



MEMBER NEWSLETTER

*Fighting for Economic Justice for
America's Family Farmers and Ranchers*

FROM THE PRESIDENT

Vaughn Meyer



Greetings fellow OCM members, agricultural producers and to all the consumers of America's bountiful harvest. From the first day of our lives each and every one of us are touched by God's creation of rich soils providing our nourishment as well as the foundation for wealth necessary for a free nation.

As your out-going President, I am proud of the determination and steadfast commitment OCM members, staff and board of directors make daily in fighting for fair and transparent markets for not only agricultural producers but also abundant and affordable nutrition for American consumers. I have been humbled from the first day when founding member, Mr. Fred Stokes, invited me to join OCM to the present day of being able to work with the knowledgeable and dedicated OCM team!

Throughout life's journeys, we are told there are/will be crossroads where we should choose wisely and plot new direction. I am reminded of this when I reminisce my family's history from my grandfather with his team of horses and plow, to my father with the first rubber-tired tractor and plow, to present day mega high-tech equipment tilling hundreds of acres in a day!

Along with the crossroads of life it is also proclaimed that history repeats itself. Well, I do not believe for a moment we are willing to retake that seat on the plow tilling yesterday's production. However, relative to OCM's mission statement, pertaining to marketing, are we repeating the marketing doldrums of the early nineteenth century whereby corporate processors seized monopolistic advantage over agricultural producers? Have we ignored and mothballed the Packers and Stockyards Act which effectively leashed the powers of five major firms controlling nearly 55% of our industry in 1921? Today we have four major packers controlling nearly 85% of the market with DOJ and USDA consensus of yielding greater consumer efficiencies. Was the 1981 repeal of the Packer Consent Decree the beginning of history repeating itself as it signified the ending of historical 7-year cattle cycles?

Recently producers believed they were being befriended by big government. Various proposals of mandatory negotiated cash market trade and new Executive promises to bring about stiffer GIPSA enforcement rules have appeared. The latter appears to have lost momentum and cash market trade is currently undergoing a watered-down compromise by Congressmen and Women under the influences of "ghost" producer organizations.

Many bills are dealing with labeling our products, improving fair and transparent price discovery and producer checkoff reforms which all constitute new crossroads for producers and their organizations to support. However, some of these bills are being touted as "The best deal you can get" or "Take it or leave it opportunities" and producers need to beware of the real intent and origin of

such legislation. Legislative proposals without crossroad markers mirrors modern day "Roundabouts". Often some of these compromise proposals are purposely designed to send producers back where we came from! Back with that complacent feeling we attempted the journey and maybe those promises will come to fruition. (And maybe not!)

OCM remains committed to staying the course of endorsing legislation which promotes immediate fair and transparent markets to support family agriculture. OCM does not compromise our member's livelihoods as our whole national consumer nutrition depends upon viable - domestic family food production.

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Special Advisor to the Board

FRED STOKES

PORTERVILLE, MS

Staff

Mike Eby

Executive Director

Gordonville, PA - 717-799-0057

meby@competitivemarkets.com

Pat Craycraft

Office Manager

Lincoln, NE - 402-327-8390

pcraycraft@competitivemarkets.com

From the President (continued from page 1)

I invite all OCM members, friends and everyone who is concerned with the abundance, quality and wholesomeness of the food they nourish their bodies with to join us at the OCM Annual Food and Agriculture Convention, July 28 -30th 2022, at the Marriott Kansas City Airport Kansas City, MO. There will be great speakers and participant panel discussions on restoring agriculture's prominence as America's number one industry. The convention will seek participant ideas, interaction and solutions for saving America from big corporate global powers which left unchecked stifle producer livelihoods, hold American consumers ransom, and often result in empty shelves.

I look forward to visiting with each of you in K.C. for more discussion on navigating our Ag. Industry roundabouts.



MAXIMIZING COMPETITION BY EXPANDING INDEPENDENT MEAT PROCESSING

OCM pursues a new approach

by

Fred Stokes

The Biden Administration's initiative to increase competition in the meat industry by funding expansion of independent processing was greeted with enthusiasm and elevated expectation by OCM and many dispirited cattle producers. The four-firm monopoly which controls some 85% of the processing has long been seen as the primary impediment to a fair and competitive cattle market.

In March of last year, USDA announced the appointment of Andy Green as *Senior Advisor for Fair and Competitive Markets*. Probably due to our name and mission, OCM was contacted early on by Mr. Green and a working relationship ensued.

In a July Press Release, USDA Secretary Vilsack announced a \$500 million program to expand meat processing, perhaps a belated action stemming from the 2010 Fort Collins workshop of the Obama Administration. At that event, producers pointed out the problem with the lack of "decentralized meatpacking" and urged bringing back small and medium-sized meat packers.

