

CAPTIVE SUPPLY REFORM CHRONOLOGY

Since 1989, WORC has fought to return competition to the livestock industry. WORC, as the first organization to bring national attention to the problems of captive supplies, has worked to bring fair markets to livestock producers and return competition to the way meat packers procure their supplies.

Through this campaign, WORC has involved thousands of livestock producers, cattle feeders and consumers and made the issue of captive supplies a household word on ranches across the country.

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1990

1989 and 1990 — WORC collects 10,000 signatures on petitions demanding increased enforcement of antitrust laws in the meatpacking industry.

April — Five state attorneys general write U.S. Attorney General Richard Thornburgh endorsing WORC's demand for tougher antitrust investigation and enforcement.

Fall — WORC, Farmers Legal Action Group (FLAG) and allied organizations meet with state attorneys general and representatives of the U.S. Justice Department and the Federal Trade Commission to discuss concentration in the meat packing industry and antitrust enforcement.

1991

May — U.S. Justice Department announces that it has begun an industry-wide investigation into increased concentration and low prices in the lamb industry.

July — WORC publishes "Where's the Meat," documenting consolidation of the meat packing industry and its effects on livestock markets and rural communities.

August — U.S. Senators from Nebraska call for a probe into record-high spreads between cattle and retail beef prices. In response, the Justice Department announces that its current investigation involves "the entire meat industry"—not just the lamb industry.

September — A Congressional subcommittee holds hearings into concentration in the lamb industry. Montana rancher Gilles Stockton testifies for WORC.

October — The General Accounting Office criticizes the Packers and Stockyards Administration (P&SA) for failing to respond adequately to increasing concentration in the meatpacking industry.

1992

March — WORC and lamb producers meet with Justice Department investigators and present evidence of anticompetitive activity in the lamb industry.

1993

March — WORC writes Attorney General Janet Reno, renewing the call for investigation into monopolization of the lamb and beef industries.

November — USDA attorneys go to court to force ConAgra to turn over cattle and beef pricing data needed for P&SA's study of concentration in the red meat industry.

December — WORC, the National Contract Poultry Growers Association and Farmers Legal Action Group meet with USDA Deputy Assistant Secretary for Marketing and Inspection Pat Jensen. Jensen says USDA will take a closer look at mergers and expressed concern about vertical integration.



1994

June — Members of Congress renew calls for investigation into antitrust violations in the meatpacking industry and suspicious trading in the cattle futures market, after cattle prices fell 16% in April and May and retail prices went up over the same period. One thousand cattle producers meet in Omaha and propose investigation of packer concentration, limits of futures trading and increased oversight by P&SA.

1995

April — WORC asks Jim Baker, Administrator of the Federal Grain Inspection, Packers and Stockyards Administration (GIPSA) to intervene against the use of captive supplies by taking these steps:

- 1) Prohibit direct packer feeding of cattle.
- 2) Prohibit packers from formula pricing for forward-contracted slaughter supplies.
- 3) Require packers to make forward contracts for slaughter supplies on a firm bid price basis and to offer such contracts openly and publicly. This request is deemed the “WORC Rule.”

July — Hundreds of ranchers attend public meetings organized by WORC at auction yards with GIPSA Administrator Jim Baker. WORC turns in hundreds of producer complaints under the Packers and Stockyards Act and reiterates its demand for rules controlling captive supplies at a private meeting with Baker.

August — USDA charges IBP, Inc, the nation’s largest packer, with violating the Packers and Stockyards Act, charging IBP with giving “undue preference” to some cattle feeders over others when it offered to buy cattle from one group under a formula price contract. For the first time, USDA takes a position that captive supply agreements can violate the Packers and Stockyards Act.

October — Members of Congress introduce legislation to set up a Presidential Commission to investigate concentration in the livestock industry. WORC members react cautiously, supporting the legislation’s goals but insisting that enforcement of the Packers and Stockyards Act must not wait for further studies and reviews.

1996

January — GIPSA releases its study of concentration in the red meat industry. Widely criticized for its limited scope and old data, the study finds significant but weak associations between captive supplies and falling cattle prices. The study is unable to answer whether increased concentration in meat packing depresses cattle prices—the central question it was supposed to address.

April — Feeder calf prices plummet to as low as 55 cents per pound.

May — Senator Tim Johnson introduces legislation including language to implement rules that prohibit non-competitive captive supply, addressing limitations on packer ownership and formula contract arrangements.

September 24 — Ranchers from South Dakota, North Dakota, Montana, Wyoming and Idaho meet in Miles City, Montana, to tell Administrator Baker to “enforce the law and stop livestock concentration.”

October 12 — Dakota Rural Action Vice-Chair Ron Wieseler presents the WORC Petition for Rulemaking to Secretary of Agriculture Dan Glickman during Farm Aid event in Columbia, South Carolina.

December — Over 100 state and national organizations endorse the WORC Rule.

