

Campaign for Contract Agriculture Reform, Farm and Ranch Freedom Alliance, Food & Water Watch, Land Stewardship Project, Institute for Agriculture and Trade Policy, Iowa Citizens for Community Improvement, Missouri Rural Crisis Center, National Family Farm Coalition, Organization of Competitive Markets, Ranchers Cattlemen Action Legal Fund – United Stockgrowers of America, Rural Advancement Foundation International-USA, Western Organization of Resource Councils

Our organizations are promoting interrelated reforms to restore competitive livestock markets and fair contracts based on a platform supported by over 200 organizations that represent independent farmers and ranchers, contract growers, and consumers (available at <http://tinyurl.com/3gcty2>).

Agricultural Competition Issue Brief 4 of 18: **Ensure USDA-GIPSA Properly Reports Annually to Congress**

Obama-Biden Position: " Prevent Anticompetitive Behavior Against Family Farms... strengthen anti-monopoly laws; change federal agriculture policy to strengthen producer protection from fraud, abuse and market manipulation...."

Relevant Program: Packers and Stockyard Act

Relevant Agency: USDA Grain Inspection, Packers and Stockyard Agency

Policy Recommendation – Administrative Action: USDA should comply with the Farm Bill requirements to submit an Annual Report by GIPSA. USDA should also implement all the recommendations of the below mentioned OIG and GAO reports. Further, USDA should hire professional staff for the anticompetitive practices activities of GIPSA. Attorneys trained in competition law are needed, as well as economists trained in industrial organization.

Background: The 2008 Farm Bill requires the USDA Grain Inspection, Packers and Stockyards Administration (GIPSA) to submit an Annual Report showing its activities to receive, investigate and prosecute complaints of Packers & Stockyards Act ("PSA" or "the Act") violations. Section 11004 of the Farm Bill contains this language. GIPSA should increase its regulatory and enforcement aggressiveness and accurately report its activities to Congress under the PSA.

The Packers and Stockyards Act has been rendered largely irrelevant due to administrative neglect. But the potential for reinvigorating fair, open and competitive markets in livestock and poultry agriculture, through re-invigorating the PSA, is great. GIPSA has prosecuted no significant PSA cases for at least eight years. The agency also has not modernized any substantial regulations to keep up with potentially troublesome industry practices. The USDA Office of Inspector General found, in a January 17, 2006 report (Report No. 30601-01-Hy) (2006 OIG Report), that GIPSA was essentially falsifying records of the number of investigations. The Deputy Administrator of GIPSA, Joann Waterfield, resigned just before the report was released to the public.

A series of three reports from the OIG and GAO from 1997 to 2006 found multiple problems with GIPSA carrying out its anticompetitive practices jurisdiction duties. These reports generated the Farm Bill Annual Report provision, to provide Congress information to determine whether the P&S trade practices duties are being executed. GIPSA has represented that it would remedy these problems, but has not.