



It's Still Called Stealing

BY MIKE CALLICRATE (LEFT) AND FRED STOKES (RIGHT)

Grade and yield buying used to be called "Grade and Steal" by most cattlemen. Today, it's called Value-Based Marketing by the big packers and their cheerleaders, like Certified Angus Beef's (CAB) Miranda Reiman. In her March 4th article, "Value-based cattle marketing dominates", Reiman attempts to mentally condition Angus

"The old selling-them-live method has given way to formula sales. This is a clear signal the industry is moving away from pricing on averages, and instead pricing cattle on their individual merits."

- Mark McCully, Assistant VP for Certified Angus Beef.

Pink Slime, various pre-digestion methods, and meat recalls, do more to damage demand than CAB quality can possibly do to help it.

Cattle feeders once knew better than to let the packer decide what their cattle were worth after the hide was removed. It was just plain bad business

not to negotiate the price. Economics professor, Dr. John Helmuth once said, "Somewhere between when a calf is born and the steak hits the plate, price has to be discussed". Not known for their benevolence, the packer, admittedly, always wants to pay the lowest price possible. Giving the packer the ability to solely determine the value was considered foolish.

Those born after 1975 (Miranda Reiman) have likely not participated in a competitive market for fat cattle. By the spring of 1994, the big meat packers proved they had essentially eliminated competition for live (fat) cattle. IBP, following the advice of the Boston Consulting Group, had decided in the late 1970's that it was more profitable to cooperate than compete with the other very large packers. Together, the biggest packers systematically eliminated most of the smaller independent regional packing companies, drastically reducing competition. Additionally, they were feeding more of their own cattle and making preferential pricing and exclusive market access deals with the biggest feeders for additional large volumes of cattle that they didn't have to bid on. Armed with enough captive supply cattle to stay out of the cash market for an extended

period, the packers dropped the price of fat cattle \$17 per cwt. in six weeks – a loss in value of around \$200 per head. Over a thousand angry cattlemen packed the Holiday Inn in Omaha, Nebraska.

The packers got the message. The market recovered about \$12 per cwt. right away.

The packers learned an important lesson – without competition, the market, and people's perceptions, would have to be managed.

From deep in the meat packers' pockets, the economists, market touts, and those receiving preferential treatment, bleated all kinds of phony excuses for the price drop - from 'supply and demand', to the standard 'too much chicken and pork', and, of course, cattle feeders were poor marketers. Dr. Helmuth's explanation was simple

He is a merchant, the balances of deceit are in his hand: he loveth to oppress."

- Hosea 12

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Subject: Honesty



My Favorite Animal

Our teacher asked what my favorite animal was, and I said, "Fried chicken."

She said I wasn't funny, but she couldn't have been right, because everyone else laughed.

My parents told me to always tell the truth. I did. Fried chicken is my favorite animal.

I told my dad what happened, and he said my teacher was probably a member of PETA. He said they love animals very much.

I do, too. Especially chicken, pork and beef. Anyway, my teacher sent me to the principal's office.

I told him what happened, and he laughed, too. Then he told me not to do it again.

The next day in class my teacher asked me what my favorite live animal was. I told her it was chicken. She asked me why, so I told her it was because you could make them into fried chicken.

She sent me back to the principal's office. He laughed, and told me not to do it again.

I don't understand. My parents taught me to be honest, but my teacher doesn't like it when I am.

Today, my teacher asked me to tell her what famous person I admired most.

I told her, "Colonel Sanders." Guess where I am now...

Faye Johnson
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Milk and Honey

BY RICHARD OSWALD

Who made your food? In these changing times that's becoming an important question. Maybe it's something we should all ask more often as industrial food becomes rule over exception.

But what makes food industrial? With so many working families and no one staying home to cook every day, don't we need fast food?

When we buy those things at the local burger store or chain supermarket we get mostly what we expect. The public is well versed in what's in industrial food—things like additives, drugs, antibiotics, hormones, preservatives.

We hear about that stuff all the time. Trading the good life for shelf life is the price we pay for fast-lane life in the land of milk and honey, America.

Food Safety News (1) <http://www.foodsafetynews.com/2013/02/honeygate-sting-leads-to-charges-for-illegal-chinese-honey-importation/#.UVnI78u9KSM> points out that in America these days, not even honey is all its cracked up to be. Importers and wholesales of what is thought of as one of the most wholesome food products on earth are squeezing the life out of honey. (2) <http://www.foodsafetynews.com/2011/08/honey-laundry/#.UVnJncu9KSM> Processors say it's because US consumers want a crystal clear product. But critics point out that ultra filtration of honey...and dilution with non-honey ingredients...lets importers blend profitable products from around the world.

