



## WHAT'S AHEAD FOR AMERICAN AGRICULTURE?

THOMAS F. "FRED" STOKES  
PRESIDENT



After attending an OCM retreat near Kansas City in 2000, noted writer William Greider wrote an article containing this rather apocalyptic bit of prophecy.

*"The contemporary triumph of free-market capitalism has revealed to farmers, if not to other Americans, the bitter last act in this drama. Farmers can see themselves being reduced from their mythological status as independent producers to a subservient and vulnerable role as sharecroppers or franchisees. The control of food production, both livestock and crops, is being consolidated not by the government but by a handful of giant corporations. ....*

*Growers are surrounded now on both sides-facing concentrated market power not only from the companies that*

*buy their crops and animals but also from the firms that sell them essential inputs like seeds and fertilizer. In the final act of unfettered capitalism, the free market itself is destroyed."*

This trend toward contract agriculture was also noticed by reporter Bill Bishop, working at the time for the Lexington (KY) *Herald Leader*, who wrote;

*"The Companies won't own farms, they will own farmers".*

Galloping market concentration and vertical integration

**The clear message is that the assault on independent family agriculture continues unabated.**

continues but many farm and ranch operations managed a rare

profit during this past year. The

Please see STOKES on page 2

OCM NEWS | JANUARY 2012



### What's INSIDE...

**3 REWIRED, REVAMPED AND RENEWED! - OCM UPDATES WEBSITE & MORE**  
by Anita Endsley

**4 LETTER FROM LANGDON: BEDFELLOWS**  
by Richard Oswald



#### Disclaimer

*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.*





## STOKES (continued from page 1)

exception was mainly those in the severe drought areas. Relatively high prices for crops and livestock allowed profits even though production inputs costs were very high. Some delinquent bank loans were made current and new tractors and pickups were seen here and there.

However, these profits are almost certainly a temporary situation which may placate many who would otherwise be pushing for market reform. If history is an indicator, prices for commodities will decline well before those for fertilizer, equipment and other production inputs and red ink will again be the norm.

This past year was a clear win for the meat packers and the proponents of big-is-better and challenges remain:

- The devastating defeat of key provisions of the proposed GIP-SA Rule underscored the death grip by meat packers and transnational corporation on agriculture and revealed the timidity of the current administration.
- NCBA continued as the prime (essentially exclusive) contractor for the Beef Checkoff Program, even after being shown

by a routine performance review to have committed gross misappropriation of these funds. NCBA was and still is a major opponent of market reform.

- U. S. Farmers and Ranchers Alliance (USFRA) received millions of dollars from the various commodity promotion programs and used them to help fund its misinformation campaign aimed at selling the industrial model for American agriculture.
- Global fertilizer cartels continued to gouge producers.
- The MF Global scandal pilfered millions from farmer and rancher hedge accounts, discouraging the use of commodities futures markets for risk management and advancing alternative marketing arrangements and captive supply.

The clear message is that the assault on independent family agriculture continues unabated. But, just maybe our trouncing will be the shock therapy that will prompt folks to come out of their apathy and denial and take part in the reform struggle.

There are some things in the works that give us hope for a better year ahead:

Please see STOKES on page 6

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## Rewired, Revamped and Renewed! – OCM Updates Website & More

ANITA ENDSLEY  
EXECUTIVE DIRECTOR



Technology is a wonderful thing, and has made communication to the masses possible faster and easier than ever before. OCM offers its thanks to Eryn Taylor and Mike Callicrate for their time, energy and expertise in reworking OCM's website, [www.competitivemarkets.com](http://www.competitivemarkets.com). The new site has much more capacity to allow our organization to publish news, information, photos and videos. It will be much faster to download articles and find information that is important to you. From a staffer's standpoint, the website will be easier to maintain and update. An exciting new item added

**Together, we  
can create  
awareness  
and change!**

to the website is the ability to accept dues, payments and donations online. In the past, OCM could only accept cash or checks, but with the new site, you will be able to use your credit or debit card with a safe and secure transaction!

OCM also has a page on FACEBOOK, which is a social networking site used around the world. If you currently use FACEBOOK, do a search for "competitive markets" and click on OCM's page. Please "like" our page for current information about policy reforms, action alerts, and more. Feel free to issue invites to your friends to "like" our page too and help build a stronger coalition to fight for fair, open and transparent markets. If you don't have a FACEBOOK page, it is easy to register for one. Remember, on FACEBOOK,

you can adjust your settings to provide security for your page and limit what others can see about your personal information and postings.

