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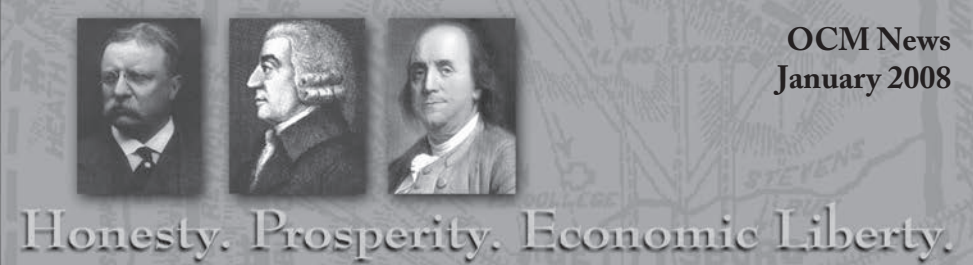
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OCM News  
January 2008

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**FRED STOKES**  
EXECUTIVE DIRECTOR

## Omaha Town Hall Meeting on Trade

Folks, mark your calendar and plan on joining us February 21st at 6:00 PM at the Holiday Inn Central (72nd and Dodge, 402-393-3950) in Omaha for a very important gathering. The Coalition for A Prosperous America (CPA), a rapidly growing trade coalition for which OCM was the catalyst, is conducting a meeting to lay out our suggested solutions to the problems caused by our flawed trade policy.

We expect a great program with large attendance and good press coverage. R-CALF USA, an important CPA member is holding its annual convention November 20 -23 at this same site. They have asked CPA to hold this meeting in conjunction with their convention and designated the evening of February 21st as CPA Night. They are laying the groundwork for a successful CPA meeting by having panel discussion that afternoon on the ills of our trade policy. We plan to use their considerable attendance as the basis for building a large crowd for the event.

There is a new and exciting spirit of

cooperation among many agricultural organizations, domestic manufacturers and manufacturing associations, organized labor, environmental interests and others who have been harmed by our current trade policy. Aggregating our collective influence and power is seen as the best hope for opposing the awesome power of the Wall Street Crowd and One World advocates on the other side of this debate. To have a reasonable chance of winning we must gang up on them.

The theme for the R-CALF convention is ***"Fighting for the U.S. Cattle Producer's Prosperity - Together"***.

Cattlemen understand that the tilted playing field in international trade must be fixed for their industry to survive. Eric Nelson, a CPA Board Member and Chairman for the R-CALF Convention Planning Committee has this to say:

"Anyone who is at all concerned about the rising tide of globalization, the increase in corporate influence over our governmental agencies and the erosion of our personal freedoms should make plans to attend this convention," Nelson urged. "We're taking the theme of this convention very seriously. We absolutely must begin working together with like-minded groups if we want to be prosperous in the near-term and preserve the heritage of the domestic livestock industry for our children and future generations for the long-term."

It took us a while, but it seems that those of us who oppose the agendas and awesome power of monopolists, the new world order and that overall cabal have finally figured it out. ***Parochial attitudes, turf guarding and playing lone ranger don't work!*** It is now clearly apparent that the only hope for fixing the mess in international trade and avoiding the destruction of family farming and ranching in this country is by working together.

A host of agricultural and environmental groups, with OCM playing a

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leadership role, worked together to give us the best chance that we've had in years for a tenable farm bill. There is still work to be done to get the Senate version through the conference process and then avoiding a presidential veto. But our prospects are considerably improved as a result of these numerous groups working together.

The same can be said for fixing the situation with foreign trade. The Coalition for a Prosperous America has become a major rallying point and coordination center for trade reform. CPA has grown rapidly over its first year of existence. In addition to a host of manufacturing entities, associations, labor unions, CPA coalition partners now include OCM, R-CALF USA, Kansas NFU, Ohio NFU, South Dakota Stock Growers, Women Involved in Farm Economics, Western Organization of Resource Councils and a number of other agricultural organizations. CPA is emerging as the coalition of coalitions

and network of networks for the trade reform effort.

