



(and, I assume, with similar results) were held all across the country. When this campaign of misinformation and intimidation failed to get COOL repealed, its implementation was stalled. As a result,

effectively bring fairness and equality back to the agribusiness markets. The DOJ and FTC recently announced joint merger workshops with the same goal(s) in mind.

With the announcement of these joint ventures, several questions come to mind: Just how effective will these workshops, and the measures discussed there, be? And are these folks sincerely going to enforce our laws as they were originally intended? For several decades now, big business interests—with the cooperation, acquiescence, or complicity (pick your word) of any number of government enforcement agencies—have bent the marketplace to their advantage and to the farmer's detriment. And now, if you'll pardon the sports analogy, are we to believe that we might have a level playing field with honest referees who are not afraid to call a few

Please see STOKES on page 7



A Real Effort at Market Reform? Or Just Another Snow Job?

BY FRED STOKES, EXECUTIVE DIRECTOR

Shortly after the 2002 Farm Bill, which included Country of Origin Labeling (COOL), was passed, the U. S. Department of Agriculture (USDA) initiated a series of hearings, allegedly to explain the provisions and implications of this new piece of legislation. I went to one of the early hearings, which was held in a live-stock salebarn In Joplin, Missouri.

It was a long and tiring drive from Porterville, Mississippi, but I was involved in the effort to get COOL passed and I wanted to know how USDA planned to implement the measure. The briefing team included members of the USDA Agricultural Marketing Service (AMS) and an executive from Cargill's meat packing operations. Without going through all the absurd statements made about the costs, onerous, and likely legal risks to cattle producers, let me just say the briefing was part of a crude misinformation campaign. At the end of the lengthy meeting, one cattleman, in an attempt to echo the thoughts of most people in the room, stood up and said, "I get it, you guys are here to try to scare the hell out of us." Similar meetings

we are just now seeing some food items identified with their country of origin in stores.

I bring up this sorry chapter in our recent history only to explain the skepticism of many farmers and ranchers regarding the recently announced joint efforts at market reform by the USDA, the Department of Justice (DOJ), and the Federal Trade Commission (FTC). Immediately upon assuming office, Christine Varney, Assistant Attorney General for Antitrust, repudiated the Bush administration's implementing guidelines for Section 2 of the Sherman Act (which deals with single firm market share). In a number of speeches, she declared a "get tough" policy in dealing with organizations that have clearly taken advantage of their size and power (and the lack of government enforcement). Phil Weiser, Ms. Varney's deputy, spoke at the OCM conference in St. Louis and reaffirmed this new approach to antitrust enforcement. The USDA and DOJ then announced joint workshops with the goal of pooling their resources and sharing ideas about how to

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All in or Fold

BY KEITH MUDD

Ever watch the World Series of Poker (WSOP)? Each year tens of thousands of aspiring poker players participate in tournaments around the country in an attempt to be included in the finals held at a Harrah' owned casino in Las Vegas. Satellite tournaments held throughout the country attracted perhaps twenty thousand players with over 8700 of these advancing to the WSOP in 2006.

Once in Vegas buy-ins run several thousand dollars for most events, (games) up to ten thousand dollars for the Main Event. If you have ever watched you know the Main Event is a no limit Texas Hold'EM (TXHE) tournament where seven to eight thousand players play a winner takes all round of TXHE. Hundreds of table of card players are dwindled down to one table for the final round. Thousands of players, several days over many months and finally in November it comes down to nine survivors. Nine professional poker players who will play for somewhere in excess of eight million dollars.

Out of the twenty thousand players come nine. Of these nine, more times than not, about half or more are regulars at this table. Names like Phil Ivey, Daniel Negreanu, Doyle Brunson, Phill Hellmuth and Johnny Chan are more often than not among these nine.

I've been thinking of a poker game these past few months, years really. What is unfolding in the hog industry today is a mirror image of a no-limit Texas Hold'EM poker game.

Red ink has been flowing from hog farmer's barns now for close to two years, another year at least is expected before prices return to the positive side of the ledger. What few independents left must be feeling like now is the time to fold or go all in.

According to a July, 2009 report written by Kelly Zering, Associate Professor and Extension Specialist at North Carolina State University, United States pig producers have lost an average of more than \$21 per hog marketed on every hog sold

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What is unfolding in the hog industry today is a mirror image of a no-limit Texas Hold'EM poker game.

