

For Immediate Release: August 16, 2010

Farm Advocates Laud Senate Support of USDA Proposed Livestock Rules

WASHINGTON – Twenty-one Senators have signed a letter to the USDA in support of the proposed livestock and poultry rules that were released in late June. Farm advocates that have long-pressed for increased oversight of the meatpacking, hog processing and poultry integrator industries expressed support for the letter from the Senators.

“Independent livestock producers welcome the support for the rules by these Senators,” said Mabel Dobbs, a rancher from Weiser, Idaho with the Western Organization of Resource Councils. “These rules are the first step towards leveling the playing field between producers and the packers.”

The Senate Dear Colleague letter to USDA comes on the heels of increasingly vehement opposition to the proposed rule by the meatpacking and processing companies. The proposed rule would restore necessary balance between cattle and hog producers and the packers that buy their livestock and prohibit some of the most egregious practices that are now common in the contract poultry industry.

“We are pleased that so many Senators are helping to demonstrate the importance of this proposed rule,” said Bill Bullard, CEO of R-CALF-USA. “If we are to restore a fair and just market that will provide economic opportunities for all livestock producers, we must embrace this rule that will not only hold the dominant meatpackers accountable for their market practices and impart transparency to the market, but also, prohibit certain practices that are clearly anticompetitive.”

“The letter from Senators demonstrates the popular support for these sensible rules from poultry producers everywhere,” said Mike Weaver, President of the Contract Poultry Growers Association of the Virginias. “These proposed rules must be swiftly implemented to protect contract poultry growers from unfair contracts that are all too common today.”

The release of the proposed rules coincided with a yearlong series of workshops on concentration and competition in the agriculture sector by the U.S. Department of Justice and USDA. The next workshop in Ft. Collins, Colorado on August 27th will examine concentration in the livestock sector, especially beef cattle and hogs. Livestock producers should attend the Ft. Collins workshop and submit comments to the USDA in support of the proposed livestock rules.

“Now is the time for action,” said Rhonda Perry, livestock & grain farmer from Howard County Missouri and Program Director of the Missouri Rural Crisis Center. “Family farmers and livestock producers need to make their voices heard over the well-heeled lobbyists of the meatpackers. Independent hog and cattle producers in Missouri

commend Senator McCaskill for signing-on to the letter and standing up for Missouri's family farmers in support of the rules.”

Senators signing the letter are: Tom Harkin, Iowa; Tim Johnson, South Dakota; Roland W. Burris, Illinois; Russ Feingold, Wisconsin; Patrick Leahy, Vermont; Chuck Grassley, Iowa; Kent Conrad, North Dakota; Mary Landrieu, Louisiana; Ron Wyden, Oregon; Byron L. Dorgan, North Dakota; Jon Tester, Montana; Ted Kaufman, Delaware; Claire McCaskill, Missouri; Herb Kohl, Wisconsin; Max Baucus, Montana; Al Franken, Minnesota; Jay Rockefeller, West Virginia; Sherrod Brown, Ohio; Mark Udall, Colorado; Michael F. Bennet, Colorado; and Bernard Sanders, Vermont.

A copy of the letter is below:

The Honorable Thomas J. Vilsack
Secretary of Agriculture
200-A Jamie L. Whitten Building
Washington, DC 20250

Dear Secretary Vilsack:

The Food, Conservation, and Energy Act of 2008, enacted by overwhelming majorities in both houses of Congress, contains amendments to the Packers and Stockyards Act of 1921 (P&S Act) as well as directions to the Department of Agriculture to conduct rulemaking with respect to additional issues relating to implementation and enforcement of the Act.

The proposed rule published by the Grain Inspection, Packers and Stockyards Administration (GIPSA) in the Federal Register of June 22, 2010 (75 Fed. Reg. 35338) would revise the P&S Act regulations, 9 CFR Part 201, to carry out the 2008 farm bill's statutory amendment and rulemaking direction. In addition, the proposed rule would clarify and define in the regulations conduct that is prohibited because it is an “unfair, unjustly discriminatory, or deceptive practice or device” in violation of section 202(a) of the P&S Act (7 U.S.C. §192).

GIPSA's authority and responsibility to address the full scope of subject matter covered in the proposed rule is amply supported and justified by the letter and intent of the P&S Act, as amended, and by well-established principles of federal administrative law enunciated by the Supreme Court of the United States and other federal courts.

A cardinal principle is that the courts are to give deference to the interpretation of laws by the federal agencies that are charged with implementing and administering them. Specifically, for instance, GIPSA is to be accorded deference in its interpretation, spelled out in the proposed rule, that the P&S Act protects individual producers against “unfair, unjustly discriminatory, or deceptive practice[s] or device[s]” without a necessity of showing such conduct has an impact on the broader market.

It is, of course, vitally important that the details of the regulations are carefully crafted, with close attention to practical, day-to-day realities of livestock and poultry markets and contract arrangements. Thus, while the proposed rule is designed to clarify and strengthen producer protections in accordance with the P&S Act, it should also maintain opportunities for marketing premiums and mutually beneficial contract arrangements, which it appears to do. The extended comment period, to November 22, 2010, will provide an abundant opportunity for the public to comment and thoroughly air any concerns about the consequences and practical impact of the proposed rule.

The 2008 farm bill specifies that regulations carrying out its provisions relating to the P&S Act are to be issued not later than two years after the date of enactment, which was June 18, 2008. So we urge you to issue a final rule as expeditiously as possible once the comment period is closed and the Department has reviewed the comments and made any appropriate modifications to the proposed rule.

Sincerely,

Tom Harkin
United States Senate

Tim Johnson
United States Senate

Chuck Grassley
United States Senate

Byron Dorgan
United States Senate

Russ Feingold
United States Senate

Kent Conrad
United States Senate

Patrick Leahy
United States Senate

Roland Burris
United States Senate

Mary Landrieu
United States Senate

Jon Tester
United States Senate

Claire McCaskill
United States Senate

Ted Kaufman
United States Senate

Herb Kohl
United States Senate

Max Baucus
United States Senate

Jay Rockefeller
United States Senate

Al Franken
United States Senate

Sherrod Brown
United States Senate

Ron Wyden
United States Senate

Michael Bennet
United States Senate

Bernie Sanders
United States Senate

Mark Udall
United States Senate

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