



13th Annual

2011 FOOD & AGRICULTURE — CONFERENCE —

*"Voices Rising from the Land; Answering the
Opponents of **FAIR** and **COMPETITIVE** Markets"*

The Westin Crown Center
One East Pershing Center, Kansas City, Missouri

August 12-13, 2011

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AGENDA Available Soon

OCM NEWS | JUNE 2011



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OCM has membership with diverse
viewpoints on all issues. OCM is
committed to one and only one prin-
cipal; competition.*





Another Powerful OCM Conference Taking Shape

THOMAS F. "FRED" STOKES
EXECUTIVE DIRECTOR



Confronting Threats to the Family Farm and Ranch

The OCM Annual Conference is perhaps our best way of communicating our views on the critical issues that affect farmers, ranchers and rural America. This year's conference is scheduled for August 12-13 at the downtown Westin Crown Center in Kansas City, Missouri and promises to be especially informative and timely.

There is an intense struggle taking place between those forces that would have American agriculture be globalized, highly concentrated and vertically integrated; and those of us who would like to see independent, family agriculture remain. I fear we are at a pivotal moment with the "chickenization" - get-big-or-get-out crowd gaining more and more control. They are going all-out to put down market reforms that would restore essential income to our family farmers and ranchers.

While the agenda is still a work in progress, the topics have been decided:

- **GIPSA Rulemaking**

The proposed GIPSA Rules do not restore the Packers and Stockyards Act of 1921 to its original intent. However, if finalized in something like its present form, it would be a critically important step in restoring fairness and justice in the marketplace. An additional rule dealing with captive supply is sorely needed but must wait until the

present rule is decided. The big meat packers and their organizational and political minions reacted to the proposed rule with a firestorm of opposition from the outset and continue to stall, confuse, defund and otherwise try to defeat this effort to clarify and further promulgate the original intent of the Packers and Stockyards Act of 1921. Thankfully, Secretary Vilsack has so far resisted these intensive efforts to further delay and/or withdraw the proposed rules. We will have a comprehensive update and discussion on the situation.

- **Concentration in the Seed Business**

The intense concentration in the seed industry severely limits choice and dramatically increases the price of seed. This is especially true of transgenic seed. A single company holds some 90% of the patents on these GMO seeds. They have a history of working to diminish competition and a reputation for price gouging. This company (Monsanto) has also ruthlessly prosecuted anyone suspected (rightly or wrongly) of patent infringement. There will be a panel of experts on this subject.

- **Global Fertilizer Cartels**

The world supply of fertilizer, particularly phosphate and potash is finite and in the hands of a global cartel that has demonstrated an ability to summarily and drastically raise prices with

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There is an **intense struggle** taking place between those forces that would have American agriculture be **globalized, highly concentrated** and **vertically integrated**; and those of us who would like to see **independent**, family agriculture remain.

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Where U.S. rivers are concerned, the Mississippi gets credit for most water and widest from bank to bank. But the longest river, the Amazon of the U.S., is only a tributary of Ole Miss, the Missouri at 2500 miles.

They don't call it "Big Muddy" for nothing.

Muddy will be on a rampage in coming months for plenty of reasons. Number one is snowmelt in places like the Big Horn Mountains of Montana. Further south in the Colorado Rockies the Platte River puts in its two bits as it crosses Nebraska, bringing more snow and rainwater to Muddy at Plattsmouth, NE.

From there it's downhill all the way to Langdon. Unfortunately, flood control is no longer job one. That's why we got bad news this

weekend about rising water levels and coming evacuations. The best our government can do these days is to issue a simple warning; Look out below!

Flood control used to be everything, with recreation as a bonus. But as cities have grown bigger and demand for recreation and water grows, we want our flood-control lakes full to the rim. Then environmentalists jump on the band wagon. Dams are bad, and these river bottoms shouldn't be farmed they say, because nature never intended that. That's what happened along the Mississippi a few weeks ago when Birds Point Levee was opened to prevent bigger overflows elsewhere. The call went out to abandon those areas to the natural world.

Mother Nature talks to me quite a bit, and what I hear her say is that when human beings lose the resolve to fight- we lose- period. We should protect the environment, and people too, because we're all part of the same picture.

