCBA and the meat packers, independent farmers and ranchers must be organized and speaking with one voice.<sup>FS</sup>

### WEAVER (continued from page 1)

documents related to the expenditure of checkoff funds to be turned over by USDA.

NCBA has cried wolf and tried to explain away what we have been made aware so far by saying the illegal expenditures were "coded wrong." Using checkoff funds to pay the expenses for a trip to New Zealand for the wife of an NCBA official and making a personal loan to an official to buy a house apparently were just coded wrong?

The types of violations listed above, along with lobbying Congress to take away Country of Origin Labeling (COOL) on beef, as well as pressuring USDA and Congress to allow the importation of South American beef using checkoff dollars, are exactly what has caused the collapse of our beef cattle prices at the farm gate. And this is why OCM has decided to take on "Goliath." Using farmers' and ranchers' checkoff dollars to sup-

port the industry instead of the farmers and ranchers by NCBA and others must be exposed and stopped.

Transparency and accountability in the expenditure of checkoff funds is the responsibility of USDA, but enforcement has been non-existent. OCM has decided to take up the banner and lead the charge to that end and we need the backing and assistance of everyone, including beef producers and the American public. Together we can stop the industrialization of American agriculture and return control to the farmers and ranchers who have made a huge contribution toward making this nation as great as it was, and we'll will do our part to make it great again.

Join us in this effort by visiting our website for more information and become an OCM member online using a credit or debit card. We need your help.<sup>MW</sup>

## ATTENTION OCM MEMBERS, DONORS AND SUPPORTERS

If you are now receiving the newsletter by mail, and want to continue to receive it by mail, please send the following form to us.

If we don't receive this form, the newsletter will be sent by email.

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# Refugees, Meatpacking, and Rural Communities

One week after taking office, President Trump signed the executive order “Protecting the Nation from Foreign Terrorist Entry into the United States,” which suspended our nation’s refugee program for four months and would cut the number of refugees to be admitted this year by more than half. Among the many who voiced concerns over this edict were Barry Carpenter, president and CEO of the North American Meat Institute, and Cameron Bruett, head of corporate affairs for JBS, USA, both of whom fear it will lead to labor shortages in meat and poultry processing plants. [The executive order has been blocked by the federal courts, but the Trump administration is currently drafting a new order, designed to overcome current legal objections.]

Meatpacking is one of North America’s few remaining manufacturing industries where a high school diploma, previous work experience, and the ability to speak English are not necessary for employment. With their high turnover, minimal benefits, dangerous working conditions, and low wages, meat and poultry plants create relatively few jobs for local people. Instead, packers target immigrants and refugees for hourly jobs on their slaughter and processing floors. Work on meat and poultry lines does offer entry-level employment and a chance for a new life in America to many immigrants and refugees, something the industry has done for well over a century. As a result, Mexicans and Guatemalans stand beside workers from Somalia and Myanmar, the Marshall Islands and Palau, on

meat and poultry lines from Kansas and Nebraska to Iowa and Missouri to Delaware and Maryland. These workers do much more than make our meat; they and their families have also transformed and revitalized towns across rural America.

For 30 years, I have studied the consequences of industrial meat and poultry production and processing for host communities, processing workers, and producers. My research has taken me to Kansas, Nebraska, Oklahoma, Kentucky, and two provinces in Canada. My publications include *Any Way You Cut It: Meat Processing and Small-Town America* and *Slaughterhouse Blues: The Meat and Poultry Industry in North America*, now in its second edition. I will leave critiques of the Trump administration’s refugee and immigration policy to others. Here I wish to offer a brief overview of the role of immigrants and refugees in the meat and poultry industry and what that has meant for host communities.

By the 1980s, meat processing companies were abandoning old-line plants in cities, with their union workforces, and moving to rural communities, often in



By Don Stull

right-to-work states. This relocation was part of the restructuring of the US economy. The oligopolies of multinational corporations that control food processing redeployed capital to the cheapest production sites and cut their labor costs by creating low-wage, deskilled jobs, filled largely by minorities, immigrants, refugees, and women.

Dramatic changeovers in the profile of food processing workers altered the demographic and cultural characteristics of the industry’s host communities, beginning in the beef and pork-packing towns of the Midwest in the 1980s and spreading through the Southeast in the 1990s to towns with poultry-processing plants and other low-wage industries. In less than a decade, many small predominantly Anglo midwestern and southern towns were transformed into multicultural communities.

