



A New Agenda to Tame Corruption in Washington

by Rohit Chopra and Julie Margetta Morgan

U.S. Federal Trade Commissioner Rohit Chopra will be the banquet speaker at OCM's 20th Annual Food & Agriculture Conference.

In an October 2017 poll, Americans named “corruption of government officials” as their top fear, ranking it above North Korea’s use of nuclear weapons. According to the Pew Research Center, the last decade has been the longest stretch of low trust in government since 1958, when Americans were first polled on this question.

It is widely accepted that corruption is a fundamental impediment to shared prosperity in the developing world. In 2013, the president of the World Bank declared that corruption is “public enemy number one.” Over the years, the U.S. has put into place tough laws to stop American companies from engaging in corruption overseas.

Despite evidence of corruption in our own government, however, we too often accept it rather than put forth ideas to curtail it.

There are significant economic implications when corruption persists. Instead of investing in the “real” economy—by building new plants, buying vital equipment, or hiring more workers—firms might instead divert these resources to lobbying and influencing. In addition, when the largest and most entrenched firms invest heavily in lobbying and influencing, they can use this power to rig the rules against innovators that might challenge their dominance. Moreover, if entering a market requires hiring former government officials to engage

Please see **CHOPRA/MORGAN** on page 2

Building a more productive and equitable economy—and society—rests on our ability to tame government corruption.

INSIDE ...

3 OCM and American Grassfed Association File Petition to End USDA Practice of Allowing Foreign Meat to be Labeled “Product of USA”

4 OCM 20th Annual Food & Agriculture Conference & Membership Meeting Agenda

5 OCM 20th Annual Food & Agriculture Conference & Membership Meeting Registration

6 Capitol Roundup
by Joe Maxwell

7 Membership Report
by Pat Craycraft





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CHOPRA/MORGAN (continued from page 1)

in lobbying and influencing, smaller and newer firms may be blocked from competing at all.

Corruption is a vehicle for the powerful and the connected to foreclose opportunities for the companies and communities that don't have access to lawyers and lobbyists. Corruption also reduces the voices and obstructs the participation of marginalized communities in our economy and democracy. Building a more productive and equitable economy—and society—rests on our ability to tame government corruption.

In public policy debates, there has been considerable attention to the role of money in politics: the ways in which campaign contributors can influence who gets elected and which positions a candidate takes. But in this paper, we argue that we must also directly confront the impact of money in government: the ways in which money influences government agencies, especially regulators and law enforcement officials, to act for the benefit of special interests rather than the broader public good. We highlight the corrosive impact of these forces and explore potential policy options to root out the soft corruption driving the public's distrust.

Today's anti-corruption infrastructure was largely developed in the wake of Watergate, but we identify four major problems that must be addressed going forward.

- First, enforcement of anti-corruption laws for officials in federal government agencies is lackluster. Existing investigative bodies either lack the authority to curtail corruption or focus their attention outside of federal officials and those who seek to influence them.
- Second, ethics and transparency laws that are supposed to protect the public from conflicts of interest by government officials are inadequate and outdated.
- Third, the revolving door—where individuals move between government service and special interests—contributes

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to “cultural capture,” where officials in federal government agencies see their interests as more closely aligned with the entities they regulate, rather than the interests of the public.

- Fourth, the public lacks the information and tools required to identify conflicts of interest and stop unseemly actions that benefit special interests at the public's expense.

Throughout history, Americans have taken action to confront corruption, particularly after major scandals. There are number of steps to take to address the current issues plaguing our system.

To root out corruption and restore faith and trust in our government, we outline a series of ideas and policy options. We discuss the establishment of a new public integrity agency that consolidates the balkanized enforcement and oversight authorities into a singular, accountable watchdog. We also outline a set of tougher restrictions on the revolving door to curb the influence of special interests during and after a public official's service. We also describe new tools to empower the public and deter corrupt practices.

These approaches are not meant to be exhaustive or definitive; they are meant to spark greater discussion about the ways we can reduce corruption and increase government's accountability to the public interest, rather than to special interests.

See the full report at <http://rooseveltinstitute.org/unstacking-deck/> and hear from Mr. Chopra at OCM's 20th Annual Food and Agriculture Conference. ^{RC|JMM}

OCM and American Grassfed Association File Petition to End USDA Practice of Allowing Foreign Meat to be Labeled “Product of U.S.A.”