Mankind did not create these problems; they existed before us. As long as there have been soil and water we have had erosion. New river channels cut and old ones silted in as Muddy churned its way

south. The river bottom farm we live on is laced from side to side and top to bottom with old river beds. Big Muddy and another river, the Nishnabotna, have meandered across this farm from one end to the other. For thousands of years the bluffs on the Nebraska side and the Loess Hills on the east are all that have kept them corralled. That's why our farm has six different soil types on just 176 acres.

The greatest generation's greatest gift to all of us is work done by our fathers and grandfathers. Over the years we've squandered some of that work as flood control and navigation projects of the '40s and '50s are giving way to surrender on the river. Here on the bottom at Langdon we're set to lose our battle with Mother Nature as record snow melts and big rains meet clear lack of political will to cope with competing demands. Even lowly little ants don't quit. Why do we?

Thank goodness they didn't fight World War II the way we have managed our natural resources. If they had everyone west of the Missouri would bow to the east, while folks east of the Mississippi saluted the Fuehrer.

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AUGUST 12 & 13, 2011 - Registration - 7:30 AM - The Westin Crown Center - Kansas City, MO

Hotel Reservations – 888-627-8538 (ASK for the ORGANIZATION for Competitive Markets BLOCK for Special \$104+Rate)

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Name(s): _____

Company: _____

Address: _____ Phone/Fax: _____

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_____ Number attending the Conference @ \$50 (Friday, 8/12, 2011) \$ _____

_____ Number attending Lunch (Friday, August 12, 2011) (TUES) @ \$35 \$ _____

_____ Number attending Dinner Banquet @ \$40 (Friday, August 12, 2011 – Ranch Foods Direct – Ribeyes) \$ _____

_____ Membership Dues \$ _____

_____ Donation \$ _____

TOTAL DUE: Check _____ # _____ Cash _____ \$ _____

TOTAL PAID \$ _____

SEND REGISTRATION FORM TO: P. O. Box 6486, Lincoln, NE 68506

***OCM's Annual Member Business Meeting will be held on
Saturday morning, August 13, 2011 – 8:00 AM MTG
following the Convention at the The Westin, Kansas City, MO.***



Cowboy Makeover

BY LEE PITTS

The American rancher had to be forced into the chair at the beauty salon with a wild rag stuffed in his mouth and a pair of hobbles on his ankles so he couldn't run away, but the career bureaucrats and professional meeting-goers were finally successful in completing the makeover. It was expensive and they had to be real sneaky about it, but those performing the makeover have finally managed to change two of the most iconic figures in our nation's colorful history, the cowboy and the cattleman, into "stakeholders" and "producers."

There's just one BIG problem with this makeover: the American consumer doesn't want to buy her beef from a "stakeholder," or even a "producer." No, according to market researcher Mary Love Quinlan, they want their beef from a "rancher," or even better yet, from a "farmer."

Ms. Quinlan found that women make up to 93% of food purchases and they don't like words such as "feed additive" on the package. They hate hormones and the title "cattle feeder" turns them off. In fact, they don't like industrialized agriculture very much at all. So why is the NCBA trying to change today's rancher into exactly that kind of "stakeholder" that the consumer doesn't want to do business with?

Makeup and Mirrors

We warned you about the merger of the NCA with the checkoff and all the bad things that could happen as a result (those things are now happening) so let us now warn you about a group called the US Farmers & Ranchers Alliance (USFRA). This group is composed of 33 organizations such as the National Corn Growers Association, American Farm Bureau, NCBA, National Milk, the Soybean Association, Grains Council Poultry & Egg, several state soybean associations, the National Pork Producers Council and other checkoff groups. Although these organizations say they have different viewpoints on some is-

ues, they have this in common: they're all cheerleaders for the kind of industrialized agriculture the consumer doesn't trust.

As critics of factory farms, genetically modified seeds, hothouse hogs, downer cows and hormone fed steers appear on the daytime TV shows and book best-seller lists, those pushing industrialized ag realized that they're losing the public relations war. In other words, they need a makeover.