One of the first communities to undergo rapid growth and increased ethnic, linguistic, cultural, and religious diversity was Garden City, Kansas, a town I have studied for 30 years. After IBP opened what was then the world’s largest beef plant a few miles out of town in 1980 and another beef plant opened in 1983, Garden City became a modern-day boomtown and the fastest growing community in the state. Most newcomers were Mexican immigrants and Vietnamese refugees. Today Garden City is a majority-minority community: one in five Garden Citians is foreign born, and two of three are people of color. Hispanics include not only third- and fourth-generation Mexican Americans but also newly arrived Mexicans, Salvadorans, Guatemalans, and Cubans. Although many of the Vietnamese refugees who came in the 1980s have left, others from Somalia, Ethiopia, and Myanmar have taken their place. Many of these newcomers are Muslims, who add to Garden City’s religious diversity, as do Old Colony Low-German-speaking Mennonites who migrated from Mexico in the 1990s.

For Garden City, as for other towns that host meat- and poultry-processing plants, rural industrialization and rapid growth have created an array of problems common to so-called boomtowns: population mobility, severe housing shortages, soaring school enrollments, increased crime and social

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**“The oligopolies of multinational corporations that control food processing redeployed capital to the cheapest production sites and cut their labor costs by creating low-wage, deskilled jobs, filled largely by minorities, immigrants, refugees, and women.”**

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ills, inadequate medical services, strains on infrastructure and social services, dramatic increases in cultural and linguistic diversity.

The jobs meatpacking has brought to Garden City and other packinghouse towns have helped them weather economic downturns over the last several decades, but they come with serious social and economic costs. Their experiences offer a cautionary tale for any community that might be looking to multinational food-processing firms to provide community development. Garden Citians have learned to compensate for the consequences of an economy dependent on meat processing. They have also learned to embrace the steady stream of new immigrants and refugees, their strong work ethic, and the rich heritages they bring with them. Garden City has a well-deserved reputation for welcoming and accepting all who come to live and work there. Emblematic of its openness and cosmopolitan qualities is the city's motto: "the world grows here." Garden City offers a window through which to view the economic and demographic changes that are transforming rural America. It can also serve as an exemplar for how to deal with the challenges—cultural, linguistic, religious—that accompany these changes. If only we will let it.<sup>DS</sup>

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such as killing COOL and supporting unfair trade agreements.

Finally, the checkoff propaganda makes the claim that imports are needed for addition of lean product in our ground beef. What they omit is the fact that any reprocessing of imported meat qualifies it for a U.S. label. Under these circumstances, U.S. farmers and ranchers are subjected to huge packer/processor captive supplies and must compete with foreign producers with minute production costs.

When I received the email containing this same material from CBB, I was appalled that my checkoff was attempting to

# Capitol ROUNDUP

## ON THE HILL

**GIPSA RULES ARE OUT:** After years of fighting for fair treatment, farmers and ranchers once again have a chance to gain back lost ground by pushing for the adoption of the new GIPSA Farmer Fair Practices Rules. In December, after the Congress was unable to block the advancement of the rules through an appropriations rider, the Obama administration released three rules addressing the abusive market practices the beef, pork and poultry industries use to keep farmers from having a fair and transparent market. **MAKE YOUR VOICE HEARD TODAY BY REGISTERING YOUR COMMENTS.** The comment period ends March 24, 2017. To learn more and how to file your comments go to OCM's webpage: <http://competitivemarkets.com/supportgipsa>. Sample comments are available online.

**CHECKOFF REFORM:** OCM is working with the U.S. Senate to reintroduce S. 3201 and S. 3200 from the last Congress. OCM wants to thank Senator Lee (R) Utah and Senator Booker (D) New Jersey for their hard work during the last Congress on this issue. It is now our turn to step up and push other members of the U.S. Senate and House to sign on to meaningful checkoff



reform legislation. Lend us a hand by going to <http://competitivemarkets.com/checkoffreform> and signing on your support or getting your organization to join the sign on letter.

## IN THE STATES

Congratulations to Representative Hans Hunt of Wyoming for sponsoring and passing through the Wyoming House of Representatives HB200 repealing the state penalty for failure to pay the beef checkoff. Way to go!

South Dakota is one of the states that has seen a state Country of Origin Labeling bill filed. More states should follow their lead. Pushing state legislation is good for the state and puts pressure on the U.S. Congress to act.

limit my speech to promote their ideology. U.S. cattlemen and women need to assess the logic of their checkoff dollars contribut-

ing to their demise through the prevention of domestic product promotion.<sup>VM</sup>



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