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STAFF:

- Fred Stokes**, Executive Director
Porterville, MS • 601-527-2459
tfredstokes@hughes.net
- Pat Craycraft**, Office Manager
Lincoln, NE • 402-817-4443
ocm@competitivemarkets.com

PROJECT ASSISTANTS

- Bob Carskadon, Starkville, MS
Roberto Gallardo, Starkville, MS
Jody Holland, Starkville, MS
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Eric Lister, Brentwood, TN



JUST FOOD REVIEW

BY RICHARD OSWALD

In his book titled *"Just Food, where Locavores get it wrong and how we can truly eat responsibly"* Eugene McWilliams labels himself a food centrist. He says reasonable conclusions about food and where it should come from lie "somewhere in that dull but respectable place called the pragmatic center".

McWilliams is in possession of statistics to help bolster his centrist views, like pointing out that human population has increased from 450 million since Columbus made landfall in the Caribbean to nearly 7 billion human souls. At the current rate of expansion McWilliams says that by the year 2050, inhabitants of our world will have increased maybe another 30% to about nine billion. He says feeding all those people can't be done locally.

In his view of the world, McWilliams calls local food systems the equivalent of "gated communities", where "the elephant in the locavore's room" is that we have already utilized the low hanging fruit of our richest resources, claimed the best land, made the easiest choices, and performed the easiest work. He would do away completely with most cattle. He calls cattle an ecological disaster that are neither beneficial to feeding the hungry nor the planet as a whole.

Their manure is a major source of pollution, and they are inefficient in their utilization of nitrogen when compared to plants.

Cattle might also be responsible for forest fires according to one of the author's quoted sources.

If his quoted sources are correct, maybe Smoky the Bear should eat more beef? That might be tough for a local guy like Smoky to accomplish,

especially if you consider that beef cattle numbers in the US today are 97 million head, down from 135 million head in

1975. So how have we been able to increase our beef consumption here in the US?

The answer to that is simple, by accessing beef supplies across more and more food miles brought to us primarily by non-local big corporate food.

Neither hogs nor poultry rate much higher on McWilliams list. Yet another source quoted in the book states "If people stopped eating meat, Illinois, Indiana, and Iowa would be returned to forest and grassland."

So we have a hungry world but we should idle some of the most

productive farmland on Earth? That might be a little unrealistic.

A more likely motive for some global food advocates might be that crop land in the Buffalo Commons areas of the Great Plains would be converted back to unpopulated preserves, (I wonder what the carbon footprint of a buffalo herd is?) while more vegetable and fruit production returns to the Midwest—or China—from dry California.

You see, water is another big problem for food production in many of the faraway places where food is sourced now.

Drought resistance along with pest control and herbicide tolerance is one of the most advertised goals of GMO crops. While at least one seed company, Monsanto, claims to be developing GMO drought resistant crops, none have as yet come up with any real accomplishment in that area. Crops still need rain to grow. Just the same, McWilliams feels that GMO's hold the secret to abundant production and will limit pesticide use. He fails to acknowledge the price of those inbred pesticides to farmers both here and abroad, and ignores that we now produce more pounds of pesticide within our crops than we ever applied to them when insects were killed with conventional insecticides. While those chemicals were long gone by the time the crop was picked, today enough BT exists in each kernel of corn that a simple litmus type test can detect it. BT is consumed both by the farm animals and people who eat the corn.

Is that dangerous over time? No

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**At some point
in the corporate food
model, profit always
seems to trump
consumer health
and safety.**

**DAVID KRUSE**

PRESIDENT, COMMSTOCK INVESTMENTS

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A recent headline read, "What the Country Needs Now: A Trust Buster Like Teddy." When I was standing on the flight deck of the U.S.S. Theodore Roosevelt last May with fellow TR Association members I heard it more than once, "I wish Theodore Roosevelt was president today."

So do I, but quite frankly, many of the people looking for a golden knight to lead America out of all its problems are longing for a perception of Roosevelt that varies from individual to individual. It would be very unlikely that TR could be elected today.

I'm no historical expert with academic credentials, but I've got an above average layman's knowledge of TR with a section of my library devoted to him, including most of TR's major writings, he being a prolific author himself.