How ironic then that the group that changed ranchers into stakeholders and producers, chose the trusted words "farmer" and "rancher" when they went looking for their own new name. But instead of looking for alternatives to hormones, GMO's, 10,000 head dairies, lake-size manure lagoons and other things the consumer doesn't want her food associated with, the USFRA wants to continue to do all those things while hiding behind the good name and image of the American farmer and rancher.

Members of USFRA say they want to build trust in our current food system and to be successful and have a bigger impact they all needed to band together. They view themselves as "natural partners in effort to promote "new" vision of American agriculture." And that's how checkoff dollars from a rancher producing grass fed or natural beef in Montana could end up being used to defend and promote factory farm hothouse pigs, hormone fed beef and milk inducing hormones for dairy cattle.

Sound Familiar?

One of the first warning flags that got our attention about USFRA is their structure and the way they constructed their Board of Directors. The minimum buy-in is \$50,000 and any firm that pays \$500,000 automatically becomes an ex-officio member of the Board. That's what passes for democracy these days, you buy your way in, just like they do in Washington D.C. How very American of them. If it all sounds familiar that's be-

cause that's how the NCBA constructed itself and does business.

The beef checkoff so far has contributed \$250,000 to USFRA. Because the beef checkoff is a government program (according to the Supreme Court) you'd think that our government would not condone any effort to promote one type of ranching system over another. But the USDA has given their stamp of approval to USFRA just as long as the checkoff money is used for projects and not membership dues.

One wonders where the NCBA got the money to buy their seat on the Board?

As of this writing only two businesses have ponied up the cash to join, Farm Credit and The Fertilizer Institute, but USFRA hopes to sign up big corporations like Archer Daniels Midland, Cargill, DuPont and Monsanto. USFRA currently has \$10 million in the bank and hopes to spend \$20 million in its first year. They also hope to have an annual budget of \$30 million, most of it coming from agribusinesses and checkoffs.

USFRA plans to start presenting their message by mid-July and we already have a good idea of what that message will be and the image they'll portray of today's rancher. "No longer," says visionary ag columnist Alan Guebert, "will it resemble a Land Grant alumnus ordering GM seed or livestock antibiotics on an iPhone. Instead, tomorrow's farmer will look more like Walter Cronkite than Walter Mitty: weathered, wise, trustworthy. In short, more golden fields, golden sunsets and golden hair and less silver hog barns, silver-sided food factories and silver semis hauling ethanol."

SuperGroup

Executive members of USFRA are Bob Stallman, American Farm Bureau; Phil Bradshaw, Soybean Checkoff; Bart Schott, National Corn Growers Association; Dale Norton, Pork Checkoff; Gene Gregory, United Egg; Forrest Roberts, CEO of the NCBA. Roberts will also chair USFRA's Communications Advisory Committee.

What chance does a rancher's organization like R CALF or the Organization

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PITTS (continued from page 5)

for Competitive Markets, stand in having their message heard when you have the political muscle of big farm groups, commodity checkoff dollars, huge agribusiness firms and the minions who do their dirty work, all rolled into one SuperGroup? It's all part of that "speaking with one voice" thing that the NCBA was founded upon. The only problem is whose voice the supergroup will be speaking with. From watching the NCBA we already know that answer: it's whoever ponies up the most money. Even if it is your money that was taxed away from you by the USDA in the form of the checkoff.

How did we ever get so far away from the initial concept of the beef checkoff?

To avoid confrontation USFRA has decided to take two issues off their agenda: biofuels and the Farm Bill. Instead, they will focus on "presenting a more realistic and positive portrayal of modern American agriculture to the public." It's a good thing they took those two issues off their agenda because, as we all know, checkoff dollars are not supposed to be used for lobbying or to promote political agendas. (Wink, wink.)

According to Guebert, "the groups want the face of the small farmer and horse-riding rancher to be the public face of agriculture—not confinement hog barns, 100,000-head cattle feedlots; not manure lagoons, eroded fields, hypoxic rivers, lakes and oceans, not GM seed, not sub-therapeutic antibiotics. In other words, the big money behind USFRA wants to preserve and build upon the exact thing the public doesn't want: modern food production practices it views as questionable, worrisome and even unnecessary."