In June, OCM and the American Grassfed Association (AGA) filed a petition with the United States Department of Agriculture (USDA) Food Safety and Inspection Services (FSIS) demanding FSIS policy be changed to ensure only U.S. domestic meat products can be labeled “Product of U.S.A.”

The current policy allows foreign meat to be imported into the United States and bear the label “Product of U.S.A.” if it simply passes through a USDA-inspected plant. The lack of clarity in this policy allows food companies to skirt the federal law and regulations governing labeling and leads to violations of FSIS’s own policies and regulations that clearly mandate truthfulness in labeling by prohibiting false or misleading labeling and practices.

With the Congressional repeal of mandatory Country of Origin Labeling for beef and pork products, it is imperative that when a company chooses to label its meat products that origin statement be truthful. Allowing foreign profiteers to mislabel meat products plunders the profits of U.S. farmers and ranchers at the expense of U.S. consumers. This is simply criminal.

Hit hardest by misbranding of U.S. meat products are those U.S. farmers and ranchers who produce grassfed beef. This market opportunity has been the one bright spot in U.S. cattle production with sales nearly doubling annually. Sales of grassfed beef have grown from \$17 million in 2012 to \$272 million in 2016 with producers seeing as much as a 30% premium for their products.

The USDA FSIS has posted the petition for public comment. OCM encourages our members to file their individual comments and letters of support by the FSIS deadline of August 17, 2018.

Please see **PETITION** on page 7



Comments May Be Sent to the Following:

Submit online: <https://www.regulations.gov/docket?D=FSIS-2018-0024>

Submit by mail:

Mailed comments must reference petition number 18-05.

U.S. Department of Agriculture
Food Safety and Inspection Service
1400 Independence Avenue, SW
Washington, D.C. 20250-3700

Attention: Ms. Mary Porretta, Petitions Manager
Office of Policy and Program Development
Petition “18-05”

Allowing foreign profiteers to mislabel meat products plunders the profits of U.S. farmers and ranchers at the expense of U.S. consumers. This is simply criminal.



Food & Agriculture

CONFERENCE & MEMBERSHIP MEETING

Hitching up Together to Break the Corporate Stranglehold

CONFERENCE: AUGUST 9-10, 2018

MEMBERSHIP MEETING: AUGUST 11, 2018

Marriott Kansas City Airport, 775 Brasilia Avenue, Kansas City, Missouri 64153

Reservations may be made under the group name Organization for Competitive Markets at a rate of \$102/per night Book your room at www.competitivemarkets.com or by calling (816) 464-2200. Rooms are available at the discounted rate until 7/20/18.

**Join us for the only national conference
focused on breaking up corporate
consolidation and monopoly power.**

Antitrust attorneys from Cohen Milstein Sellers & Toll will be available to meet with farmers who have suffered marketplace abuses.

In our first session on Thursday afternoon, Ricardo Salvador from the Union of Concerned Scientists will kick us off by discussing how a better world is possible. We will continue by taking a look at the impact of market concentration on various agriculture sectors and hearing directly from members of our community, followed by a round table discussion on building bridges.

Our second session on Friday morning will dive deeper into today's farm and rural crisis. This will include discussions on the impact of retail concentration on workers and farmers, the economic impact on rural communities and main streets, and finally we will take a look at concentration in other sectors.

The third session on Friday afternoon will offer us a call to action. We will hear reports on ending the capture of government agencies by big agribusiness interests, regenerative agriculture for rural economic development, stopping the growth of vertical integrators, and finally a round table discussion on taking action together.

Some of our speakers include:

Carrie Balkcom, American Grassfed Association
Ben Burkett, Mississippi Association of Cooperatives
John Boyd, Jr., OCM and National Black Farmers Association
Mike Callicrate, Organization for Competitive Markets (OCM) and Ranch Foods Direct
Rohit Chopra, Federal Trade Commission
Al Davis, OCM
Bruce Drinkman, National Family Farm Coalition
Leah Douglas, Food and Environment Reporting Network
George Farah, Cohen Milstein Sellers & Toll
Kevin Fulton, Fulton Farms
Andy Green, Center for American Progress
John Hansen, OCM and Nebraska Farmers Union
Judith Heffernan, OCM
Mary Hendrickson, Ph.D., University of Missouri
Tamara Jones, Southeastern African American Farmers' Organic Network
Paul Muegge, OCM
Janie Simms Hipp, Indigenous Food and Agriculture Institute
Barry Lynn, Open Markets Institute
Vaughn Meyer, OCM
Jose Oliva, Food Chain Workers Alliance
Dennis Olson, United Food and Commercial Workers
Tom Philpott, Mother Jones
Lorette Picciano, Rural Coalition/Coalicion Rural
Ricardo Salvador, Union of Concerned Scientists
Marshall Steinbaum, Roosevelt Institute
Fred Stokes, OCM
Brett Tolley, Northwest Atlantic Marine Alliance
Mike Weaver, OCM and Contract Poultry Growers Association of the Virginias



