



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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AMERICA!

What's

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### Disclaimer

*The opinions of the authors  
presented in our newsletter are  
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imply the organizations position.  
OCM has membership with diverse  
viewpoints on all issues. OCM is com-  
mitted to one and only one principal;  
competition.*





# Beef Checkoff; Fix it or end it.

THOMAS F. "FRED" STOKES  
EXECUTIVE DIRECTOR



## Beef Checkoff; Fix it or end it.

NCBA appears to have pulled off a coup d'état! Under a withering and vicious attack by NCBA, both the CEO and President of the Cattleman's Beef Board (CBB) have now resigned.

CEO Ramey was accused by NCBA of unannounced listening to their conference calls (regarding checkoff matters). CBB President, Tom Jones was charged with vague breaches of ethics. Both were hounded out of office for seemingly minor transgressions by NCBA who has committed far more serious offenses. In truth, the sin of Ramey and Jones was in trying to reform the program and end NCBA's abuse.

As a result of a routine performance review last year, NCBA was found to have misused (mis-coded, misappropriated, pilfered, you choose) hundreds of thousands of checkoff funds. Since only one percent of the transactions for a 29 month period were examined, this is

obviously just the tip of the iceberg.

NCBA has been the major (essentially exclusive) contractor for the program for 15 years and receives more than 98% of the funds paid to all contractors. It would seem likely that they will continue to be the major contractor since they hold 10 of the 20 seats on the CBB Operating Committee which awards the contracts. One might ask how they vote themselves such a lucrative contract (with government funds) without such being declared a conflict of interest. Good question!

The checkoff program pays 70% of NCBA's salaries and accounts for 80% of their total review. According to their IRS Form 990 for 2008, the lowest annual salary among their top 13 employees was more than \$165,000. The CEO's salary was \$289,646. The approximately \$50,000,000 in checkoff funds they receive each year is their lifeblood.

So, what kind of job have they

Please see STOKES on page 5

It is **morally reprehensible** to extract tens of millions of dollars from **hard-pressed cattlemen** and give the money to a contractor who uses it to **put them out of business**.

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## Lawful Plunder

BY RANDY STEVENSON  
PRESIDENT



Frederic Bastiat was a French economist who lived in the early 1800's. He observed the feature to the French attempt to get government right. He was also an astute observer of human nature. He said:

"Men naturally rebel against the injustice of which they are victims. Thus, when plunder is organized by law for the profit of those who make the law, all the plundered classes try somehow to enter – by peaceful or revolutionary means – into the making of laws. According to their degree of enlightenment, these plundered classes may propose one of two entirely different purposes when they attempt to attain political power: Either they may wish to stop lawful plunder, or they may wish to share in it."

Written before 1850, this comment describes very well what we know in this country as "special interest groups." They come in two kinds, the kind that wishes to stop lawful plunder, and the kind that wishes to share in it.

In a general sense of the term OCM is a special interest group. OCM is interested in stopping lawful plunder. We have recognized that one of the ways in which players in the market influence the outcome is

that they work very hard and spend a lot of money to influence the writing of the rules of the game. OCM's

**"Men naturally rebel  
against the injustice of  
which they are victims."**

FREDERIC BASTIAT

desire is that the rules be written so as to provide a balance of power in the market, so that no participant has a built-in advantage. The results of such a marketplace would be a market-driven equitable distribution of the rewards of risk, labor, and investment.

There are other organizations that work solely to get their own share of lawful plunder. Those groups are now fighting hard to prevent GIP-SA from instituting new rules that would level the playing field so that no player in the market would have intrinsic advantage. It's really pretty easy to figure out what a particular group is like by asking the simple question, "Who would benefit if that group had its way?"

We see a similar situation with

the current checkoff debacle. NCBA is fighting hard to keep its current position as a beneficiary of lawful plunder. The checkoff was initially created to benefit all cattlemen. The checkoff program will benefit all cattlemen, no matter who runs it, as long as it is run according to the laws and regulations that created it in the first place. However, NCBA, as an organization, will only benefit if NCBA is operating the checkoff. So, we come around to the simple question again, "Who would benefit if NCBA has its way?"

It is the nature of organizations that their purpose tends to drift. Begun to stop lawful plunder, it's too easy to start working toward programs that merely benefit the organization. Bastiat observed it in France. We can see it happening today.

OCM needs to stand firm. We need to make sure that we are not working to create advantage, but simply to work to take away the advantage some groups have created through their manipulation of the rules-making process. What we will end up with if we are successful is a competitive market, and a competitive market is the only truly free market.<sup>RS</sup>



REGISTER TODAY!

13<sup>th</sup> Annual

# 2011 FOOD & AGRICULTURE — CONFERENCE —

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

**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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Company: \_\_\_\_\_

Address: \_\_\_\_\_ Phone/Fax: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_ Email: \_\_\_\_\_

\_\_\_\_\_ 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 \_\_\_\_\_ \$ \_\_\_\_\_

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**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.**



STOKES (continued from page 2)

been doing promoting our beef and financial interests? During the 15 years that NCBA has been the primary contractor, the beef cattle industry has lost ground by every measure; herd size (the calf crop this year is the smallest in the past 50 years), number of producers, market share, and producer's share of the beef dollar. Rather than a successful beef promotion program, it has been more of a revenue stream for an organization that has opposed COOL, has been the major opponent of the proposed GIPSA Rule, fought against mandatory price reporting and opposed almost everything else that is in the interest of the checkoff-paying cattleman.

