



Putting Competition Policy at the Top of the Agenda for Rural America

As one of the few rural entrepreneurs who served in the Obama Administration, I was so fortunate to get to spend much of my time with rural small businesses and local farmers implementing the programs Congress authorizes to assist in rural economic development. In this role for 5 years, I worked alongside USDA's amazing State Directors and field staff implementing and supporting economic development in rural and agricultural communities. In this role, I saw up close the challenges these communities face and learned quickly that what I had experienced in my own business going up against monopolies was the same for ag and ag related businesses. I



By **Lillian Salerno**,
former Deputy Undersecretary for
Policy for Rural Development, USDA

visited with hundreds of local farmers

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The solution, for rural America and the economy on the whole, is a robust reinvigoration of antitrust and antimonopoly policy that makes sure local economies and family farms are not held economically hostage by multi-billion dollar, multi-national corporations.

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ON CAPITOL HILL

GIPSA RULES ARE OUT: AGAIN!

Just when we thought we were on track, the new administration extended the comment period and process for an additional 180 days which will end on October 19, 2017, HOWEVER, the comment period ends June 12th. Please see

our Take Action section and take action. The way this new comment period was established ERASES every comment that has been submitted to date. It starts all over and is more a popularity contest than based on what is good government market safeguards.

CHECKOFF REFORM:

In March, OCM in conjunction with the Heritage Foundation, held a Congressional Briefing raising awareness among members of Congress and their staff about the abuses of our current checkoff tax system. Since that date, legislation has been introduced in both the U.S. Senate and the U.S. House of Representatives. Farm organizations representing over 250,000 farmers and ranchers have signed on to show their support for the Opportunities for Fairness in Farming (OFF) Act. S. 741



CAPITOL ROUNDUP

and H.R. 1753 and the Voluntary Checkoff Act S. 740 and H.R. 1752. OCM wants to thank Senator Lee (R) Utah, Senator Booker (D) New Jersey, Rep. Brat (R-VA), Rep. Gaetz (R-FL) and Rep. Titus (D-Nevada) for stepping up for family farmers and independent ranchers and taking the lead on this vital issue.

IN THE STATES

Great news from New Mexico: New Mexico Attorney General Balderas launched a state investigation of the cattle industry and the monopolistic nature of the market which denies family farmers and small businesses the opportunity to compete and receive a fair price in the marketplace. From our view, it would be great if every state Attorney General would

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FROM THE **President** by Mike Weaver

I am very concerned that if we as farmers don't take a stand soon against the takeover of agriculture by the huge multi-national corporations that are controlling it now, our kids and future generations will never know farming as we do. Is that really what we and the American people want? Virtually everyone I know wants family farmers raising the food they feed their families, and not some multi-national corporation.

I recently read an editorial in an ag jour-

nal by the president of one of the state-level pork trade associations, which denounced the pending GIPSA Farmer Fair Practices Rules that OCM is working so hard to enact. Articles like this show us how much work we have to do to push back against industrialized agriculture interests and defend our way of life. Every time we see misinformation, we need to set the record straight. Whether it's someone in the coffee shop or on the editorial page of your local newspaper, you can do your part, too.


Every one of us needs to be a leader in this fight.

Below is some information I sent to the individual at the pork trade association:

Though I am not as familiar with pork production as I am with poultry and beef, my perspective is that the pork industry is consolidating more and more every day. I believe you and every other farmer producing pork should be very concerned with that fact, as it gives more control to the packers, which is their ultimate goal.

I don't know how long you have been in the business, but how many farmers in your profession were under contract 20 years ago or even 10 years ago? How independent were you or they then before production contracts? Slowly pushing farmers into contracts is exactly the method the

Please see **WEAVER** on page 8



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TAKE ACTION

Tell USDA: Allow the GIPSA Rule to Finally Become Effective

Even if you have commented on the GIPSA rules in the past, we need you to do so again. We are also calling on America's consumers to join family farmers in demanding USDA finally allow this crucial marketplace safeguard to become effective. Visit www.competitivemarkets.com/supportgipsa for easy instructions. The deadline is June 12, 2017.