1997

January 14 — WORC’s Rule is published in the Federal Register and open to public comment until April 14, 1997.

October — WORC representatives go to Washington, D.C. to press USDA for action on the petition for rulemaking. Assistant Secretary Dunn tells WORC he hopes USDA will have a decision by the end of the year.

1998

January — USDA National Commission on Small Farms Publishes “A Time to Act” a report listing its suggestions for policies to create a level playing field for small farms. Included in this report is a recommendation that USDA adopt WORC’s rule.

March 23 — WORC receives word that Secretary Glickman is ready to reject WORC’s proposed rules. In a grassroots campaign of calls, letters and e-mails, members succeed in stopping Glickman from rejecting the proposal. This massive response results in an invitation to meet with the Secretary in Washington, D.C. where the WORC groups are able to make their case to him directly for the first time. Secretary Glickman says he would not reject the proposal.

April 8 — Over 1,600 farmers and ranchers including WORC leaders from South Dakota, North Dakota, Montana and Wyoming gather in Aberdeen, South Dakota for a public forum featuring Secretary Glickman. Nearly everyone in the crowd and several of the Senators on stage wear bright yellow stickers declaring “IT’S TIME TO ACT—ADOPT THE WORC RULE.”

May — Responding to WORC’s demands, a high-level USDA delegation comes to Billings, MT for a full day meeting on the proposed rule. USDA agrees to establish a peer review process for GIPSA studies and investigations of concentration and captive supplies and to take WORC’s suggestion for reviewers and process for an investigation of captive supplies in Texas.

June — Members of the North Dakota WORC group Dakota Resource Council join 2,500 people at a farm forum in Grand Forks to raise WORC’s petition for rulemaking with Secretary Glickman. DRC member Donald Nelson attends a pre-meeting with Secretary Glickman.

June — The U.S. Senate Agriculture Committee holds a hearing on concentration in the beef industry and Montana WORC member Gilles Stockton submits testimony.

September — WORC releases analysis by economist Catherine Durham showing the cost of captive supplies at up to \$500 million per year.

September — Several hundred cattle feeders launch formula-selling boycott drive.

September — Hundreds of farmers and ranchers including WORC members from Montana and North Dakota block borders to protest imports, unfair trade agreements and captive supplies.

October — R-CALF files petitions for review of beef imports from Canada under U.S. trade laws.

Congress appropriates funds for GIPSA reorganization and more investigations.

1999

February — Thirteen U.S. Senators meet with Attorney General Janet Reno to ask for action against monopolization in the food industry.

July 9 — Over 1,000 protesters block trucks carrying agricultural products across the Canadian border in Sweetgrass, MT, Boise, ID and Portal, ND sending a message to Congress about the economic depression gripping rural communities and calling for a stop to the cartel of giant agri-business corporations manipulating commodity markets.

September — WORC members Shane Kolb and Helen Waller begin their journey at the Farm Aid Concert in Manassas, VA, then joined hundreds of farmers and ranchers at the nation's capitol to demand change in farm policies and calling for a stop to the corporate control of agricultural markets. While in D.C. Kolb and Waller also meet with John Podesta, President Clintons' Chief of Staff.

November 9 — The U.S. International Trade Commission rules that "dumped" Canadian cattle are not damaging the U.S. cattle industry.

2000

February 23 — DRA member Bob Mack is among a delegation that meets with President Clinton in Washington, D.C. to address the problems in the cattle industry.

May — Two packer feeding ban bills are introduced that would ban meatpackers from feeding livestock they own for slaughter in their own plants—H.R. 1617 by Rep. Minge (D-MN) and S. 1738 by Sen. Johnson (D-SD)

June — Feeder calf prices average \$1.00 per pound.

August — WORC reports that over half the fed cattle are procured by captive supplies costing the cattle producers \$1 billion for fat cattle alone.

September — Ranchers, livestock feeders and consumers travel to Denver, CO to a forum hosted by Secretary Glickman to examine the use of Captive Supplies by the meatpacking industry. WORC Agriculture Issue Team Chair Shane Kolb testified at the forum. Secretary Glickman did not attend.

2002

Senator Mike Enzi (R-WY) introduces the Captive Supply Reform Act in the Senate.

2003

January — Senator Grassley (R-IA) is primary sponsor of a Senate bill to ban packer ownership of livestock.

January — WORC and 126 other farm, ranch, consumer, and grassroots groups write to Congressional leaders asking for passage of a comprehensive package of competition legislation, including ban on packer ownership, captive supply reform, restored rights for contract farmers and other provisions first proposed during the 2002 Farm Bill debate.

February — Representatives Pomeroy (D-ND), Janklow (R-SD) and three others introduce a House bill to ban packer ownership of livestock.

May 13 — Senator Enzi reintroduces the Captive Supply Reform Act, S. 1044 with five co-sponsors from the WORC states.

September — WORC members visited 42 Congressional offices in Washington, D.C., recruiting support for the Captive Supply Reform Act, packer ban and Country-of-Origin Labeling.

