



## DO WE STILL TRY TO WIN OR JUST THROW IN THE TOWEL?

THOMAS F. "FRED" STOKES  
PRESIDENT



No doubt about it; we got trounced on the GIPSA Rule! We've been trounced repeatedly over the past dozen years or so in most all of our market reform efforts. On Capitol Hill and in the regulatory agencies, we have routinely been unsuccessful. In the courts, we would win with the jury but ultimately get reversed at the appellate level. The big agribusiness interests have prevailed. We know that our cause is righteous, but we keep losing!

I recently became acquainted with a successful New York attorney who is interested in these issues. He doesn't have a background in this sort of thing but believes our antitrust laws should be enforced and that retaining independent family agriculture is a good idea. At his request, I sent him a great deal of material regarding such matters as the proposed GIPSA Rule, the reversal of the several jury decisions based on the "competitive injury" ruling, the NCBA/Beef Checkoff scandal and the

hijacking of the good name of real farmers and ranchers and then tapping into commodity promotion funds by the U. S. Farmers and Ranchers Alliance. After several days of reading and contemplation, my new friend concluded "*you guys just got out-resourced*".

He has a point. The NCBA, who has consistently sided with the big packers and has opposed every effort to bring about fair play in the marketplace, receives about \$50 million each year in our Beef Checkoff funds.

**Now is the time to invest in unrigging the marketplace so that in the future, the one who does it right has a chance at survival!**

This represents some 80% of NCBA's total revenue. They were a lead opponent of the proposed GIPSA Rule and Country of

Origin Labeling. The NPPC, National Corn Growers Association and the several other so called commodity promotion organizations are generally in opposition to all market reform efforts. The Center for Responsive Politics reports that the

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*The opinions of the authors presented in our newsletter are their own and are not intended to imply the organizations position. OCM has membership with diverse viewpoints on all issues. OCM is committed to one and only one principal; competition.*





# Antitrust efforts have gone in dustbin of history

BROTHER DAVID ANDREWS



*Christine Varney of the Justice Department and Agriculture Secretary Tom Vilsack listen during a workshop with poultry farmers in Normal, Ala., May 21, 2010. (USDA photo)*

The food we eat is increasingly part of a globalized and industrialized concentrated system. Researchers point to a growing consolidation in food production, processing and distribution. Four or five companies control thousands of brands. Poultry growers have one-sided contracts, pig and beef producers increasingly are forced to give up independence for contracts to produce in confined animal production units. Farmers are increasingly treated like serfs on their own land.

President Theodore Roosevelt, in his efforts to break up monopolies, tackled such concentration in the meat industry. In the spirit of his antitrust efforts, the Packers and Stockyards Act of 1921 challenged the market power of stockyards and processors. Such anti-monopoly measures resulted for a while in a more diversified system for meat production and kept livestock producers in business. But this process of food industry justice has weakened since the Reagan era.

The mantel of “trust-busting” was invoked recently by President Barack Obama in his Osawatomie, Kan., speech on Dec. 5. Built around capturing the progressive vision of that great trust-buster, Teddy Roosevelt, Obama said: “Roosevelt also knew that the free market has never been a free license to take whatever you can from whomever you can. He understood the free market only works when there are rules of the road that ensure competition is fair and open and honest. And so he busted up monopolies, forcing those companies to compete for consumers with better services and better prices. And today, they still must.”

The vision articulated is correct, but the Obama’s administration’s implementation in the meat industry has been an abject failure.

In 2008 the federal farm bill instructed the Department of Agriculture to write

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**MORE Details to follow**

STOKES (continued from page 1)

“Food Industry” spent \$40 million in lobbying last year. You can bet that these folks were not on our side.

So we are indeed badly **out-re-sourced**. So what do we do? Do we consider the effort futile and give up; or do we come together to develop some resources and fight on?

OCM has chosen to fight on. We are bringing together a new confederation of folks to develop the wherewithal for successfully confronting those who would abolish the family farm, lay waste to rural America and imperil our national food security. The first of what is expected to be several planning sessions was held in Omaha on March 4th.

Included are some individuals and organizations not normally involved in these issues. However, they understand the necessity of food security and believe in the virtues of family agriculture. While there is disagreement on a number of other issues, there is complete unity on the proposed joint efforts. Our intent is to rally around those things we fervently agree on and put aside for another day any disagreements.

I am confident that we will endure some scorn and criticism for our association with some of these folks. Such is often the price for doing what one believes is right. We in OCM had this conversation a few years back. Our resulting policy is:

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## GRAVY BY RICHARD OSWALD

Simple things--like the first meal of the day--are always best. Bacon and eggs, pancakes and sausage, biscuits, or plain old grits, you just can't beat a country breakfast. When it gets right down to it, the flavor of the whole day is topped off with one thing:

Good or bad, for better or worse, it's all about gravy.

A few years ago, hotels started offering customers breakfast at free buffets. First it was cereal, yogurt, fruit, and bagels. Before long every lobby was filled with the aroma of scrambled eggs, sausage, bacon, biscuits, and gravy.

Homemade gravy is good...even the gravy Mom made from each of my twelve pet ducks. At least until I figured out what it was.