In an announcement on September 9th, the Administration released a document addressing Concentration in the Meat Processing Industry. The document put forth a compelling indictment of the existing situation.

There have been encouraging signals from Capitol Hill, calling for an investigation of anticompetitive behavior by packers, providing for stronger enforcement of the Packers and Stockyards Act, and allowing state-inspected beef to be shipped in interstate commerce.

See **Maximizing Competition** on Page 3

DISCLAIMER: All author's written opinions are their own and are not intended to imply the organization's position. OCM has membership with diverse viewpoints on all issues and is committed to one principal, competition.

Maximizing Competition ...

(continued from page 2)

OCM brought together a panel of distinguished academics and other experts in these matters and became an active player in the expansion of independent meat packing. We recognized that just building new plants would not bring about the competition needed to curb undue profiteering by big packers. It would require diverting the flow of a significant number of cattle from the big four packers to independent channels. This would require “supply chains”, a reliable and sustainable supply of finished cattle, a processing facility and perhaps most importantly, a profitable market outlet.

We formed a “demonstration model supply chain” here in Mississippi. It included a new and well-designed small processing plant and a fifteen-store chain of family-owned grocery markets. We had hoped to obtain a grant to hire some folks and replicate this model. But alas, that did not happen. ***So, we are now pursuing “Plan B.”***

On July 28th, in Kansas City, the day before our Annual OCM Conference, we will convene a small, carefully selected group of folks and have a brainstorming session. We will explore the possibility of building a broad confederation of cattle produc-

ers, independent meat processors, independent grocers and other market outlets. We believe there is a natural affinity between these parties and that they should work together to advance their mutual interests. We want to examine bringing these folks together in a cooperative and mutually beneficial relationship that will become a cohesive force with significant resources and influence.

There has been a large amount of taxpayer funds appropriated and a good deal of publicity associated with this Administration’s meat processing initiative that will likely have near-term political benefit. If these plants are ultimately viable, bring about the necessary competition to discourage undue packer margins and bring about fair cattle and consumer prices, the effort will be applauded and politically rewarded.

But allocating this very significant amount of public funds just to build brick-and-mortar processing plants amounts to little more than virtue-signaling. In most cases, these smaller plants must pay to dispose of the hide and offal (drop) which is sold at a profit by the very large plants. This is but one of the competitive disadvantages of the small, independent facilities.

Stand-alone independent meat plants have little chance of surviving

in the wholesale, commodity meat business! *They* must be connected to a source of processing-ready cattle on the front end and a market that will pay the bills on the other. If this effort fails, I believe it will foreclose future efforts to curtail concentration in the meat processing sector and rein in excessive processor margins.

Expanding independent meat processing will be the major topic for our OCM Conference on July 29th. Hopefully, we will have a breakthrough in the brainstorming session the day prior and have some exciting announcement to share at the conference. You need to be in attendance!

We are running out of time. Let’s take advantage of our best; maybe our last chance to fix this problem. Revitalizing the independent meat processing infrastructure in America is a major factor affecting the future viability of independent family agriculture, our national food security and livable rural communities.

Join us at the Annual OCM Conference on July 29 at the Airport Marriott in Kansas City and become involved in our effort to oppose the ravages of intense concentration in agriculture and bring about market competition and prospects for a bright future for the family farm and ranch!



MARK YOUR CALENDAR

24th Annual Food & Agriculture Conference & Membership Meeting

“Freedom to Market” Building the Infrastructure for our Future

July 28 to July 30, 2022
Marriott Kansas City Airport, Kansas City, MO

This year's focus is, **Freedom to Market**, “Building the Infrastructure for our Future.” Our conference objective is to point to the independent beef supply chain. We believe that no matter how much money the Biden administration devotes to small processing, without connecting the supply chain of live cattle all the way to retail, \$1.5 billion in grants could all be for naught. To ensure this is not our Country's fate, OCM will show examples of supply chain connections made in the southeast that can be replicated nationwide. Such efforts organized by OCM will be highlighted during panel discussions. Also, during the conference, speakers including farmers, ranchers, policymakers, researchers, and organizers will share their expertise and experiences in their endeavors for fair and competitive markets.

Gilles Stockton, a recent congressional hearing testifier, will open the conference and set the stage. Mid-morning, **Andy Green** from USDA will speak to efforts to promote fair and competitive markets. At Lunch, **Scott Blubaugh**, Oklahoma Farmers Union President, will share his meat processing success with the Oklahoma Native American tribe. Friday afternoon will feature **David Smith**, Independent Grocer CEO, speaking to supply chain logistics. **Gary Genske**, NDPO board director, will share the 100% USA Beef trademark and its marketability. Wrapping up our day, **Peter Sykes** speaking from Australia will be addressing the recent JBS acquisition just approved and the effects of market concentration globally.