Stop Checkoff Program Abuse

Help ensure the new legislation introduced in the U.S. Senate and the U.S. House of Representatives becomes law. Visit www.competitivemarkets.com/stop-checkoffabuse to sign our letter to Congressional leaders, see our sample phone script for calling your members of Congress, and see our sample letter to the editor to submit to your local newspaper.

Request a State Checkoff Refund

Not satisfied with your state checkoff programs? You may be eligible for a refund. Checkoff tax payments are mandatory, but in more than a dozen states a refund from the state-level checkoff program is available. Each state has its own regulations and process. Visit www.competitivemarkets.com/checkoffrefund for more information.

Thank you so very much for staying up-to-date on these issues and taking action when you can. The fight for justice and freedom is never a sprint; it is a never-ending marathon, and we must continue the fight.

SALERNO (continued from page 1)

and rural small businesses and heard the heartbreaking stories of businesses struggling because of market access and consolidation. Many times, these consolidations required families to sell their businesses and farms and lose their livelihoods, which had sometimes been passed down for generations.

I couldn't help these communities because, despite a well intentioned Congress and lots of government programs designed to prop up the rural economy, there are no longer open markets for small and innovative businesses. We heard a lot about foreign markets and exports, but we needed then and need now are for U.S. markets to be opened. We need markets opened in the U.S. because the FTC and DOJ haven't enforced antitrust law for 30 years. This overgrowth of monopoly power ~ in agriculture and everything else ranging from cowboy boots to hardware ~ is what is keeping rural America behind. We need to fix this.

In rural communities, the problems stemming from monopoly power are existential. From 2010 to 2014, 60 percent of counties nationwide saw more businesses close than open, compared with just 17 percent during the four years following the 1990s slowdown. During the 1990s recovery, smaller communities — counties with less than half a million people — generated 71 percent of all net new businesses, with counties under 100,000 people accounting for a full third. During the 2010 to 2014 recovery, however, the figure for counties with fewer than half a million people was 19 percent. For counties with less than 100,000 people, it was, shockingly, zero. The consequences for all Americans, as

more and more research is confirming, are higher prices, poorer quality of goods and services, stagnant wages, depressed innovation and entrepreneurship, and hollowed out communities that are no longer able to keep wealth circulating locally.

Despite all this, the support and partnerships that the federal government pursue with rural and agricultural communities do not truly address the severe economic consequences resulting from a lack of competition and overgrowth of monopoly power. Providing increased access to capital, or reducing taxes on small businesses, or a host of other policies intended to boost rural America's fortunes simply do not address the core problem that's at issue.

The solution, for rural America and the economy on the whole, is a robust reinvigoration of antitrust and antimonopoly policy that makes sure local economies and family farms are not held economically hostage by multi-billion dollar, multi-national corporations. During the middle decades of the last century, the federal government used antimonopoly laws to keep markets open for smaller, independent businesses ~ the ones that care about and understand their communities, that keep wealth local, that create the vast majority of new jobs, that are often the source of game-changing innovations. That approach fell out of favor in the 1980s, and policymakers on both sides of the aisle are only now starting to recognize that it's at the root of the economic anxiety and cultural destabilization that so much of rural America is experiencing.

That must change. Being clear about the cause of the problem ~ the simple fact that far too many markets, in far too much of the country, are simply no longer competitive ~ is where we must start. All the well intentioned programs and our tax dollars supporting these programs are for naught until we fix the underlying problem of concentration and monopoly power.^{LS}



- 19TH ANNUAL -
FOOD AND AGRICULTURE



CONFERENCE AND MEMBERSHIP MEETING

Restoring Family Farm Agriculture: A Path Forward

CONFERENCE: AUGUST 11-12, 2017
MEMBERSHIP MEETING: AUGUST 13, 2017

Embassy Suites Hotel by Hilton - KCI

7640 NW Tiffany Springs Parkway - Kansas City, MO 64153

Reservations may be made under the group name Organization for Competitive Markets at a rate of \$119.00/per night. Book your room at www.competitivemarkets.com or by calling (816) 891-7788.

Join us and learn how you can take action and stop the extinction of America's family farmers and our traditional agriculture practices. In our first session on Friday afternoon, John Ikerd will talk about globalized industrial agriculture's failing. We will continue with the problem of market concentration and the market-place for producers.