Maybe not so much at home, but be-

in our country is under attack.

From the look on Vilsack's face he'd just been fed a mouthful of corporate gravy.

First he frowned, then he thought. After a moment he told the reporter he felt he'd just been insulted. That's because Vilsack is one of the most traveled advocates for farms and rural citizens this country has ever known. In fact, he was in NW Missouri doing just that when he was acquainted with one of the most common phrases echoed around farm meetings these days.

"Agriculture is under attack."

When he weighs competing interests in agriculture, Vilsack spreads his hands in a sweeping gesture saying, "I have two children and I love them both." He's talking about things like corporate food

For better or worse America has built a food distribution system second to none. But in doing that we've sacrificed control of profits and future food--how it's made and what it costs--to an opaque world of big business that doesn't mind stirring the political pot to gain control of even more.

Anytime anyone tries to change the way we get our food they risk getting caught in corporate crossfire. That's one of the reasons we have so much trouble with country of origin labeling in America (COOL). Fair trade rules signed with other countries don't let our countrymen know if the sauce came from here or there. Without fair rules big business gets to ride the gravy train of food politics all the way to the bank.

Now it's hard for me to tell if agriculture is really under attack, or if we're stewing over laws that make it harder for corporations to do their business.

The attack mind-set comes from a whole assortment of recent events, like actions by animal rights groups to improve conditions for livestock in confinement.

### "GRAVY IS DEFINITELY UNDER ATTACK."

fore long homemade gravy was replaced at hotels with a canned corporate product. It looks just like the real thing. Sadly, that's where the resemblance stops.

Real gravy is to roast duck as motel gravy is to decoy.

Speaking of duck, that's what a seasoned reporter had to do when she posed to USDA Secretary Tom Vilsack a pointed question during a bacon, egg, biscuits and gravy breakfast meeting (1) in St Joseph, MO.

She asked if he agreed that agriculture

versus local farmers markets--GMOs as opposed to organics.

You get the picture, it's a big pie, and while corporations would like to divvy it up, there's still lots of people who want the pie fresh and the gravy homemade.

Sometimes when I start thinking my government is too friendly to big business it helps to look around the kitchen at the labels on my food. I'm a pretty big supporter myself.

My guess is the Secretary eats a little of both.

But it's also political in nature when farm groups unite against ridiculous threats of EPA dust regulation. According to Vilsack, slapping the lid on dusty farm fields was never even planned. That didn't keep a lot of people from saying it was. Something similar came up when OSHA offered up new rules for kids in the rural workplace. Vilsack took his opportunity in NW Missouri to explain that low wage immigrant farm couples were bringing their children to farms and fields where they work, and that those kids were en-



dangered by machinery and field operations they had no understanding of. That's a far cry from farm kids milking in the family dairy, or showing livestock at the county fair.

Rather than circle the wagons, Vilsack told his audience that we need to have a conversation. We need to talk, not accuse, and consider the big picture. He used the example of him inviting EPA administrator Lisa Jackson to visit a working farm. When Jackson had the opportunity to climb into a farm tractor, she pointed to an electronic box in the cab and asked what it was for. That gave the farmer a chance to tell her he used global position satellite technology to avoid over application of farm chemicals and fertilizer.

She had no idea before, but now she does thanks to open truthful discussion.

On the other hand if you don't want to talk about livestock in confinement, what you paid for them, where they came from or how they were raised it might just be easier to say that people who want that debate are in attack mode.

Generally speaking a lot of conservative farmers have supported forming a broad coalition of agricultural interests known as US Farmers and Ranchers Alliance (USFRA).(2) Other similar organizations have sprung up on the state level. In Missouri we have Missouri Farmers Care. The stated purpose of these groups is to tell the story of agriculture in an attempt to head off HSUS and other animal rights groups, as well as fight regulatory actions by hostile government or citizen groups. The rub comes when support or membership springs from (8)corporate chemical, grain, livestock, and seed industries most affected by those actions.

All that money can be effective. That's how it was when fair market enforcement by USDA's GIPSA (3) arm was cut off at the shoulder (7) thanks to massive, well funded opposition that saw Armageddon just around the corner.

Agriculture was under assault and the Obama Administration backed off.

Ending corporate market control was seen (4) as an "attack". Likewise in my state, the Missouri General Assembly has limited the ability of citizens to demand and get reasonable satisfaction in court when big livestock does people dirty. Still more laws are planned with carefully worded language guaranteeing Supreme Court defined "persons" as in "corporations" the right to do "agriculture".

Don't we have that now? On any drive through rural Missouri where corporate hogs and poultry are a lot more common than rural schoolhouses, it seems natural to ask Missouri lawmakers, "is this trip really necessary?"

As government cuts funding and steps away from paying for enforcement, it stands to reason corporate targets continue to be the whole enchilada from dirt to doughnut.(5)

That's why even though big corporations have been left out of USFRA's name, they still funnel money into its bank account.

When farm kids left in droves we said it was "market forces at work". And when hog and poultry production became more concentrated and controlled we said it was "technology driven". Now, thanks to higher prices for the things we grow, a basic family farm of no more than three or four hundred acres could actually support a family unit. But rural populations are

still in decline. Even locally produced cattle numbers are dropping though prices are near record highs(6).