This will be a conference you will not want to miss. Please join us this year.

Special OCM Room Rate of \$119.00++

Reserve your room early to be at the hotel for all the activities.

Last Day to Book for SPECIAL Rate: Thursday, July 14, 2022

To reserve your room online for OCM special room rate:

go to www.competitivemarkets.com

Or CALL for your reservation at
800-228-9290 Ask for “OCM” Block

TO REGISTER: See Registration Form in this newsletter or go to our website.

REGISTRATION FORM

OCM 24th Annual Food and Agriculture Conference

"Freedom to Market" Building the Infrastructure for our Future

July 29-30, 2022

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

Call in for Reservations 816-464-2200 – OCM Block (Rate \$119.00+) **Deadline 7/14/22**

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

Click here: [Book your group rate for Organization for Competitive Markets](#)

NAME (S): _____

COMPANY: _____
ADDRESS: _____
PHONE: _____
CITY/STATE/ZIP: _____
EMAIL: _____

REGISTRATION

_____ Number attending OCM Conference @ \$75.00 \$ _____
Friday, July 29, REGISTRATION- 7:30 AM
Meeting starts at 8:00 AM

_____ Number attending 2022 LUNCH @ \$35.00 \$ _____
Friday, July 29 – 12:00 Noon (Buffet)

_____ Number attending 2022 RECEPTION/BANQUET @ \$55.00 \$ _____
Friday, July 29, Reception 5:30 PM, Banquet 6:30 (Buffet)

TOTAL Registration & Meals = \$ _____

_____ Attending Membership Meeting, Saturday July 30 – 8:00 AM

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

OCM's 24TH ANNUAL CONVENTION

**BRING A
FRIEND!**

OCM's 24th Annual Food and Agriculture Conference is coming up on July 29-30. Our theme for this year is "Freedom to Market" - Building the Infrastructure for Our Future. The Conference will take place at the Marriott Kansas City Airport, Kansas City, MO. As always, this year, we have another great lineup of topics and speakers that you do not want to miss.

We are challenging you this year to bring someone to the conference. Talk to your neighbors, friends and associates and invite them to this great event. We always have so many experienced, knowledgeable, and interesting speakers that by just being there, they will want to know more about OCM. After this experience, we hope they will decide to become a member.

Reserve your room and register early.

ANNUAL OCM MEMBERSHIP MEETING - JULY 30, 8:00AM (CST)

ATTENTION – ALL MEMBERS

OCM's Annual Membership Meeting for Voting Members will be held on Saturday, July 30 at 8 AM (CT) at the Marriot Kansas City Airport, Kansas City, MO. following our Annual Convention. At this meeting we will be electing four directors and our President and Vice-President. Written notification and information will be sent out by mail **30 days prior to the meeting per our bylaws.**



SOUTHWEST DAIRY FARMERS FILE ANTITRUST LAWSUIT AGAINST DAIRY FARMERS OF AMERICA

by

Mike Eby – Pennsylvania

After being the lowest paid milk producers in the country for most of the last decade, Southwestern dairy farmers on April 4, 2022, have filed a class action lawsuit against their co-op, Dairy Farmers of America (DFA). This lawsuit accuses DFA of conspiring with another large dairy co-op, Select Milk Producers, Inc, to "depress" producer pay prices by sharing pricing data and unlawfully

coordinating dairy producer pay prices. Also named in the complaint was Greater Southwest Agency (GSA), an entity created by these co-ops to share and coordinate various co-op activities.

Close to one-third of the Dairy Farms located in New Mexico that were in business in 2015 have mainly been forced out of business because of the low producer pay prices. Those

farms still in business have financed their losses over recent years and are struggling to survive.

The filing of this lawsuit is similar to the ongoing wave of class action lawsuits in other agriculture industries such as, beef, pork, turkey, chicken, eggs, peanuts, etc. Finally, farmers are holding their co-ops accountable for poor marketing practices.



BUY AMERICAN AND THE DOMESTIC BEEF PRODUCER

by

Taylor H. Haynes M.D.

Vice-President

The Organization for Competitive Markets

The “Product of the USA” label in supermarket meat cases disguises inferior foreign meat products.

Domestic manufacturers were promised an aggressive Buy American agenda. The Beef and Pork producers were among the most hopeful. These domestic producers are the ONLY ones who are prohibited from specifically labeling their products.

The “big 4” meat packers have a chokehold on the industry. They control about 85% of the meat packed in the USA. This is a demonstrated food security issue. They have been driving up retail prices while choking domestic producers for decades.

With much fanfare, the Biden Administration entered the fray. They would facilitate the proliferation of medium and small meatpacking plants. It seemed like the solution. Well, stand-alone meatpacking cannot turn out a volume of product needed to be effective competition without being part of a complete supply system. A complete system consists of livestock producers, feeding/finishing operators and retail marketing outlets. Thus, there will be billions spent with little chance of producing effective competition.