The overall effort is compelling the presidential candidates to reveal their position on trade. These who would presume to lead this country are being asked what they propose to do about our failed trade policy with its resultant trade deficit, foreign debt, shrinking middle class, lost jobs and manufacturing base, threats to our sovereignty and diminished national defense. There are a growing number of members of the Congress who see things our way and prospects for constructive change have improved. But we must keep up the pressure.

If you agree that we must stop the devastation to our country and the future of its citizens caused by a grossly unfair trade policy, join us in Omaha on February 21st. I'm having my left running gear repaired (another hip replacement) on January 10th but you can count on my being there. Would you make a special effort to attend -- and bring a neighbor?<sup>FS</sup>



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the Agricultural Marketplace  
For Independent  
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## What was the Peru Free Trade Agreement really about?

By MICHAEL STUMO

The wacko free traders said Congress had to pass the Peru Free Trade Agreement to – what else – support “free trade”.

I like free trade. I hope we get it someday. But the Peru FTA allows Peru to charge 19% taxes on incoming U.S. goods forever, while we drop our tariffs. It prevents us from adopting food and product safety laws when we discover harm. It allows foreign investors to sue our local governments for enacting laws that allegedly harm their investments. This is not free trade.

If they want to deregulate trade, getting government out, why does it take several hundred pages in an agreement? Why not two pages? It is re-regulation of trade for the benefit of the multinationals.

The agreement is primarily about big U.S. companies moving their operations to Peru. You don't believe me? I'm too cynical perhaps? Maybe you'll believe Peruvian President Alan Garcia.

Garcia spoke to the U.S. Chamber of Commerce in Washington

nine days after the Senate approved the Peru FTA. He urged American companies to move their operations to his country.

Oil, mining, agriculture, fishing and manufacturing firms should now flock to his nation of 29 million people, which has a per-capita income of less than \$3,000 a year, Garcia said. “Come and open your factories in my country so we can sell your own products back to the U.S.,” Garcia told the business executives.

I track all these votes on the blog [www.tradereform.org](http://www.tradereform.org). You need to know how your representative voted. If you search “Peru Roll Call Vote” on that site, you will see how your federal delegation voted.

Freshman Senators and Representatives, newly elected in 2006, were the most likely to vote “no.” We need more of them in 2008. Changing Congress is the best way to reduce and eliminate our \$2.5 billion per day trade deficit that is gutting our agriculture and manufacturing sectors.<sup>MS</sup>

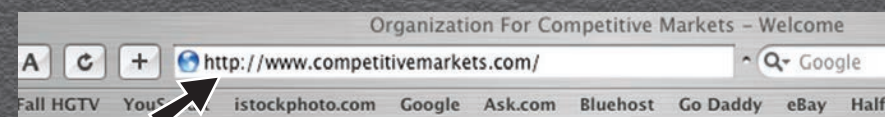


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OSWALD (continued from page 5)

no shame for what our government will continue to take.

The price of most things we buy is going up as the Federal Reserve continues to talk interest rate cuts to offset a feared recession. But much of the interest cuts we've received go into the pockets of big banks stung by the sub prime loan implosion. Freeing up more depreciating dollars just so American consumers can help retailers sell more imported goods will do little for real Americans. With jobs, and opportunity, Americans will buy whatever they want with earnings. Credit has become a substitute for productivity.....and pay. There is no future in that. And no justice.

Candidates who want to speak of the future, of change, and of hope, need to address the true facts of the declining American lifestyle. Health care takes much of the blame for high business operating costs. Until we cure the major fiscal illness of health care costs we will accomplish little else. But that has become simply a blame game. Government workers by and large have very good health care and retirement. Many lucky corporate workers do too. The secret to conquering blue collar work forces has been to divide and conquer them. Improperly constructed retirement accounts, permitted by regulators to be disappeared from view by aggressive, corrupt managers was just the start. Health care is another scapegoat, and taxes. We always fail to fix the real problems, preferring to fix imagined ones with high management salaries and little enforcement of white collar crime against workers and shareholders.