In announcing the firm of Ketchum as their public relations firm USFRA said, "Reflecting the new world of Facebook, Twitter and 24/7 tweeting, Ketchum is partnered with Zócalo Group, its full service word of mouth and social media agency, and Maslansky Luntz + Partners, a research-driven communication strategy firm that specializes in "language and message development."

How very sad that the American rancher and cowboy, whose image and

reputation have sold everything from cigarettes to war bonds, now has to hire a firm to develop its "language."

The Way Big Business Does Business

Randy Stevenson of OCM remembers another time when big business sat down to pow wow. It was back in the early 1900's when the Big Four meatpackers conspired to control meat prices. Back then they changed the face of American agriculture and had to be broken up by the government. Supposedly, the rules written back then prohibited meatpackers from being in the same room talking about industry matters, but it's very easy to see them doing this at future USFRA meetings. "Meatpackers have had a history of collusion," says Stevenson. "They have changed tactics and methods when they have been caught. The collusion is not restricted to that of market division or of price setting. Much effort has, in more recent years, turned to organizational power used to influence the regulatory regimen. The modern version of collusive power is the big and influential organization that influences politicians and helps to make sure that the rules written for regulating anticompetitive behavior don't bother them."

No doubt, USFRA will say their money will not be used for such diabolical purposes, but then, who ever thought that the NCBA would be the primary beneficiary of checkoff dollars when ranchers voted it in? Or that there'd even be such a thing as the NCBA?

Hijacked

All this image enhancement is going on amidst a war that has been taking place between the Cattlemen's Beef Board, the Federation of State Beef Councils and the NCBA. According to R CALF, "There is an intense, lopsided, but classic power struggle being waged right now within the Beef Checkoff Program. This is the classic power structure between those who have all the money – the NCBA and its state affiliates – and those who pay all the money – the hundreds of thousands of checkoff-paying cattle producers throughout the United States." (That would be "stakeholders for you NCBA members.") "Hinging on the outcome is whether the Beef Check-

off Program will be continually fraught with corruption, favoritism, and abuse, or whether the credibility of the program will be restored."

"The beef checkoff has been in place for some 25 years," says Fred Stokes, of the Organization for Competitive Markets, "with more than \$1.6 billion collected and spent. Just how effective has the program been in "promoting, improving, maintaining and developing markets for cattle, beef, and beef products? Not very!" answers Fred. "During this period we have lost market share, downsized the domestic cow herd, drastically reduced the producer's share of the retail beef dollar and put nearly 500,000 beef cattle operations out of business."

"So was the Beef Checkoff a bad idea?" Stokes asks. "I say it was a good idea that simply got hijacked! While producers have been compelled to pay the sum of \$80 million per year, the overwhelming benefit has accrued to organizations controlled by opposing big meat packing and retailer interests," according to Stokes.

"An examination of NCBA's tax form 990 reveals that 80% of its total revenue is derived from the beef checkoff, with only 6% coming from membership dues." In other words says Stokes, "the NCBA, representing less than 4% of cattle producers, continues as the primary beef checkoff contractor and has a prominent seat at the table when ag policy is discussed. They have opposed cattle producer's interests at every turn. They fought against cattle producers that supported country-of-origin labeling; against cattle producers seeking mandatory price reporting; against cattle producers that opposed the National Animal Identification System (NAIS); against cattle producers that supported captive supply reform in a major class-action lawsuit; against cattle producers that tried to prevent the premature reintroduction of imported cattle from disease-affected countries; against cattle producers that attempted to ban packer ownership of livestock in both the 2002 and 2008 Farm Bills."

Most recently they have fought against ranchers who support the pending GIPSA rules that would go a long way in reducing the packer's power to

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STOKES (continued from page 2)

impunity. Affordable and readily available fertilizer is essential to crop and livestock agriculture. While crop prices are currently at or near record highs, input costs are also at or near record high prices. History proves that when crop prices retreat (and they will), these input prices will remain high. Dr. C. Robert Taylor, OCM's Senior Economic Fellow, has investigated this situation and will share his revealing findings during a panel discussion.