It is now clear that NCBA has routed the reformers and completely controls the Checkoff Program. They are expected to run roughshod over those who propose the adoption of new rules and responsibilities at the upcoming CBB Annual Meeting in Kissimmee, Florida the first week in August.

Only one of three things can reverse their chokehold and prevent continued abuse of the Beef Promotion and Research Program; (1) direct and aggressive intervention by USDA Secretary Vilsack, (2) a proper and competent completion of the ongoing USDA OIG audit of NCBA's handling of the checkoff funds, or (3) a successful referendum to terminate the program.

Over the years, NCBA has

used the some \$50 million in checkoff funds they receive to become a powerful political force that invariably sides with the big meat packers. Their arrogance and abuse of the program is evidenced by a \$2 million advance they received even though payment was supposed to be made after completion of the work and a \$150,000 loan they gave their incoming CEO to buy a house. Incidentally, they paid no interest on the loan and it is still not repaid. I'm sure they would claim that the loan came from the 20% of their funds not emanating from the checkoff.

The \$80 million or so in checkoff funds collected each year are now government funds (thanks to the Supreme Court Decision) and there should be proper government oversight. The Secretary of Agriculture approves the appointment of each board member, he should not stand by and watch those who are trying do their job be booted out by NCBA.

It is morally reprehensible to extract tens of millions of dollars from hard-pressed cattlemen and give the money to a contractor who uses it to put them out of business.

**The Checkoff Program must be fixed or ended!**<sup>FS</sup>

Please consider contributing to the



**Organization for  
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this year to help in our mission  
to work for transparent,  
fair, and truly  
competitive agricultural  
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**We can make  
a difference.**

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**Lincoln, NE. 68506**





**We invite you to join us for the 13th Annual Convention  
in Kansas City, MO.**

**Participate in the OCM Convention and  
enjoy some of the sites while you are in Kansas City.**

## **KANSAS CITY AT A GLANCE**

Kansas City bills itself as the "Heart of America." Within 250 mi of both the geographic and population centers of the nation, the city is famous for its stockyards, saxophone player Charlie "Bird" Parker and his Kansas City-style bebop, and some of the best barbecue in the world. The city has more boulevards than Paris and more working fountains (200) than any city but Rome. A fountain of some sort is incorporated into the design of nearly every commercial building, giving Kansas City its second nickname: "The City of Fountains."

Established as a fur trading post in 1821, Kansas City played a major role in American history as a gateway for pioneers heading west along the Oregon, California, and Santa Fe trails. In the mid-1800s, settlers, missionaries, and traders began their overland journeys here or from nearby Independence and Westport. Several Civil War battles were fought here, and the 33rd president of the United States, Harry S Truman, began his political career here. Jazz musicians Charlie Parker and Duke Ellington played in the nightclubs of the 18th and Vine District, Walt Disney first sketched Mickey Mouse in a Kansas City garage, and Joyce Hall (cofounder of Hallmark Cards) made his first greeting card here. Vibrant and diverse, Kansas City maintains a healthy mix of art and agriculture, sports and technology, cowboys and haute couture. Here are some of the many attractions:

### **KANSAS CITY AMUSEMENT PARKS**

Whether you're looking to ride a roller coaster, take on the toughest video games or just play bumper cars with your kids, there are plenty of options in Kansas City amusement parks. Here are some of the great Kansas City amusement parks to enjoy with the family.

#### **Worlds of Fun**

For a time in the 1970s, Worlds of Fun was seen as a rival to the big Disney operations – Land in California, and later World in Florida. Though its reputation isn't on par with them now, this massive amusement park features some of the most head-jerking roller coasters and other rides anywhere in the country.

#### **Oceans of Fun**

For amusement of a much wetter variety, head next door to Worlds of Fun's sister park, Oceans of Fun. Open for nearly 30 years, it was one of the largest water parks when it opened, and still remains formidably fun. Notable rides include the Paradise Falls fun house, Surf City Wave Pool, Aruba Tuba tube slide, Typhoon racing slide and the feared twin water slides – Hurricane Falls and Diamond Head.

#### **PowerPlay Family Entertainment Center**

With more than 80,000 square feet, PowerPlay Family Entertainment Center boasts state-

of-the-art fun, from video games to laser tag, go-kart racing to bumper cars, tilt-a-whirl, rock wall climbing and even bowling. Paradise Park

This amusement park combines both indoor and outdoor fun, with 19 different play areas for a distinctly different good time every time you come! There is a 1,000-foot-long go kart track for those who need a little speed, an 18-hole miniature golf course, a 24-foot climbing rock and even a multi-level foam factory.

