

POSSIBLE FLOOR AMENDMENTS TO THE LIVESTOCK TITLE

Enzi-Dorgan Captive Supply Reform Act Amendment (S. 1017) – VOTE IN SUPPORT OF ENZI AMENDMENT

Senator Enzi will offer an amendment to improve livestock marketing competition by requiring all forward contracts to have a fixed base price. Packers use captive supplies—livestock they own or control through contracts—to manipulate prices. Many contracts do not have a competitively negotiated price. Instead, they are based on a future cash market that packers manipulate by using captive supplies and staying out of the spot markets. Captive Supply Reform Act complements the packer ownership prohibition already included in the Committee-passed Farm Bill and increases competition by eliminating unpriced captives supplies. (See fact sheet at <http://www.worc.org/pdfs/CSRA%2010-07.pdf>).

Harkin Amendment to Clarify that the Packers and Stockyards Act (PSA) Protects Individual Farmers from Unfair and Deceptive Trade Practice –VOTE IN SUPPORT OF HARKIN AMENDMENT

For 85 years that Packers and Stockyards Act has protected individual farmers from unfair and deceptive trade practices. However, some judges have recently required producers to also show not only individual harm, but also “competitive harm” to the entire industry. The “competitive harm” language is not in the Act. This amendment will return PSA interpretation to its original intent, and is supported by the USDA. (See fact sheet at http://www.competitivemarkets.com/news_and_events/press_releases/2007/10-27HarmToCompetition.htm).

Possible Amendment to Clarify PSA on Legitimate Business Justifications - VOTE YES

Price manipulation is wrong, and prohibited by the Packers & Stockyards Act (PSA). Some judges have recently ruled that price manipulation is excused if the packer had a legitimate business justification, such as buying sufficient livestock, though this language is not in the PSA. Packers can buy livestock without manipulating prices. This amendment will return PSA interpretation to its original intent. (See fact sheet at http://www.competitivemarkets.com/news_and_events/press_releases/2007/10-27FLegitimateBusiness.htm).

Any Amendment to Alter or Strike the Voluntary Arbitration Provision- VOTE NO

The Senate Agriculture Committee approved a provision making arbitration of disputes between producers and livestock and poultry companies voluntary, instead of forcing producers to sign binding, mandatory arbitration clauses as part of non-negotiable contracts. Arbitration is prohibitively expensive for producers, and limits their legal rights. USDA supports the committee-passed provision. Producers should be able to choose whether or not they wish to arbitrate a dispute. Protect farmers’ right to defend themselves against abusive business practices – support the committee passed voluntary arbitration provision and oppose efforts to strike or replace it (See fact sheet at <http://www.agmatters.net/CCAR/arbitration.pdf>).

Any Amendment to Strike or Replace Packer Ownership Prohibition: - VOTE NO

The Senate Ag Committee approved a provision to improve livestock market competition by prohibiting packers from owning livestock more than 14 days prior to slaughter. Packer ownership is a form of captive supplies that drive prices down and prevent open access to markets by producers. An amendment may be offered to strike, replace or study this provision. Protect market competition, support the committee passed provision and opposed efforts to strike or replace it (See fact sheet at <http://www.worc.org/pdfs/Packer%20Ban%20Myths%20&%20Facts%2010-07.pdf>).

Any Amendment to Strike or Weaken the Livestock Title to the Farm Bill – VOTE

NO

The Senate Ag Committee approved a Livestock Title in the Farm Bill which provides needed reforms to livestock and poultry laws. Enforcement of the law, producer rights, reallocation of enforcement resources and other matters are included. These are necessary reforms to correct the deficiencies of livestock and poultry enforcement, documented by many government reports, of the past. Support the committee based Livestock Title and oppose any amendments to strike, study or weaken one or more of its provisions.

Current Livestock Title Summary - The Livestock Title of the Farm Bill approved by the Senate Agriculture Committee includes:

- Improving market competition by prohibiting packer-owned livestock;
- Protecting individual choice by prohibiting forced, mandatory arbitration clauses written by packer lawyers;
- Protecting producer rights by creating a three day right to review or cancel a contract after signing;
- Protecting cash flow and investments by preventing companies' from forcing contract producers to make expensive, mandatory equipment upgrades after a contract is signed;
- Protecting producer contract expectations by preventing premature contract terminations if producers have made a sizable capital investment;
- Improving enforcement of the law by granting USDA authority to bring enforcement actions against poultry dealers for violations of the Packers & Stockyards Act;
- Protecting producer rights by prohibiting company retaliation against growers who seek to bargain collectively

FOR FURTHER INFORMATION, CONTACT:

<p>Jeri Lynn Bakken, Regional Program Associate Western Organization of Resource Councils 2305 5th Ave. NE Lemmon, SD 57638 PH: 701/376-7077 e-mail: jerilynn@worc.org</p>	<p>Becky Ceartas, Program Director Contract Agriculture Reform Program RAFI-USA PO Box 640 Pittsboro, NC 27312 PH: 919-542-1396, ext.209 e-mail: becky@rafiusa.org</p>
<p>John Crabtree Center for Rural Affairs 145 Main St PO Box 136 Lyons, NE 68038 PH: 402-687-2100, ext. 1010 e-mail: johnc@cfra.org</p>	<p>Steve Etko, Legislative Director Campaign for Contract Agriculture Reform PH: 703-519-7772 e-mail: steveetka@gmail.com</p>
<p>Martha Noble, Senior Policy Analyst Sustainable Agriculture Coalition 110 Maryland Ave., NE, Suite 209 Washington, D.C. 20002 PH: 202-547-5754 e-mail: mnoble@sustainableagriculturecoalition.org</p>	<p>Bill Bullard, CEO R-CALF USA P.O. Box 30715 Billings, MT 59107 PH: (406) 252-2516 e-mail: billbullard@rcalfusa.com</p>
<p>Michael Stumo Organization for Competitive Markets PH: 413.854.2580 e-mail: stumo@competitivemarkets.com</p>	<p>Katy Ziegler, Legislative Director National Farmers Union 400 North Capitol St. NW, Suite 790 Washington, DC 20001 PH: 202-314-3103 e-mail: kziegler@nfudc.org</p>