- **The Beef Checkoff Scandal**

It is abundantly clear that there has been significant misuse of beef checkoff funds by the prime contractor, NCBA, and perhaps state beef councils as well. The USDA OIG is currently conducting an audit. Cattle-men's Beef Board (CBB) president and other board members are attempting to curtail the longstanding abuses and restore integrity and producer trust to this self-help program. These efforts are being vehemently resisted by NCBA and the Federation of State Beef Councils who derive a major portion of their revenue from the Check-off. CBB President Tom Jones and other board members will participate in the conference program and answer questions from attendees.

- **U. S. Farmers and Ranchers Alliance**

The major players of industrial agriculture have concocted a clever scheme to sell a concept that would spell the demise of the family farm. They promote an agriculture that is globalized, concentrated, vertically integrated and controlled by the biggest transnational agribusiness corporations. This cabal has appropriated the good name of "farmers and ranchers" and is tapping into the various producer-funded commodity promotion programs to pay the fee for the two big PR firms they have retained. These firms have been tasked to; "strengthen the image of agriculture and enhance public trust in today's best production practices." I see this as code for a top-down controlled, highly concentrated and vertically integrated food system. The group reportedly has more than 30

members such as; American Farm Bureau Federation, American Soybean Association, Cattlemen's Beef Board, Federation of State Beef Councils, National Cattle's and Beef Association, National Corn Growers Association, National Pork Board, National Pork Producers Council, National Turkey Council, Farm Credit and the Fertilizer Institute. The group is reported to currently have \$10 million in the bank and anticipates raising \$20 million for 2011 and \$30 million for each succeeding year. Expect an interesting and lively panel discussion on this frontal assault on independent, family agriculture.

- **Private litigation against the fertilizer cartels and big meat packers**

An attorney from a large and highly respected law firm will give an update on their ongoing antitrust suit against the fertilizer cartel and their contemplated antitrust suit against the big meat packers. This promises to be a most interesting presentation. This sort of litigation may well prove to be our best way to redress the ills of the dysfunctional marketplace.

As always, we will have a noteworthy keynote speaker and a great steak at our banquet. Please join us in Kansas City on August 12th and 13th.^{FS}

PITTS (continued from page 6)

manipulate prices.

All this is not to suggest that there have not been BIG beneficiaries of the beef checkoff. There certainly have been, like Dee Likes of the Kansas Livestock Association who the Comstock Report said received \$311,000 for one year's work. Another employee was paid over \$225,000 and yet another over \$150,000. "KLA's CEO, Dee Likes, makes more money than Governor Brownback running the 14 billion dollar state of Kansas," said the Comstock Report. "Likes can certainly give lessons on how to rob the checkoff train."

Such revelations have started people talking about what one editor called "the nuclear option." That would be to hold a referendum and vote the checkoff down.

OSWALD (continued from page 3)

That still leaves the rest of us where we are now—caught in the middle.

There can be no bargaining with Dictators or Mother Nature. As the citizens of Joplin, Missouri, will testify, there is no middle ground. We must be willing to fight for what we want and then fight to keep it.

A torrent is on its way. This summer the Missouri will join the Mississippi and Mother Nature in trying to take back all we've gained in the last 100 years. Opportunists will make much of the fact. Corporations will try to turn it to their advantage and special interest groups will spin it into orbit. But the Greatest Generation knew that you don't fight life and death wars to a draw. America needs to know that our great flood control projects weren't built for motor boats, river chutes, and pallid sturgeon, the same as fair and competitive markets weren't meant to be controlled by special interests.

Our ancestors did things for a reason.

It's time to remember what that reason was.^{RO}

But the USDA and NCBA will never let that happen. Instead the USDA will stand quietly by while the rancher's pockets are picked and his name is used to sell an ag production system that he may neither condone, nor participate in.

In introducing Ketchum as USFRA's PR firm, a company partner Linda Eather-ton, said, "With over 50 years of service to food and agricultural organizations, our firm was literally built for this assignment. Working side by side with USFRA members, stakeholders and allies, we know we can help people rethink the role of American agriculture in feeding hundreds of millions of Americans every day."

So there you have it in black and white. In the words of your newest spokesperson you are either an ally or a stakeholder.

Which one, we wonder, are you?^{LP}



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