### **OTHER SITES**

#### **Edge of Hell**

For some distinctly grown-up amusement, nothing can beat the Edge of Hell, a year-round haunted house that has been scaring the pants of Kansas City for more than 36 years. Edge of Hell and its sister scare site, The Beast, are located in Kansas City's West Bottoms District off the 12th Street Bridge in dark brick buildings from the 1800s. Live actors in gruesome get-ups combined with terrifying sets and props combine for a ghoulishly good time.

#### **Thomas Hart Benton Home and Studio State Historic Site**

The Victorian stone house was the famous artist's home from 1939 until his death in 1975. Benton converted the carriage house into his art studio. The main house and the studio contain many of his belongings and works of art. A blank canvas, paint-

Please see KANSAS CITY on page 7



KANSAS CITY (continued from page 6)

brushes and paints remain in the studio just as he left them.

### **Kansas City Zoo**

With more than 1,000 animals spread over 202 acres, the Kansas City Zoo was named one of "America's Best Zoos" in 2008 by a book of the same name. Located in Swope Park, the zoo is divided into several sections by geography: Australia; Tiger Trail (Asia); Tropics, an indoor rainforest; the 100-acre African Plains; and KidZone. The zoo is a private, nonprofit organization that offers a self-guided tour of several historic features, including the original 1909 Zoo Building and the 227-foot-long Suspension Bridge over the African section.

### **Nelson-Atkins Museum of Art**

Containing more than 33,500 original works of art, the Nelson-Atkins Museum of Art is nationally recognized as one of the largest and finest general art museums in the United States. With free admission, it's also a great low-cost excursion. Self-guided tours are available for visitors to explore the works of national and international artists. Notable collections include decorative art, South & Southeast Asian art, American Indian art and the 22-acre Kansas City Sculpture Park

### **Arabia Steamboat Museum**

An amazing piece of local history is the Arabia, a side wheeler steamboat that was something of a river-borne Titanic. The ship sunk in the Missouri River in 1856 after a walnut tree pierced its hull, and it disappeared into the mud. In 1988, researchers located and uncovered the Arabia, and thousands of artifacts – including jars of food so well preserved as to still be edible – were recovered and used to es-

tablish the Arabia Steamboat Museum. It's an amazing walk back through time ... and they even saved the walnut tree!

### **Boulevard Brewing Company**

The largest specialty brewer in the Midwest, Boulevard Brewing Company makes Kansas City's official beer. With more than 20 different brews – including Chocolate Ale, Unfiltered Wheat Beer and their flagship Boulevard Pale Ale – the brewery is both a KC landmark since 1989 and a beer-lover's paradise.

### **National World War I Museum**

The National World War I Museum at Liberty Memorial is a sobering, sensational stop for those who appreciate history. The move to memorialize those who sacrificed their lives in the Great War began almost as soon as the armistice, with the memorial site dedicated in 1921. The museum continues to collect artifacts and memories of the terrible conflict, and in 2004 was designated by Congress as the nation's official World War I museum.

## **CASINOS IN KANSAS CITY, MO**

### **Isle of Capri Casino - Kansas City**

The 38,000 square feet of gaming space offers guests more than 1,200 slot machines and 26 table games. Choose from three restaurants: Calypso's buffet, Caribbean Cove and Tradewinds. Enjoy live entertainment at the Pulse Bar. Located off of I-35 at the Front Street exit.

### **Ameristar Casino Hotel Kansas City**

Ameristar Casino Hotel Kansas City is located east of downtown Kansas City and offers an lively gaming and entertainment experience. The property features the largest casino and the most games in the Kansas City area, as well as one of the largest poker rooms in the Midwest. The property includes nine dining venues, live entertainment;

a movie theater; a supervised children's entertainment complex; and a video arcade.

### **Harrah's North Kansas City – One Riverboat Drive**

Filled with exciting slots, table games, and entertainment, our bright and inviting casino offers a variety of ways to win. Your gaming favorites are here. Hit it big in one of our several restaurants.

## **SHOPPING IN KANSAS CITY, MO**

### **Country Club Plaza**

The Country Club Plaza is more than a mall: it's an upscale district with loads of shopping, dining and entertainment outlets covering 55 acres about four miles south of downtown. Founded in 1923, the plaza is a wonderful mix of old new, including one store, Jack Henry Clothing, in business since 1931. There are more than 170 shops and restaurants, including Tiffany & Co., Anthropologie, Armani Exchange, N. Valentino and other exclusive designer labels. Even if you're not looking to spend, it's a great place to walk around, with more than 30 statues and works of art.

### **Crown Center**

Located right in the heart of downtown Kansas City, Crown Center is often referred to as the city within the city. Three levels of shopping and dining outlets are complemented by two luxury hotels, office buildings, entertainment attractions and a residential community. It's also the world headquarters of Hallmark Cards, Inc. Don't miss the open-air water fountains that are good for cooling off, and there's even ice skating in winter! The overstreet walkways are also a great way to get around downtown above the street bustle, including a link to Union Station.



# Organization for Competitive Markets

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OCM - JULY 2011

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