Our second session on Saturday morning will refer to industry-specific issues. This will include market and impact on farms and farmers, food fraud, economic impact on rural communities and main streets, and impact on cattle, poultry and dairy industries.

The third session on Saturday afternoon will offer us a call to action. We will hear reports on litigation and lawsuits, checkoffs - state and federal, country of origin labeling, holding the market accountable, holding companies and institutions accountable on food claims, good food purchasing policy, and new state inspection systems that replace onerous and failed big packer USDA programs.

Some of our speakers include:

- ◆ Wes Jackson, President Emeritus of The Land Institute
- ◆ John Ikerd, Professor Emeritus of Agricultural Economics at the University of Missouri
- ◆ Lillian Salerno, Chair of Family Farm Action and former Under Secretary of USDA Rural Development
- ◆ Barry C. Lynn, Director, Open Markets program, and is a senior fellow at New America Foundation.
- ◆ Webster Davis, Chair of the Agriculture Committee for the Missouri Chapter of the NAACP
- ◆ Wenonah Hauter, Executive Director of Food & Water Watch, Author of Foodopoly
- ◆ Dudley Butler, Farm and Ranch Law Group, PLLC, former Administrator of the Grain Inspection, Packers and Stockyards Administration
- ◆ Ben Ezzell, Attorney, Enid, OK City Council
- ◆ Greg Gunthorp, a 4th generation pig farmer, started Gunthorp Farms in 1998

REGISTRATION FORM

- 19TH ANNUAL -
FOOD AND AGRICULTURE



CONFERENCE AND MEMBERSHIP MEETING

Restoring Family Farm Agriculture: A Path Forward
AUGUST 11-13, 2017

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_____ **Number attending OCM Conference @ \$65.00** \$ _____
(Friday, August 11 from 1:00pm-5:00pm, and Saturday, August 12 from 8:30am-5:00pm. Registration at the conference starts Friday at 12:00pm.)

_____ **Number attending Reception and Banquet @ \$45.00** \$ _____
(Friday, August 11, Reception at 5:30pm, Banquet at 6:30pm)

_____ **Number attending Lunch @ \$25.00** \$ _____
(Saturday, August 12 at 12:00pm)

TOTAL Registration and Meals \$ _____

_____ **Number attending Membership Meeting, Sunday, August 13 - 8:00 AM**

Make check payable to Organization for Competitive Markets
P. O. Box 6486, Lincoln, NE 68506

MEMBERSHIP *Report*

We are still receiving your membership renewals and donations. We sent out a second reminder in March and many of you have responded. We are also getting many new members this quarter. Thank you for passing on the information and inviting people to be part of our organization by joining. Please take the time to renew, become

a member or support the organization by a donation. All donations to OCM are recognized by the IRS as a 501(c3) non-profit tax deduction.

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

[tativemarkets.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 email pcraycraft@competitivemarkets.com.

ATTENTION

OCM MEMBERS, DONORS AND SUPPORTERS

We will soon be transitioning to an electronic newsletter sent to our members by email.

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 and we will continue to mail it to you.

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

If you already sent in this form, there is no need to do so again.

I WANT TO OPT IN TO CONTINUE TO RECEIVE THE OCM NEWSLETTER BY MAIL:

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or email your name and address to pcraycraft@competitivemarkets.com.

CAPITOL (continued from page 2)

support General Balderas and join the investigation.

Bad news in the state of California: One of the most egregious state beef checkoff bills has been filed in California. As we all join together and push for meaningful reform at the federal level, the NCBA and their state counterparts are working hard to keep their lobbying treasuries full. If passed, AB 243 would guarantee lobbying entities to receive a \$1.00 increase in the California beef checkoff tax. NCBA's counterpart will get to submit their membership list, but everyone else has to register individually. It will only take a simple majority of cattle producers to pass the referendum but would require a super majority to repeal the tax. The supposed council will have a majority of industry members, leaving actual cattle producers in the minority. AND IT DOES NOT REQUIRE California beef or even U.S. Beef is marketed; it allows the tax money to market imported beef. No thank you Mr. JBS, Swift and Brazil!