Enter Congress. Recently the House and Senate Agricultural committees held hearings on the “problem.” Caveat, invited for testimony was one lone producer and testimony from the organization that has openly *opposed* labeling domestic beef and pork while promoting deceptive labeling. This organization (The National Cattlemen’s Beef Association (NCBA)) also is the principal

recipient of Beef Checkoff funds. A recent sample audit found gross misappropriation of checkoff funds. There was NO meaningful action taken by the USDA.

Is this all just election year theater? There was the OFF act in the 116th Congress (Opportunity for Fairness in Farming). This bill would have instituted the investigation of all commodity checkoff programs, but was vehemently opposed by the NCBA. The NCBA claims 33,000 members, this is less than 5% of the remaining producers. Therefore, they do NOT represent the “majority” of the producers. The 117th Congress now has an OFF act (Off Fossil Fuels Act). Coincidence or subterfuge?

Meanwhile back at the ranch. With the present cacophony of empty election year theater, where is the domestic Beef industry?

Investigation of the Beef Checkoff program is needed at this time because the referendum promised when the checkoff began never happened.

It should be clear that a “cattle” trade association (NCBA) that disagrees with the OFF Act does NOT represent cattle producers!

The beef checkoff is a one dollar per head sold assessment paid by those selling cattle. Note, selling live cattle is not the same business as selling beef!

Producers mostly sell at cattle auction markets. Backgrounders and feed lots are the principal purchasers. The purchasers need to purchase our feeders at the best price they can get.

We producers need the highest price we can get. Competition for our feeders should make for a fair market for all. In the past 25 years, 82,964 feedlots have gone out of business. Most of these were small to medium sized, family-owned operations. This loss decreased competition for producers’ cattle. This caused downward pressure on prices received by producers. However, the consumers are paying record high prices at the supermarkets.

The “beef industry” begins with the meat packers and culminates with the retail outlets. Some meat packers have been allowed to own feedlots in violation of the Packers and Stockyards Act. This ownership allows the packers to manipulate the cash market and depress the prices received by independent feeders. The price depression and decreased competition at the auction houses, are reflected in the lower prices received by the producers.

The checkoff dollar has been used by subterfuge to support lobbying by the NCBA which opposes the mandatory Country of Origin labeling of beef and pork products.

Meat packers and retail outlets don’t pay the checkoff fee. Have you ever seen a television commercial for live cattle? Why not?

The purpose was to increase per capita beef consumption in the USA. Theoretically, this would increase cattle sales and improve the lot for our domestic producers and the entire chain, in addition to stabilizing prices to the consumer.

See [Buy American...](#) on Page 8

REGISTER TODAY!
OCM Convention &
Membership Meeting
July 29-30, Kansas City

APRIL— JUNE 2022

MISSION STATEMENT

The mission of the Organization for Competitive Markets is to work for transparent, fair, and truly competitive agricultural and food markets.

Buy American and the Domestic Beef Producer (continued from page 7)

Let's look at the results.

The beef-checkoff was included in the 1985 Farm Bill, which was instituted in 1988. The per capita beef consumption in the USA was 97 pounds. In 2020 beef consumption decreased to 88 pounds. In 1988 the USA beef cow herd was about 87 million mother cows. In 2020 the number decreased to 31 million mother cows. Domestic beef cattle operations numbered about 930,000 in 1990 and declined to 730,000 in 2017.

People are eating less beef per person. However, the domestic beef production is 20-30% less than the total amount of beef consumed. This reflects the growth in the population of the United States of America. The

gap is filled with imported beef. Thus, the emphasis on beef exports as an indicator of market health is misleading if not downright dishonest. Based on domestic production, beef exported as product of the USA can't be all domestically produced. Some, if not most, of this export is beef imported and repackaged as product of the USA.

The NCBA uses checkoff dollars to lobby against Country of Origin Labeling of all beef products. This is despite the history of one of the "Big Four" meat packers, exporting contaminated beef from their home country. It is well known in business circles that branding is a cornerstone of marketing. Like FORD, GMC, Tesla and Mercedes.

It has been stated by some that the checkoff is working as intended.

If that's true, then it was intended to drive the domestic producer out of business. Clearly, we were misled from the inception of the beef checkoff program. If it were simply terminated, it would save the family cattle producer.

Data above is taken from USDA Economic Research Service and/or USDA National Agricultural Statistics Service reports, and therefore, is available to Congress and the Biden Administration.

The solutions are simple: Congress should 1) pass mandatory Country of Origin Labeling, 2) make the Beef Checkoff voluntary, and 3) Enforce the Packers and Stockyards Act. These three measures would stop the USA hemorrhaging domestic producers. That done, concentration can be dealt with in due course.