Food & Agriculture

CONFERENCE & MEMBERSHIP MEETING

Hitching up Together to Break the Corporate Stranglehold

AUGUST 9-11, 2018

Marriott Kansas City Airport, 775 Brasilia Avenue, Kansas City, MO

Call in for Reservations 816-464-2200 - OCM Block (Rate \$102.00+) Deadline 7/20/18

Or make your reservation on the OCM website: competitivemarkets.com

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REGISTRATION includes Thursday, August 9 beginning at 1PM and all-day Friday, August 10

_____ Number attending OCM Conference @ \$75.00 \$ _____
Thursday, August 9, REGISTRATION starts at 12 Noon,
Thursday, August 9, Conference begins at 1:00 PM

_____ Number attending 2018 RECEPTION/BANQUET @ \$50.00 \$ _____
Thursday, August 9, Reception 5:30 PM, Banquet 6:30 (Buffet)

_____ Number attending 2018 LUNCH @ \$28.00 \$ _____
Friday, August 10 - 12:00 Noon (Buffet)

TOTAL Registration and Meals \$ _____

_____ **Attending Membership Meeting, Saturday August 11 - 8:00 AM**

Make check payable to OCM, P. O. Box 6486, Lincoln, NE 68506



by Joe Maxwell

CHECKOFF REFORM: OCM and over 100 farm and food organizations which make up the checkoff reform stakeholders group were able to get an amendment to the U.S. Senate floor and a vote on the amendment, S.A. 3074. The amendment was modeled after The Opportunities for Fairness in Farming Act, S. 741. While we lost the vote 38 to 57, we were encouraged by the strong bipartisan “yes” vote the amendment received. The amendment was co-sponsored by Senators Lee, Booker, Paul, Hassan and Warren. Senators joining them by voting yes included U.S. Senate leaders from both parties and from diverse ideological perspectives including Brown, Cruz, Grassley, McCaskill, and Tester. See how your Senators voted online at <https://bit.ly/2NwVsiL>.

OCM is continuing to work to bring transparency and accountability to the over \$850,000,000 in checkoff program funding, working with stakeholder organi-

zations to develop plans for our next steps in the legislative effort.

Our ongoing five-year Freedom of Information Act litigation is finally moving forward to uncover spending details of the beef checkoff program. Recently, the federal judge ordered USDA and

National Cattlemen’s Beef Association to release audit and financial records. If they fail to do so in a timely manner, the judge stated he will force USDA Secretary Perdue to personally come to his court room to explain why. We are expecting USDA will start delivering documents in the next couple of months.

Our Ohio investigative report released earlier this year resulted in uncovering checkoff funds being used to provide direct support to the trade and lobbying organization, Ohio Cattlemen’s Association (OCA) for its lobbying and political efforts. OCM was able to produce evidence that Ohio Beef Council (OBC) solicited political contributions for an Ohio gubernatorial candidate in violation of both state and federal law. As a result of this investigation and the evidence it produced, OCM, the Ohio Farmers Union and the Buckeye Quality Beef Association have requested USDA and the National Beef Board disqualify the OBC as the designated state agency managing the beef checkoff program in Ohio.

In a similar fashion, OCM is investigating the Kansas Beef Council and its handling of checkoff funds. From initial reports from Kansas farmers and ranchers, similar abuses to those uncovered in Ohio exist in Kansas. OCM’s goal is to shed the light on the checkoff programs and force them to be more accountable and transparent to the farmers and ranchers who are forced to pay the checkoff assessments.