Somewhere along the line our government leaders adopted the easy practice of divide and conquer. A

good example is the social security notch babies. They were a group chosen arbitrarily to receive smaller payments simply because of when they were born. Too small a group to be a threat to politicians at the polls, notch babies had to take it or leave it.

Now at the polls themselves we have seen voter's rights taken away arbitrarily. Those too old, too poor, or just too tired to fight unjust voter ID laws must simply give up their right to vote. They have no choice, and it's the perfect political ploy. Not only are they too small in number to harm their offending leaders, but because they've lost the right to vote, there is nothing they can do. Nothing.

Just as many residents of New Orleans have found, corporate workers that lose their jobs drift on the winds of change, and become divided. They move to other cities, or states, to find work, to search for hope. The jobs they find may be poor compared to what they had, but divided as they are there is no one to investigate or report, no one to know. They are conquered.

And so the Federal Reserve cuts interest rates by printing more money just so that relocated depreciated workers will be sure to have the cash to buy foreign goods in support of the \$75 per month peasants who replaced them, goods that they themselves once manufactured. Trade today is less about buying and selling, and more about trading our own security for the dubious refuge of third world jobs.

When the wars and the interest rate cuts all stop, when we are down to the day to day situation of living with the economy that has been built for us, who in America will be on top?

That's what this election is all about.<sup>RO</sup>

*Richard R. Oswald is a 5th generation Missouri farmer who writes for the rural blog, DailyYonder.com.*

PRODUCERS (continued from page 3)

what gives rise to new cattle.

The argument is similar to a bank robber arguing that he was justified in robbing the bank because he needed the money and that's where the money was.

Senator Jon Tester filed a bill to eliminate the "price-manipulation-is-okay-if-they-had-a-good-reason-to-do-it" defense. We did not expect the Senate to approve the bill because a 60 vote majority was needed on all farm bill amendments. Indeed, no amendments passed on any topic.

But Senators had to cast a vote. OCM members should know who supported them.

These Senators from OCM members' states voted yes:

Tester (MT), Harkin (IA), Salazar (CO), Landrieu (LA), Johnson (SD), Grassley (IA), Enzi (WY), Barasso (WY), Conrad (ND), Dorgan (ND), McCaskill (MO).

These Senators from OCM members' states voted no:

Thune (SD), Hagel (NE), Nelson (NE), Domenici (NM), Klobuchar (MN), Stabenow (MI), Casey (PA), Coleman (MN).

Remember these votes when you talk to your Senator AND on election day.<sup>MS</sup>



MICHAEL STUMO

## FARM BILL REPORT

OCM is continuing strong engagement in the Farm Bill's livestock competition provisions. Through our education efforts, we won these provisions in the Senate version:

- Improving market competition by prohibiting packer-owned livestock;
- Preserving and improving Country of Origin Labeling;
- Protecting individual choice by prohibiting forced, mandatory arbitration clauses written by packer lawyers;
- Protecting producer rights by creating a three day right to review or cancel a contract after signing;
- Protecting cash flow and investments by preventing companies' from forcing contract producers to make expensive, mandatory equipment upgrades after a contract is signed;
- Protecting producer contract expectations by preventing premature contract terminations if producers have made a sizable capital investment;

- Improving enforcement of the law by granting USDA authority to bring enforcement actions against poultry dealers for violations of the Packers & Stockyards Act;
- Protecting producer rights by prohibiting company retaliation against growers who seek to bargain collectively

The Senate Ag Committee approved the bill in October, and the full Senate approved it in December, after much debate. Senator Harkin provided strong leadership to includes these provisions. President Bush has threatened to veto the Senate bill because of disagreements on commodity programs. The President also mentioned the packer ownership prohibition in his veto threat, though OCM believes that commodity issues are primary.

OCM will fly members into Washington at the end of January to speak with Senators and Representatives who are likely members of an upcoming joint House-Senate Conference Committee charged with harmonizing the differences in the House and Senat

bills. We must engage, and are engaging, heavily to preserve these gains.