No one is the wiser because filtration erases genetic and biological fingerprints that could reveal country of origin. If its true consumers prefer their honey that way, then for big food, that's a very convenient truth.

Now a lot of our honey comes

from places like China where food standards and inspection are lax or non-existent even though food contamination is rampant. If you think honey filtering is bad you're right, because it's a corporate tool for filtering out important and relevant information about your food that can affect personal health and well being.

Consumer choice is the price we pay for buying off the shelf.

At first glance filtering might seem like a good idea, a way to remove contaminants. The trouble with that thinking is that the contaminants in many cases are good things; plant pollen that helps make people immune to allergic reactions, (think hay-fever) and evidence of the pollen packing bees who made it. (Pollen and DNA in honey both reveal where the product came from.) But while removing genetic information of when it was created and where, filtration does nothing to change the presence of bad things in food like antibiotics and dangerous chemicals.

Industrialization of honey amounts to making an inherently good product, requiring little in the way of processing, less beneficial. It may even make it easier for Big Food to create a product more dangerous to the consuming public. (3) <http://www.cdc.gov/mmwr/PDF/wk/mm5013.pdf>

Almost all the organic honey sold in the United States comes from Brazil. 60% of all the other honey consumed here comes from Asia. It's been said that in many cases wary consumers would have more luck deciphering state secrets than finding out where their honey came from.

Unlike honey, most (but not all) dairy products sold in the United States are of US origin. More and more those products are starting to resemble honey in that they are blended and refined to the point they could

be anything coming from anywhere (8) <http://www.indexmundi.com/agriculture/?country=us&commodity=powdered-whole-milk&graph=imports>. That's something that happens in our food more and more.

Small dairy farmers able to market raw unrefined milk directly to consumers and ultra-pasteurized organic milk seem almost like direct opposites. The one thing both locally grown raw milk and organic milk have in common is that they take health conscious consumer preference into consideration by being chemical and antibiotic free.

That makes them, simply, real food from real farms.

I've eaten honey straight from the comb, and I've drunk milk right from the cow. Generally speaking the closer you are to the source of your food, the safer and fresher food is. That's the way it used to be for me. But lately I've also used ultra pasteurized organic milk purchased from a chain store grocer. Overlooking the source, it's really an amazing product that keeps for what seems like forever when compared to standard pasteurized milk.

The last gallon of standard Big Dairy milk I bought soured before I ever got round to opening it. That's why it was the last gallon of Big Dairy milk I've bought.

It's also one reason why I have to smile when I hear or read that drug free, antibiotic free organic offers no benefits to the consuming public, or that raw milk from the local family dairy is dangerous.

The reason food is packaged the way it is with so many treatments and preservatives is because the average American meal, blended from many different sources, may travel thousands of miles before arriving at your plate. What started out as a food system designed to bring seasonal products to consumers regardless of what time of year it was has become an

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and accurate, "There's an economic term to describe this phenomenon, it's called stealing".

Big packers fear two things – Competition and court rooms

Attorney Robert M. Cook, representing one of the biggest cattle feeders in Nebraska, described forcefully in "Helmuth" language what the packers had done to the market – IBP sued him.

The trial revealed the accuracy of Cook's statements:

"At times, the company over purchases its entire needs, with forward contracts. (See Supp. App.Ex. 197) Exhibit 197 shows that during April-June of 1994, a time critical to this case, IBP contracted for as much as 122%, and as little as 53%, of its entire projected kill with cattle contracted for forward delivery. IBP's corporate policies required it to sell these cattle on the commodities market before they were contracted for purchase from a cattle feeder. IBP killed 180,000 head of cattle per week in 1994."

When closing argument was presented against IBP in the Cook case (USDC Neb. 1995) I argued to the jury that IBP had become the largest owner of cattle feedyards in America through the artifice of contracting. Forward contracts had permitted IBP to buy up, control, and therefore effectively own, an overwhelming portion of America's cattle production capacities "without buying one acre of land, pouring one cubic yard of concrete, installing one linear foot of feed lot, digging one post hole, stringing one wire, or investing one dime."

The jury reacted to the argument with widened eyes, then, as I could see the thought sink in, their amazement turned to disgust.