H.R. 4879, PROTECT INTER-STATE COMMERCE ACT; CONGRESSMAN KING (R) IOWA: As this newsletter goes to print, we are working to block Congressman King’s effort to pass his legislation that would result in a federal takeover of all of agriculture policy. Congressman King was able to attach his state rights killing legislation to the recently passed U.S. House version of the Farm Bill. We were successful in keeping King’s language out of the U.S. Senate’s passed version of the farm bill, forcing this issue to conference.

Remember, because King’s amendment is a federal pre-emption law, only Washington D.C. could take up agriculture policy issues on behalf of U.S. farmers and ranchers. This is simply not a manageable outcome. For over 200 years, farmers and ranchers have had the ability to turn to their state governments for solutions to the many issues family farmers and ranchers face; everything from livestock health, stopping the spread of beetle killing infestations of our forests and labeling products for food and safety concerns. We are calling on everyone to contact their U.S. Senators and U.S. Representatives and ask them to kill Congressman King’s amendment before passing a farm bill.



ANNUAL OCM MEMBERSHIP MEETING

ATTENTION ALL MEMBERS - The Annual Membership Meeting for OCM Voting Members will be held on Saturday, August 11 at 8 AM (CT) at the Marriot Kansas City Airport, Kansas City, MO following our Annual Conference. Written notification will be sent out by mail.

"Hitching Up Together to Break the Corporate Stranglehold." OCM's 20th Anniversary Annual Food and Agriculture Conference will be held on August 9-10 at the Marriott Kansas City Airport, Kansas City, MO. We have another great lineup of topics and speakers that you don't want to miss. We will be announcing the speakers online and in our newsletter as they are confirmed.

Watch for all the details, reserve your room and register early.

PETITION (continued from page 3)

Writer's Block?

Though it's important that each letter of support is unique, please feel free to consider the following points while drafting your support letter:

- The current FSIS labeling policy for "Product of U.S.A." grants foreign countries and foreign interests unfair marketing opportunity that harms America's family farmers by allowing foreign entities to receive a premium from consumers who unwittingly believe they are buying meat and meat products with ingredients that originate domestically.
- Research has shown that as many as 93% of Americans want to know where their food comes from and 75% of Americans indicate the source of origin of their food is a major attribute when making their food choices. The current FSIS policy misleads Americans when they are making their purchases and denies America's family farmers these food dollars. FSIS food labeling policy for "Product of U.S.A." should be based on the source of the ingredients.
- The current FSIS labeling policy for "Product of U.S.A." deceives America's consumers who have clearly demonstrated they will pay a premium for meat and meat products sourced domestically by misbranding foreign meat and meat products as "Product of U.S.A."
- Australia is a leading beef exporter into the U.S. and has just implemented a mandatory retail Country of Origin Labeling requirement. The current U.S. policy that allows Australian beef to pass through a USDA inspected facility and then to be labeled "Product of U.S.A." clearly gives Australian ranchers and foreign interests a grossly unfair marketing advantage over American family farmers by allowing these foreign interests to receive a premium in both the U.S. and Australian market.
- Both the Federal Meat Inspection Act and FSIS regulations clearly establish that meat and meat product labels must not mislead the consumer nor must they be false. FMIA states that meat or meat food products shall be "misbranded" if its "labeling is false or misleading in any particular." The current FSIS policy on labeling "Product of U.S.A." must be clarified to correctly reflect the federal law ensuring U.S. consumers are not misled or deceived.
- In passing the Federal Meat Inspection Act (FMIA), Congress acknowledged the financial harm misbranding and mislabeling causes America's livestock producers and clearly stated this as a key basis for the adoption of FMIA.



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JULY/AUGUST 2018

MAKING A DIFFERENCE?

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OCM is a nonprofit, 501(c)(3) organization supported by membership contributions, donations, and foundation support. All donations are tax deductible.

Individual Membership

- ☐ \$50 Member: Receives bi-monthly newsletter
- ☐ \$125 Voting Member: Same benefits as \$50 level, plus voting rights
- ☐ \$500 Sustaining Member: Same benefits as \$125 level, and receives strategy and progress updates
- ☐ Other Donation: Amount \$_____

Associate Organization Membership

- ☐ \$200: Organization receives bi-monthly newsletter, action alerts, membership in OCM National Collaboration, action toolkits
- ☐ \$500: Same benefits as \$200 level, plus two conference registrations
- ☐ \$1,000: Same benefits as \$500 level, plus a booth and recognition at annual conference

All members will receive the bi-monthly newsletter electronically, unless you mark this line for a mailed copy: _____

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