The packer lobby is putting on a full court press. They are using several associations to create the guise of widespread opposition to these pro-competition provisions. The American Meat Institute is the classic packer lobby group. Big packer executives from Tyson and Smithfield Foods sit on the Board of Directors of the National Pork Producers Council. Cargill and other packer executives also hold seats in the Policy Division of the National Cattlemen's Beef Association. These groups lobby together against independent producers.

The United Food and Commercial Workers union is a new ally for us on the packer ownership issue, and we welcome their support. Over 170 other organizations have joined OCM in supporting these market reforms.

Your support of OCM is needed to keep our voice, education and influence strong. OCM is relied upon by legislative staff and other organizations for the expertise necessary to achieve pro-market reforms in agriculture.<sup>MS</sup>

## Which Senators support independent producers?

BY MICHAEL STUMO

During the Senate floor debate on the Farm Bill, we had one vote that revealed which Senators are strong for producers, and which ones carry water for the packers.

Remember the Pickett vs. Tyson case? In February 2004, cattlemen proved, and a jury found, that captive supplies in cattle caused \$1.8 billion in harm to producers. The Eleventh Circuit Court of Appeals, however, said that price manipulation is allowed if the packers had a

good reason to manipulate prices. Tyson said it needed captive supplies to procure consistent, high quality cattle.

The jury disbelieved Tyson, but the Court said the jury had to accept Tyson's argument. Never mind that the existence of a contract does not create more or less cattle of any quality. The reproduction process created by God is

Please see PRODUCERS on page 6



## MEAT LAUNDERING



**DAVID KRUSE**

PRESIDENT, COMMSTOCK INVESTMENTS

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One of the points raised from groups like NCBA against COOL was that it didn't include labeling chicken, citing that as a competitive disadvantage. The vast majority of U.S. livestock producers favor COOL. Anyone needing more proof of that need look no further than the request from the National Chicken Council for chicken to be added to the list of meats covered by Country of Origin labeling.

Beef packers opposed COOL because they weren't producers, owning few cattle, so wanted to protect their ability to source product anywhere in the world and sell it, with no consumer the wiser that it wasn't U.S. beef. They launder foreign meat products into the U.S. market for great profit and saw future opportunities as Brazilian beef cleared herd health restrictions to expound on the business. U.S. packers also kill a lot of cattle in Canada that they would prefer to market beef from as U.S. origin.

The NCBA ran a public relations campaign against their own producers with a Hillary Clinton like tactic of verbally favoring the concept while actually opposing it to "snooze" over potential negative backlash from members. By contrast, the U.S. pork industry was less predisposed to oppose COOL as North Carolina feeder pig producers felt the heat from Canadian imports. Iowa pork

producers also supported COOL.

The U.S. poultry industry is more integrated than the pork industry and as producers, poultry integrators decided that they wanted to be let on board with the beef and pork industries so that they can identify their product to consumers via COOL. Poultry integrators obviously did not see any great value in disguising imported chicken, selling it as U.S. origin as beef packers did in part because imported chicken would be competing against their own U.S. poultry operations, while in beef that would not be the case.

The beef industry is not integrated to the production level. Packers have a captive supply but they don't own it, they just control it. The issue of who supports COOL and who didn't came down to the degree of industry integration. When packers own the livestock, they want included in COOL. When packers don't own the livestock, they want the ability to portray foreign meat as U.S. origin to the consumer. This again puts italics around how badly the NCBA was selling out cattle producers for the packer's interests.

When Sen. Chuck Grassley called

the NCBA "packer lackeys" it's because that is exactly what they are. As the prospects for poultry imported into the U.S. grows from places like Chile and China, poultry integrators decided COOL was a good idea. The U.S. is about the only country that doesn't identify Country of Origin of meat to its consumers. How well do you think packages of chicken labeled "Produced in China" would sell right now? Most U.S. consumers would be looking at the label to find the lead content.