WEAVER (continued from page 4)

poultry industry used to gain complete control over production including the breed, feed, and most importantly what they pay the farmers who do 90% of the work. My understanding is that pork is as much as 80-90% integrated production now.

Now the beef packers are pushing to integrate the cattle industry, too, and we believe farmers and ranchers should fight that tooth and nail for the reasons outlined here and more.

I raise broiler chickens for Pilgrim's Pride, and it is going on 20 years since we have had a significant increase in base pay. At the same time, they have paid their

stockholders \$2.2 billion in dividends just in the past two years.

Those companies will tell you that the GIPSA Rules will force them into more company production and force the farmers out. That is a tactic the poultry industry has used, too, but the reality is that they do not want to make the tremendous investment in building their own facilities, which means they would have employees and have to pay wages and benefits, too. Why should they when they can get farmers to make the investment and take all the risk while they rake in the profit?

If the integrators and packers aren't abusing their growers, why are they so worried about lawsuits? Ask them that and see what kind of answer you get. Farmers having to prove "harm to competition" to prevail in a legal action essentially makes the companies bulletproof. The companies are trying to protect that at any expense

including misrepresenting, if not flat out lying, about what effect the GIPSA Rules will have.

Our position is that the processors can treat farmers fairly allowing us to make a reasonable profit and at least pay our bills while still making record profits themselves. The increase poultry growers are asking for will increase the cost of a whole chicken \$.08 cents for consumers in the grocery store!

Fairness is all we are looking and working for, and the companies have demonstrated that they will not be fair unless forced into it and the only way to accomplish that is Federal regulations.

For all of these reasons and more OCM calls on the USDA to finally enact GIPSA's Farmer Fair Practices Rules^{MW}

See us on the web! competitivemarkets.com



Debunking NCBA's Lies About Premium Payments



By **Dudley Butler**,
former GIPSA administrator

I was an active member of the National Cattlemen's Beef Association (NCBA) for many years. I quit NCBA because its leaders began to lie to its grassroots membership and I could not stomach it any longer. Today's NCBA leaders continue this untruthful behavior. These leaders are like Judas goats leading their members to the slaughterhouse of vertical integration.

The current lies being told by NCBA leaders involve the recent interim final rule and the proposed rules, known as the Farmer Fair Practices Rules, issued by the Grain Inspection, Packers and Stockyards Administration (GIPSA). These lies are recently espoused in *Beef Magazine* by none other than the newest President of NCBA, Craig Uden.

LIE: If this rule isn't killed once and

for all, cattle producers will lose nearly all incentive to invest in the production of higher-quality beef. That would mean less revenue for producers and lower quality for consumers.

FACT: This is just the latest NCBA propaganda designed to scare hard working cattlemen and cattlemen. Value-based marketing is here to stay. I have personally been involved with such programs and marketed my cattle through them. I support them wholeheartedly. There must be a showing of "undue preference" before anyone would have grounds for a complaint. Under the law, words like "undue" mean something. Unwarranted, excessive, unjustifiable and unnecessary are just a few synonyms for undue. Anyone with walking around sense knows that better quality

brings a better price, whether it be cattle or cotton.

LIE: Under the proposed GIPSA rules, a rancher could sue for damages because he got less money for his cattle even though they were of lesser quality.

FACT: First, under the GIPSA rules, the overwhelming majority of any complaints of cattlemen would be handled through the administrative process provided by GIPSA. The farmer or rancher makes a complaint to GIPSA. GIPSA takes it from there. The farmer or rancher is not even a party in any formal administrative action. He is a witness and USDA is the complainant.

Second, litigation in federal court is expensive and any unwarranted claims are dismissed expeditiously by federal judges.

Third, farmers and ranchers are the least litigious people in the world. It is slanderous to suggest that they would file unfounded litigation.

Finally, the proposed GIPSA rules also protect farmers and ranchers against practices such as retaliation, bad faith, denial of due process and fraud. Why would any organization that supposedly represents farmers and ranchers want to kill a marketplace safeguard that protects farmers and ranchers from these types of wrongful practices? If you don't think these types of practices are prevalent today, call a poultry grower. Many of them raise cattle also.^{DB}

FACT Value-based marketing is here to stay



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Or join online at www.competitivemarkets.com.

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