They rewarded my client with their verdict. - David Domina, Attorney for Robert M. Cook

Awarding plaintiffs \$1.28 billion in the 2004 Tyson/IBP trial, the jury found IBP had as much as 170% captive supply, more than in the spring of 1994. Additionally, head cattle buyer Bruce Bass admitted that IBP paid less for cash cattle when captive supplies were plentiful. Grade and yield data showed that the cash cattle IBP was forced to bid on (to set the price for captive cattle), were better quality than their so-called value-based purchases. Judge Lyle B. Strom, a Reagan appointed "de-regulation"- "bigger is better" judge, reversed the jury's verdict, handing the cattlemen's win over to Tyson/IBP and sticking cattlemen with Tyson's court costs.

Like losers in a Monopoly game, independent producers are out of money and sitting on the couch. The so called value-based, moving-target, grade-and-yield fools game, where quantity trumps quality and discounts are often ten times the premiums, is leaving independent producers, from ranchers to feeders, with no chance for a fair price and no hope of survival. Honesty, integrity, and meat quality have disappeared along with antitrust law enforcement and a fair cash market. The retailer monopoly (Walmart, Kroger, Safeway, etc.) is charging record high prices for beef as ruined independent producers are slaughtered with their livestock.^{MC}

"Every month 1,000 ranchers go out of production. It's the national security issue no one is talking about."

- Great Ranches of the West book

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industrialists paradise. The farther we go to get food the more concentrated industrial food power becomes and the less visible the actual source is. Animals are fed unnatural feed. Foreign ships unload bulk commodities shrunk to a individual ounces and sold in carefully designed packaging for 10 times the original cost.

Something that started out as one thing is colored and treated to taste and look like something else. The more something is blended the less clean it is. Chemical treatments make up for lack of quality and safety.

We're blinded by packaging and advertising that never seems to mention the true origin of food. That's the problem with milk and honey. Our government talks about exports and imports in terms of dollars, but the sense of what it takes to produce real food and how farmers make a living doing that is lost because we value consumption in terms of currency exchange more than we value genuine production, or the real basis of food independence.

Like our food production, population and consumption is a number on a balance sheet resembling corporate profits and political polls. Only a handful of people in a few states even seem to care about consumer health. (5) http://www.cdc.gov/foodnet/PDFs/2011_annual_report_508c.pdf

The people who grow food from scratch are almost never considered any more than health (4) http://www.cdc.gov/media/releases/2011/p0607_vitalsigns.html of people who consume it.

We kill our bees with GMO grain sold around the world and protect patent holders of that grain from law suits for the damage (9) http://www.stltoday.com/news/opinion/columns/the-platform/editorial-blunt-s-mon-santo-protection-act-undermines-legislative-process/article_9ebdf98a-950c-5e84-a1b4-ab9462b32db4.html they do. We replace the honey we

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OSWALD (continued from page 6)

can no longer produce, with imports from China. We destroy domestic dairy prices so that cheap milk products from Europe can be bought in bulk and sold here at a profit. We move families off the farm, move the farms farther away, and concentrate them in the hands of corporations so the public won't see what they do. Then we pass laws to make poor judgement (something ethics used to prevent), bad animal husbandry (7) <http://www.movotesconservation.org/our-legislative-work/the-issues/cafos/>, and food ingredient laundering across borders legal even to the point of giving it preferential treatment.

A new book, *Pandora's Lunchbox* (6) <http://melanierwarner.com/pandoras-lunchbox/>, is full of details about factory food. It all boils down to the fact that even after reading lengthy ingredient lists, it's hard to know for sure what's really inside.

The only way to contain the damage to our food system is by not buying the box and opening it in the first place.

It all boils down to the fact that if nothing changes, you may never know the real identity of the corporations that manufactured your food or what it really is, let alone the farmers who made it.^{RO}

1. <http://www.foodsafetynews.com/2013/02/honeygate-sting-leads-to-charges-for-illegal-chinese-honey-importation/#.UVnI78u9KSM>

2. <http://www.foodsafetynews.com/2011/08/honey-laundering/#.UVnJncu9KSM>

3. <http://www.cdc.gov/mmwr/PDF/wk/mm5013.pdf>

4. http://www.cdc.gov/media/releases/2011/p0607_vitalsigns.html

5. http://www.cdc.gov/foodnet/PDFs/2011_annual_report_508c.pdf

6. <http://melanierwarner.com/pandoras-lunchbox/>

7. <http://www.movotesconservation.org/our-legislative-work/the-issues/cafos/>

8. <http://www.indexmundi.com/agriculture/?country=us&commodity=powdered-whole-milk&graph=imports>

9. http://www.stltoday.com/news/opinion/columns/the-platform/editorial-blunt-s-monsanto-protection-act-undermines-legislative-process/article_9ebdf98a-950c-5e84-a1b4-ab9462b32db4.html

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