USDA/NCBA opposition to COOL in the 2002 farm bill resulted in draconian rules of implementation designed to kill it. It worked for a while. Congress fixed the mess USDA/NCBA made of COOL regulations in the 2007 Farm bill. They must have done a good job as the poultry integrators have volunteered to sign on to it. U.S. consumers have every right to know what country the beef, pork and poultry they consume originated from and have been denied that right for too long by interests with political connections to USDA, successfully protecting their meat laundering business passing off foreign product represented as U.S. origin when it's not.<sup>DK</sup>

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. (Futures Trading involves risk. Past performance is not indicative of future performance.) CommStock Investments, Inc., 207 Main St., Royal, LA, 712-933-9400, www.thecomstockreport.com, E-mail to: csreport@mcn.net.

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OCM - JANUARY 2008

# Divide and Conquer

RICHARD R. OSWALD

The news media are on their collective ear about how they could miss predicting the winner in the New Hampshire Democratic Primary. The most reasonable excuse, pardon me, explanation, is that Hillary showed a new side of her persona after the polling was completed, and that bringing out her emotions, brought out more voters in her favor.

When the polling industry finally has enough power, I expect someone to suggest that we cut out expensive elections and the possibility of voter fraud by allowing pollsters to select our elected leaders.

But that would not be as unusual a practice as it might seem. Even now, the hiring practices of many of our largest corporations seek to influence government as they regularly employ former high officials for their influence and connections. Recently it has come to light that John Ashcroft may have been improperly selected from a shortlist of one for a favorable contract. And Tony Blair is doing well now that he's left public life; even US based corporations crave his 'advice'. Karl Rove is seen regularly in the op-ed pages of the Wall Street Journal, which reminds some of us that for better or worse, like nearly every other business in the US, many of our news media are corporations too.

I have heard and read it noted from several sources that news coverage in America is no longer as diverse as it once was. Large newspapers, challenged by the internet, have consolidated, and many have closed down at least some of their operations. More and more news organizations

are concentrated into fewer and fewer hands leading up to the question, "how diverse, and how independent, is news coverage?" At the crux of that question is election polling. Are the parameters of a poll skewed based on the desired outcome? There's really no way to tell. But erroneous predictions in a hotly contested race seem counter productive, when the only thing that really needs to happen is for voters to cast their ballots.

Coincidence or not, it's the news media that do a lot of the polling before elections. Always careful to qualify predictions with a plus or minus percentage of error, telephone polling seeks to predict what people will do before they do it. But part of the time it almost seems as though they are trying to influence people who have not yet taken the critical action of pulling that voting booth lever, or marking the box beside a certain name, by making their findings public. Like so many areas of business these days, it seems right to question the objectives of businesses, no matter what service they may deliver, even though it may not seem politically correct to our leaders.

One candidate in particular, I've noticed, seems to have a difficult time even being mentioned in the same breath with the other two leaders in his party. Over the last few days I also noticed that one particular TV network seemed to do an extraordinarily poor job of placing him in front of the camera. The lighting was poor, and the camera lens almost seemed to be distorted. I've met the man many times, and I'm well aware of what he looks like. The TV camera was not

offering a fair reproduction. Was it accidental, or on purpose? Given the fact that his rhetoric was not flattering to corporations, I have to wonder.

Even as that candidate has said that not all corporations are bad, this election almost seems to be the last great hope for those of us who want to see our nation turned back from the brink. We're hoping to see some change of policy on a broad scale that will bring back hope by bringing back the jobs. In places like Cambodia, Indonesia, or China, workers may earn \$50 to \$75 per month. That's less than starvation wages here, but in those nations it represents a sea change, or at least that's what we're told about the 12 hour a day, seven day a week jobs. We're also told that worker rights and protections are vigorously guarded by inspectors. But the inspectors in most places work under instructions to call before checking a factory. Illegal or underage workers are told not to report that day, and pollution filters are turned on, only to be turned off as soon as inspectors depart. Can this really be why America has conceded its manufacturing greatness, or is it simply so that corporations can have access to a work force that's grateful for a penny on the dollar?

Here in my state, Missouri, our conservative leadership in the Capitol proudly points to a steady tax burden free of increase for average Missourians, but while corporate taxes have never been lower, in 2007 Missourians themselves paid 4% more while total revenue increased. Where I come from, paying more in taxes equals a tax increase. It seems that even as workers in this country are asked to give up so much, there is

Please see OSWALD on page 6