2004

February 17 — An Alabama jury finds IBP, the nation's largest beef packer used illegal cattle contracts to manipulate cattle prices and cost U.S. cattle producers \$1.28 billion (Pickett vs. IPB case).

March — Representatives Pomeroy (D-ND) and Cubin (R-WY) introduce the Captive Supply Reform Act (H.R. 4006)

April 23 — Federal Judge Lyle E. Strom overturns the Alabama jury verdict in the case against IBP. The plaintiffs immediately appeal their case to the 11th Circuit Court of Appeals.

2005

May — Senator Enzi (R-WY) introduces the Captive Supply Reform Act (S. 960) with Senators Dorgan (D-ND), Johnson (D-SD), Thomas (R-WY) and Conrad (D-ND).

August — The 11th Circuit Court in Illinois upholds a decision to overturn a Montgomery, Alabama jury's finding that Tyson Foods, the nation's largest beef packer, had used illegal cattle contracts to manipulate cattle prices and cost U.S. cattle producers \$1.28 billion.

November — Representative Pomeroy (D-ND) introduce the Captive Supply Reform Act (H.R. 4257) along with Representatives Cubin (R-WY) and Herseth (D-SD).

2006

January — Senator Grassley (R-IA) signs on to S. 960.

March — A USDA Office of Inspector General's report finds that the Grain Inspection, Packers and Stockyards Administration failed to investigate anti-competitive behavior by the meatpackers. WORC's Livestock Committee Chair, Mabel Dobbs responds saying, "Passage of the Captive Supply Reform Act would address these problems and give USDA the direction it needs to implement a low-cost program that allows livestock producers to compete in an open public market system."

April — A South Dakota jury unanimously find the three largest meat packers, Tyson, Cargill/Excel and Swift violated the Packers & Stockyards Act by controlling or manipulating prices paid to cattle producers for their livestock. The decision is under appeal.

June — Senators Enzi and Harkin sponsor a Senate Staff Briefing on Competition issues for 31 staff. Presenters are Skip Waters, a Wyoming rancher representing WORC, Dr. Bill Heffernan, Emeritus Professor of Rural Sociology at University of Missouri-Columbia, and Michael Stumo, an attorney specializing in commercial and agricultural law.

2007

February — Dakota Rural Action member, Roger Brenna, meets with WORC state Senators and Representatives to discuss ways to move the Captive Supply Reform Act forward in this congress.

March — Senator Enzi (R-WY) introduces S. 1017, the Captive Supply Reform Act. Dorgan (D-ND), Conrad (D-ND), Grassley (R-IA), Johnson (D-SD) and Tester (D-MT) cosponsor the bill.

March — WORC ranchers join poultry growers, minority farmers, tobacco growers and organic growers on a fly-in sponsored by the National Campaign for Sustainable Agriculture's Competition Committee in Washington, D.C. to lobby for a competition title in the 2007 farm bill.

April — The House Agricultural Subcommittee on Livestock, Dairy and Poultry and the full Senate Ag Committee each held hearings to hear testimony on competition issues.

May — Representatives Herseth Sandlin (D-SD) and Cubin (R-WY) introduce H.R. 2213, the Captive Supply Reform Act and Rep. Pomeroy (D-ND) cosponsors.

July — Dakota Rural Action, WORC's SD affiliate, delivered over 140 letters to Senator John Thune urging him to support the Captive Supply Reform Act.

July — House passes their version of the Farm Bill without the Captive Supply Reform Act

2008

Winter 2007 - Spring 2008 — WORC joined with allies across the country as part of the National Campaign for Sustainable Agriculture's Competition Committee to push for livestock market reforms in the 2008 farm bill.

June — The Competition Committee succeeds in getting the first ever "Livestock Title" in the Farm Bill. This title fell short of enacting open public markets or the packer ban, but does direct the Secretary of Agriculture to promulgate rules defining "undue and unreasonable preferences" in the Packers and Stockyards Act.

November — The National Campaign's Competition Committee met in Excelsior Springs, MO to develop plans to educate and influence the new administration regarding competition issues. The result was a transition packet on competition issues which will be given to the new Administration as soon as the Secretary of Agriculture is named.

2009

June — WORC joins with the Campaign for Family Farms and the Environment (CFE) to contract with Farmers Legal Action Group (FLAG) to write recommendations for the livestock provisions in the future Undue and Unreasonable Preferences Rules.

2010

USDA and the Dept. of Justice team up to hold the first ever Agriculture Antitrust Workshops. The August 27 workshop in Ft. Collins, CO will specifically address livestock issues.

June — GIPSA releases first rules in 89 years to put teeth in the P&SA by defining the terms "undue and unreasonable preferences" and laying out criteria to ensure fair contracts for poultry growers and livestock producers. These rules are the first step in addressing problems in vertical integration in the livestock markets and set the stage for future rules to address market manipulation. Comments are due August 23.