In the future, look for OCM to utilize email more for distribution of our newsletter. We believe we can accomplish a much wider reach through the use of the internet and are searching for ways to constantly improve our services and coordination. If you would like to receive our newsletter via email, please contact Pat Craycraft at [ocmlincoln@msn.com](mailto:ocmlincoln@msn.com) and share your email address with her. Reducing paper usage will help OCM continue operations in today's economy.

Moving forward, we are EXCITED about the possibilities! Please visit our website and FACEBOOK page and let us know if there is something else you would like to see us adopt. Together, we can create awareness and change!<sup>AE</sup>



## Letter From Langdon: Bedfellows

BY RICHARD OSWALD

Some people may think it's strange that the Nebraska Farmers Union and the Humane Society of the United States have found some areas of agreement. Not me.



***Here's John Hansen, president of the Nebraska Farmers Union, speaking at a rally against the Keystone XL oil pipeline. Hansen has made a pact with the Humane Society that could benefit family farms. But, talk about strange bedfellows....farmers and the HSUS!***

When I was a kid growing up on the big river bottom I had a couple of pets that fought like you might expect. Chip the Chesapeake retriever and Tom the barn cat never saw eye to eye at feeding time.

To the victor went the leftovers.

But on cold winter nights, adversaries became allies as cat curled up with dog to ward off the chill with a warm bargain.

My family called them strange bedfellows.

Shakespeare borrowed bedfel-

lows from a Greek tragedy to describe people who set aside their differences toward a common goal. Whether in midsummer's dreams, cold Missouri winters, or on Wall Street, we can all occasionally do that.

Sometimes that's life; Strange—but true.

Sharp claws, pointy teeth and the wounds they've caused can be overlooked, even justified, when memories are short and need is great. We see it all the time in politics, as candidates decide whether to bite and claw or just shack up together. But we also see it in the country as cats and dogs join forces against the cold...or a foe.

In just this kind of strange twist, the Humane Society of the United States (HSUS) is now seen as a savior by some family livestock farms battling big farms and corporations for market share and profits. They hope that partnering with an animal welfare charity will highlight better living conditions for livestock on family farms.

It's an interesting story. Confrontation-minded HSUS once passed animal welfare laws in a half dozen states, such as Ohio, that drove farmers crazy. Then the Humane Society waded in west of the Mississippi and met its Water





loo in Missouri. The HSUS helped pass a ballot initiative targeting dog breeders, thanks to votes in Kansas City and St Louis. Out in rural Missouri HSUS lost 2 to 1.

That's when the Republican General Assembly joined forces with the Democratic governor to rewrite what they called the "puppy mill bill."

So it raised a few eyebrows when Nebraska Farmers Union President John Hansen and a former Missouri Lieutenant Governor, Joe Maxwell, agreed to work with HSUS toward a common goal.

Maxwell, with farm roots four generations deep, says corporate dominated agriculture is putting guys like him out of business. Hansen agrees. And both watched proposed federal rules guaranteeing competitive livestock markets fail under corporate opposition (aided by a Congress and an administration unwilling to fight for them).

Hansen and Maxwell came to the conclusion that family farmers and the HSUS might form a common bond. They figured that farmers with humane livestock practices have something to offer animal welfare conscious consumers who eat meat but also support work done by groups like HSUS.



***The original strange bedfellows, Chip the dog and Tom the cat, in 1967. When the nights grew cold, they found agreement.***

Livestock raised according to HSUS-approved standards could bring higher prices and profit to the farm. So, Nebraska Farmers Union and the HSUS made a pact. They agreed to work together and HSUS agreed not to pursue ballot initiatives in Nebraska.

When the news came out it caused a collective gasp from corporate-producer-government alliances. What's the world coming to?

Seems pretty clear to me.

Populist farmers and ranchers are searching for ways to defend themselves against packer-producer groups and multi-nationals (Cargill, JBS, Tyson, Smithfield, National Cattleman's Beef Assn., National Pork Producers, etc.) who ultimately succeeded in defeating proposed marketing rules against monopolies (the ones proposed by the Grain Inspection, Packers and Stockyards Admin-

istration, GIPSA) and Country of Origin Labeling (COOL), that offered even more market transparency.

So they're forced into new alliances of their own. That's because, baby, it's cold outside when family farmers have to buck corporate dominated markets.