It always amazes me when I hear Republicans claim Roosevelt as a member of their current fold. They don't know the man or his history very well. Republicans profess to loath government. They want it smaller or none at all. That's a major tenant of their conservative philosophy. Roosevelt was at practical odds with small government; in fact, he expanded the powers of the federal government immensely when in office and advocated policies that could have expanded it more.

He federalized lands in the west, socialized the park system, championed government regulatory authority and was the first president to advocate a public health care system. He believed that it was the job of government to intervene with big business to protect competition and to regulate a level playing field. He decried the cold hand machinery of big business and would

have opposed the system of oligopoly that too many sectors of American business have structured themselves into. He championed the individual and believed that it was the role of a democratic government to protect the opportunity of the individual. He also championed individual responsibility, outlined in an essay entitled, "The Strenuous Life."

His successor, Howard Taft, did not share this ideology, representing the conservative wing of the GOP and big business that we see dominating the Republican Party today. Teddy was a social moderate and progressive. Conservatives today would have considered him to be a socialist Democrat and absolutely hated the man. Remember, Roosevelt abdicated from the Republican Party, running as a Bull Moose Progressive independent against Taft, beating Taft but losing to Woodrow Wilson in the 3 way general election.

Roosevelt was not a socialist President, but believed that government was the only means for effectively regulating an economic system that would otherwise run too extreme. . . like ours just did. It was big banks that took the world economy down in 2008. Roosevelt would have never tolerated today's system where there are financial entities considered too big to fail that get special treatment and then there are the rest of us.

Roosevelt would not have tolerated the current health insurance systems absence of competition, even if he had to use government to change it. Actually, "TR was not against corporations. He said that great corporations are necessary. . . and the talented men who run them must have great rewards. But these corporations should be managed with due respect to the interests of the public as a whole. Without oversight by government, corporate officers might take actions. . . not in ways that are for the common good, but in ways that tell against their common good." Prophetic, wasn't he!

I'm amazed at people today who think that having a health insurance company rep-

resentative who is trying to make the most money off their insurance premium will treat them better than a government health care insurance administrator! Not if TR was president.

There is an anti-government bias here that conflicts with logic. A corporate executive told me that while he didn't agree with Roosevelt's business philosophy, he liked his foreign policy. Roosevelt aggressively defended the nation and greatly expanded the reach of its foreign policy. However, if he sent the country to war, he or his sons went too, losing Kermit in WWI. Roosevelt was well traveled, talked to U.S enemies and even won a Nobel Peace Prize. I would not describe him as a neo-con on foreign policy, looking to kill everyone different from us under the assumption that makes us safe.

If Roosevelt were president, we would not be borrowing huge sums from foreign banks and governments in order to operate our country. He would have advocated all living within our means. He would have considered the fiscal policy of deficits promoted by George W. Bush and being extended by President Obama today, to be insane and the greatest threat to our national security conceivable. He would have advocated with every ounce of energy that he had that Americans needed to step up and take responsibility for the country's problems, requiring a whole lot more personal contribution than has been given by average Americans. Taxes would go up but spending and the deficits would come down even more. I think TR, the conservationist, would have been a lot closer to being with Al Gore than Republicans on climate change. It would be fascinating to know what TR's solution would be.

Roosevelt would not be welcomed into the Republican Party today any more than he was at the 1912 GOP convention. But he would be welcomed to the White House. Ironically, TR invited the first black man as an overnight guest to the White House and caught hell for it. ^{DK}

David Kruse is president of CommStock Investments, Inc., author and producer of *The CommStock Report*, an ag commentary and market analysis available daily by radio and by subscription on DTN/FarmDayta and the Internet. CommStock Investments is a registered CTA, as well as an introducing brokerage. Mr. Kruse is also president of AgriVantage Crop Insurance and Brazil Iowa Farms, an investor owned farming operation in Bahia, Brazil. (Futures Trading involves risk. Past performance is not indicative of future performance.) For information on subscribing to the daily CommStock Report, contact: CommStock Investments, Inc., 207 Main St., Royal, IA, 712-933-9400, www.commstock.com. E-mail to: info@commstock.com

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Common Barbarity

BY RANDY STEVENSON
PRESIDENT



Rudeness has become commonplace. Unfortunately, this phenomenon is not just an isolated activity. Several other manifestations of a similar attitude have also surfaced in an unpleasant trend that goes way beyond the question of ordinary civility.