Markets don't function as they are supposed to when no one knows where they are or when they trade. And technology hasn't made livestock confinements sustainable or kept them from smelling bad. In fact, about the only thing that's changed--mostly for the worse--has been laws and rules needed to keep the whole system honest.

Is any or all of agriculture under siege? How about the family farm?

With no serious money devoted to telling the real story we may never figure it out.

But there is one thing we do know for certain;

Gravy is definitely under attack.

- (1) <http://www.newspressnow.com/localnews/30324753/detail.html>
- (2) <http://usfraonline.org/>
- (3) [http://archive.gipsa.usda.gov/psp/Farm\\_bill\\_rule\\_outline.pdf](http://archive.gipsa.usda.gov/psp/Farm_bill_rule_outline.pdf)
- (4) <http://beefmagazine.com/blog/butler-resigns-finalizing-gipsa-rules-demise>
- (5) <http://nationalhogfarmer.com/resources/legislation-offered-reduce-corn-used-ethanol>
- (6) <http://www.cattlenetwork.com/cattle-news/Butler-to-speak-to-producers-in-Nebraska-138396784.html?ref=784>
- (7) <http://www.npr.org/blogs/the-salt/2012/01/25/145846326/an-antitrust-official-gets-pounded-by-big-beef>
- (8) <https://usfraonline.org/about/affiliates/>



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So, we are willing to work with those who we might disagree with on some issues, but who are willing to support our effort without asking us to deviate from our mission. We believe we are on the right side of a desperate struggle. This country won WWII by allying with the Russians and it is clear here that there must be alliances if we are to have a chance. It is not always necessary to be best friends with the guy you’re in a foxhole with. We believe there are prospects for success only if we are willing to put aside our prejudices and aggregate our strengths and resources.

Prices for farm commodities are presently at or near record highs. Most farmers and ranchers are making a profit. But, be assured that these prices will not en-

sure, input costs will remain high and red ink will return. We should not be lulled into apathy. ***Now is the time to invest in unrigging the marketplace so that in the future, the one who does it right has a chance at survival!***<sup>ES</sup>

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rules for competition in the meat industry. This directive was to complete the details lacking in the legislation on the meat industry from 1921. That legislation was to be enhanced with detailed directions on contracts, antitrust policies, and mandates requiring greater justice in meat production, processing and distribution. The rules were to be developed by a small administrative unit of the U.S. Department of Agriculture: the Grain Inspection, Packers and Stockyards Administration. J. Dudley Butler had a career as a plaintiff’s attorney challenging poultry companies’ control of the poultry industry. The Obama administration brought him in to direct the antitrust effort in the meat industry.

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This was a conscious effort by the Obama administration to tame the meat industry and challenge its control by a few corporations. The effort involved a historic collaboration between the Department of Justice and the Department of Agriculture on antitrust issues in the meat industry. Secretary of Agriculture Thomas Vilsack and U.S. Attorney General Eric Holder presided at every workshop: in Iowa, Wisconsin, Alabama, Colorado and the District of Columbia.

New antitrust staffing was brought in: Christine Varney and Philip Weiser at the Justice Department; John Ferrell and Butler at the USDA. A series of national and regional workshops on the theme of antitrust in the meat industry were held across the country. At the administration’s invitation, the public submitted more than 60,000 comments on the proposed rules.

I attended four out of five such meetings. In Colorado there were thousands of beef producers eager to hear the advocacy for fairness of the Obama administration. In Alabama, poultry producers were encouraged when Varney, acknowledging threats to poultry producers who complained about attacks to their livelihoods by powerful companies, handed over her business card to a grower telling him to call her if he is so threatened. If he called today there would be no one to answer.

I knew Butler because I am an officer in the Organization for Competitive Markets and have been for close to 15 years. Butler was a member of the organization. He announced the government’s program seeking greater justice in the meat industry at one of the organization’s annual meetings in August 2009 in St. Louis. With corporate agribusiness fiercely and unrelentingly attacking the agency and the rules — rules announced by the USDA and supported by thousands of farmers and ranchers — the administrations’ leaders in the antitrust effort gradually left the administration: Ferrell, Varney, Weiser and Butler. There was very weak pushback from the admin-

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istration to the attackers. The administration did not stand its ground and did not support the follow-through required in what it started.

The Obama administration lifted up hopes and dashed them to the dustbin of history. While they quote Teddy Roosevelt, they failed to follow through, a terrible and historic defeat at the hands of the corporate meat industry. Despite our appreciation of Roosevelt's trust-busting, those of us seeking a just food system will have to work harder now that this government's effort to occupy the food system has collapsed.

The hand-waving and booming threats of this administration on challenging inequality in the marketplace sound rather

hollow to me. The example of these anti-trust efforts gives me no hope in this government's capacity to effectively lead the charge.

*[Holy Cross Br. David Andrews is a senior representative for Food & Water Watch.*

*He was executive director of the National Catholic Rural Life Conference for 13 years.]<sup>DA</sup>*



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