If crawling under the covers with HSUS is still hard to understand, it helps to remember that with the average farmer's age hovering around 57 years, we've all seen neighbors frozen out of making a living. As farmers' age increases, farm numbers dwindle. Those of us who remain can either blame the establishment for falling farm numbers or credit it to our personal survival.

Most, like me, can remember raising livestock with access to many markets. Today those

Please see OSWALD on page 6



STOKES (continued from page 2)

- Considerable effort is being aimed at reversing the flawed appellate court rulings requiring a showing of harm to competition across an industry before considering harm to individuals or classes of individuals. This has provided a veritable shield from accountability for the misdeeds of packers and integrators.
- The USDA Inspection General is conducting an Audit of the Beef Checkoff Program which will be completed in March. A credible audit will almost certainly reveal gross misappropriation of funds and disclose the role these funds played in the defeat of the proposed GIPSA Rule.
- A number of actions are likely which could halt the misuse of commodity promotion funds by USFRA.
- There is an ongoing major price-fixing suit against the global chemical fertilizer cartels that could bring relief from absurdly high fertilizer prices.
- Hopefully, the MF Global affair will result in the culprits being held accountable, pilfered funds returned and confidence restored to the commodity futures markets as a risk management tool.
- There is likely to be litigation filed soon by a confederation of law firms against one or more major meat packers under the Sherman Act. It seems that pri-

vate litigation is the more promising way to deal with market power abuses by the big meat packers.

- There will likely be a major, in-depth investigative reporting initiative during the upcoming year. This is a very significant undertaking that may well lay bare modern-day meat packer corruption and have an impact comparable to Upton Sinclair's 1906 book, *The Jungle*.

So, after a brief period of self pity, we will lick our wounds and reengage in a vigorous effort to bring about fair play in the marketplace so that independent, family agriculture can remain a part of the American scene.

The MF Global debacle has cast a cloud over the commodity futures markets and accelerated the trend toward contract agriculture. The loss of \$1.2 Billion in customer funds, much of it from farmer and rancher hedge accounts, has made contracts a more appealing means of managing risks. <sup>FS</sup>

OSWALD (continued from page 5)

markets are all but gone.

Now, the number of cattle in the U.S. is on the decline and hogs in Missouri are raised for the most part in corporate confinement. Changes to hog confinement production practices are part of what HSUS won in Ohio. Those

rules are also what some farmers feared in Missouri if the HSUS victory against dog breeders were allowed to stand and expand into livestock.

HSUS failed to make the same alliances in Missouri that helped them win in other more urban states. The Humane Society figured that out the hard way, saw its mistake, and sought closer ties to aggies. So the two sides talked.

In return for talking to HSUS, people like Maxwell and Hansen hope to gain access to better-informed consumers, raise the price they are paid for their product and head off the corporate threat.

They feel that's about the only avenue left open to them now that Wall Street owns Main Street and corporate political contributions are on the rise.

Besides, it's not likely that big corporate livestock could ever gain the trust of consumer elites, at least not the way an animal rights organization could. Sure, not everyone gives much thought to where bacon comes from. But plenty do. Knowing that the food animals we eat are raised in kindly ways is a marketing advantage for small local farms.

It's conceivable that HSUS could come up with a humanely-raised label for livestock that really is raised humanely. That would send a chill down the spine of concentrated animal agriculture because it would shine a light on

Please see OSWALD on page 7



OSWALD (continued from page 6)

them and everything they do, raising even more consumer awareness.

On the other hand HSUS would need to build a few strong relationships and some trust in farm country. That would mean making changes in the way HSUS does business.

The battle in Missouri continues with both sides in a struggle over ballot initiatives and overturning majority votes. One Missouri legislator calls ballot initiatives

like those HSUS uses dangerous because they threaten to change Missouri from a representative form of government to full democracy.

Hansen has helped Nebraska avoid a possibility of something similar simply by opening a dialogue and convincing HSUS not to attempt ballot initiatives there. At least not in the near future.

Strange bedfellows, maybe, and sleeping with one eye open for sure.

Given higher food prices and the way agricultural survivors have been known to adapt, down

the road we could see more arrangements between animal rights groups and animal agriculture willing to take a chance.

After all, stranger things have happened.<sup>RO</sup>

*Richard Oswald is a fifth generation farmer in northwest Missouri, president of the Missouri Farmers Union and a regular Yonder contributor.*

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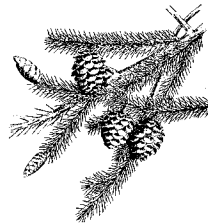
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8

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