Perhaps the most unfortunate aspect of rudeness is the fact that it is effective. Those who are rude get noticed, and the subject that they were rude about gets talked about.

But simple rudeness is not the greatest outgrowth of a common problem of disrespect. A mob of young people recently attacked and killed a high school honor student. In another incident, witnesses stood by while a bully pounded a much smaller person on a school bus. The outburst of Kanye West and his usurpation of the microphone from Taylor Swift at a televised awards ceremony was universally recognized as

going beyond the pale of civil human behavior.

Some of these outrageous behaviors are easily discerned and quickly condemned. But they still happen.

We should note that in the world of business we see the same kind of thing happen. It takes on a slightly different form, and the effects are more economically damaging, but the motivation of disrespect is similar. What was Bernie Madoff's concern for his victims? What about the Chinese manufacturers of toxic toothpaste? Or importers of that same product? Isn't their attitude pretty similar to that of the brash and rude bloggers whose claim to fame is a spew of insult rather than information? It would seem they had all read *The Virtue of Selfishness* and carefully absorbed it.

This all remind us a bit of the story in William Holding's book *The Lord of the Flies*. The boys stranded by accident

in the book devolve from civilization to barbarism. The fictional book presents a perfect example of the need for adult direction and supervision.

While we have to acknowledge that ambition is the engine that drives creativity, invention and the free market as a whole, it is also the seed of its destruction. Without supervision, the market will decay into the economic equivalent of barbarism, driven there by the ambition of its own beneficiaries and success stories. Their violations of economic civility having been effective, they continue on.

Ambitious human nature will, unrestrained, show its ugliest self. It will do so with rudeness in conversation, or with market power in business. In either case, the perpetrators, no matter their chronological age, need real adult supervision.^{RS}

**Perhaps the most unfortunate aspect of rudeness
is the fact that it is effective.**



OSWALD (continued from page 3)

one knows for sure, but we eat it just the same.

Life cycle assessments (LCA), it says in the book, are most relevant to food, not where food comes from. How environmentally damaging a food system is and how deficiencies are corrected without limiting food availability is what counts. McWilliams points to a LCA study that concluded fuel consumption by ocean fishers using beam trawlers could be cut to one fifteenth simply by switching to seines instead of dragging weighted nets across the oceans floor. Beam trawlers that disrupt ocean habitat and spawning beds have been a source of environmentalist disdain for years because they indiscriminately scoop up every thing from the ocean regardless of whether they have use for it. (Seines would do much the same without destroying spawning beds.) They are also the bane of local family fishermen, like the New England Hook Fishermen who catch and keep only the most desirable food fish without doing any ecological damage.

But McWilliams doesn't mention them.

As any good debater knows, the way to win an argument is not by promoting the other guy's views. McWilliams the centrist really has little good to say about local food until he gets around to aquaculture. "Aquaculture operations" McWilliams states, "can be more easily incorporated into areas that are unsuited for other forms of food production." In fact aquaculture is about the only locavorian pursuit he promotes.

When I read McWilliams advocacy for freshwater aquaculture it reminded me of so many other farm products that have become the raw commodity from

which corporate food chains manufacture our food. It seems so easy to say that fish are the answer, but I have witnessed over the years the grinding and reforming of chicken, pork, or beef, the camouflaging of our food so that the original product is unrecognizable. I'm talking about chicken nuggets, preformed pork cutlets, or hamburger patties made from meat scraps gathered from across state lines and national boundaries. If seen in its original state the consumer would never buy it let alone eat it. So they make it look like something else.

Is it so hard to imagine that the same thing can come to aquaculture?

Sausage is always best when made by the people who plan to eat it.

A *New York Times* article in the October 4, 2009 issue tells about contaminated beef that lead to the food born illness ultimately responsible for paralyzing a woman from the waist down when she ate it as hamburger. Our current food system readily trades profits for the health of a percentage of consumers, because food inspection fails to hold large corporations truly accountable. Corporations have become responsible for much of our food manufacture and distribution, and both they and our government accept that fact as reality. Though it certainly wasn't part of Stephanie Smiths reality when she ate that hamburger.

At some point in the corporate food model, profit always seems to trump consumer health and safety. Some foreign food companies recently took tainted food to a new higher level of disgust with things like melamine and lead, but our own domestic food oversight relies more on corporate integrity than practical enforcement of broken rules.

As pointed out by the banking crisis,

it is a rare corporation where integrity exists at every level. In fact a recent NPR story suggests that Wal-Mart could do a better job of improving nutrition than either local food sources or the Federal government. Given enough profit, they might even do it right.

Do food miles matter? McWilliams says no.

In World War II, did it matter to Europe if food wasn't available locally? Did it matter to the people of West Berlin during 1948 when East Germany blockaded the city? Would food miles matter if we have another oil crisis like the one in 1973 when OPEC stopped exporting oil to the US?

Without a doubt, they would.

Did they matter when giant livestock producers started producing hogs in the southeastern US and found that soymeal from South America was cheaper than the domestic product located hundreds of miles closer?

Only to their profits.

During times of war or crisis, having an abundant food supply located 1000 miles away from the people who need it is like saying a drowning man has plenty of air to breathe, he just has to figure out a way to get it.

Corporations haven't managed to gain control of our air, but if they do, be prepared to breathe from a long distance, because profits earned for essential services are best concealed by a shell game that begins with hiding both profits and partners.

Some books leave me hungry for more, this book does not. I believe the world has many exciting possibilities when it comes to food, but the most exciting food, the food I like best, still comes from the fruit trees in my front

Please see OSWALD on page 7

OSWALD (continued from
page 5)

yard, our home garden, or even the farm pond in the pasture where our cattle graze. While only a portion of what we eat originates from those places, for me they are still the best most trusted places on earth.

For any reader who's hungry for facts and figures, who believes as Eugene McWilliams does that the stuff we fuel our bodies with is 'Just Food', this book is a cornucopia of facts and figures. It is realistic to a point, but my greatest disappointment in it isn't so much in what it says, but in what it fails to say; that clean water and air combined with a source of wholesome local food is just as essential to human life on earth as having people to grow it.^{RO}



*Reclaiming the
Agricultural
Marketplace
For Independent
Farmers, Ranchers
and
Rural Communities!*

STOKES (continued from page 1)

penalties (and maybe even throw a few players out of the game)? Only time will tell, as they say, but for now, I believe there is a strong, sincere and concerted effort underway to make our markets competitive enough so that farmers and ranchers don't continue to get gouged when they buy their production inputs, and short-changed when they sell what they produce. But it's going to take a blood-sweat-and-tears attempt by the federal government for things to move forward enough for the small farmer and rancher to be able to feel any real difference.

For its part, OCM is maintaining close contact with (and an eye on) these agencies and supporting their efforts in every way possible. The workshops will begin next year and be held in several regions of the country. OCM will get the word out as soon as the dates and locations are announced, but we need strong attendance and participation by agricultural producers at every workshop. We cannot complain about the way things are if we do not continue to actively do our part to affect change. Let's get to work! I believe we finally have a realistic chance to make some reforms in the marketplace; let's push hard to make it happen.^{FS}

At the end of the lengthy meeting, one cattleman, in an attempt to echo the thoughts of most people in the room, stood up and said, "I get it, you guys are here to try to scare the hell out of us."

MUDD (continued from page 2)

since October, 2007. That equates to a loss of over \$4 billion in equity, more than 50% of the estimated equity in the U.S pig farming sector.

This loss was shared by all but, perhaps felt more by the smaller independent hog farmers, many who had expanded overwhelmingly in the past fifteen years in an effort to remain competitive. These farms counted their sows by thousands not hundreds. They were, and are, by no means small. It's just that they aren't in the powerhouse range.

Every year Successful Farming Magazine publishes their “Pork Powerhouses” list, the largest 20 pork producers in the U.S.

Remember that final table and those poker players who participate in the main event at the WSOP? Well, the pork producers left have dwindled down to so few that they are close to all fitting around one table. Smithfield Foods, Triumph Foods, Seaboard Foods, and the other big boys have their chairs, as well as the remaining independents. They're all playing, nobody has folded, yet, but it's time for the independents to bet. They can't match the pot; their only two options are to fold or go all in.

Time to call the banker and mortgage the farm, again.^{KM}



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