

ATTN: Agriculture & Appropriations Legislative Aides

April 21, 2011

U.S. Senate  
Washington, DC 20510

Dear Senator:

As a result of rapid consolidation and vertical integration, the livestock and poultry markets of this nation have reached a point where anti-competitive practices dominate, to the detriment of producers and consumers. Numerous economic studies in recent years have demonstrated the economic harm of current market structures and practices, and have called for greater enforcement of existing federal laws in order to restore competition to livestock and poultry markets.

Until recently, Congress and the U.S. Department of Agriculture have largely ignored these trends. Fortunately, Congress included language in the 2008 Farm Bill to require the U.S. Department of Agriculture to write regulations, using its existing Packers and Stockyards Act authorities, to begin to restore fairness and competition in livestock and poultry markets.

On June 22, 2010, the Grain Inspection Packers and Stockyards Agency (GIPSA) issued proposed rules to implement the 2008 Farm Bill mandates, and to address related anti-competitive practices in the livestock and poultry industries. These reforms are long overdue and begin to respond to the criticisms by farm groups, consumer groups, the Government Accountability Office and USDA's Inspector General about USDA's past lack of enforcement of the Packers and Stockyards Act. The proposed GIPSA rules define and clarify terms in the Act in order to make enforcement more effective, and to provide clarity to all players in livestock and poultry markets.

The Packers and Stockyards Act of 1921 makes it unlawful for packers, swine contractors, and live poultry dealers to engage in any "unfair, unjustly discriminatory, or deceptive practice or device," or to "make or give any undue or unreasonable preference or advantage to any particular person or locality in any respect, or subject any particular person or locality to any undue or unreasonable prejudice or disadvantage in any respect." The ambiguity of these terms has resulted in uncertainty in the marketplace and hindered enforcement of the Act.

Key provisions of the proposed GIPSA rules would:

- Provide contract growers with commonsense protections when making expensive investments in facilities on their farms to meet the packer or poultry company requirements;
- Provide growers, farmers, and ranchers with access to the information necessary to make wise business decisions regarding their operations;

- Require transparency and eliminate deception in the way packers, swine contractor and poultry companies pay farmers;
- Eliminate collusion between packers in auction markets;
- Provide clarity about the types of industry practices the agency will consider to be unfair, unjustly discriminatory, or when certain practices give unreasonable preference or advantage. These are all terms used in the existing statute, which have never been adequately defined.
- Prohibit retaliation by packers, swine contractors or poultry companies against farmers for speaking about the problems within industry or joining with other farmers to voice their concerns and seek improvements. Currently, many farmers are often retaliated against economically for exercising these legal rights.
- Allow premiums to be paid to livestock producers who produce a premium product, but requires the packer or swine contractors to keep records to detail why they provide certain pricing and contract terms to certain producers.
- Reduce litigation in the industry by eliminating the ambiguity in interpretation of the terms of the Packers and Stockyards Act. Such ambiguity leads to litigation as farmers and packers seek court action to clarify the intent of the Act.

GIPSA has received approximately 60,000 comments on the proposed rule during the five-month public comment period that ended in November 22, of 2010. USDA is in the process of analyzing those comments, and providing the in-depth cost-benefit analysis necessary before issuing the final rule.

Because of the great importance of this rule to livestock and poultry producers and consumers, and the large volume of misinformation about the rule perpetuated by livestock and poultry trade associations and packer-producer groups, the undersigned organizations are writing to reiterate our strong support for the GIPSA rule and for its swift publication in final form.

We urge your support for the GIPSA rulemaking process, and its efforts to restore fairness and competition in our nation's livestock and poultry markets.

Sincerely,

Agriculture and Land Based Training Association (CA)  
 Alabama Contract Poultry Growers Association  
 Alliance for a Sustainable Future (PA)  
 Alternative Energy Resources Organization (AERO) -MT  
 Ambler Environmental Advisory Council  
 American Agriculture Movement  
 American Corn Growers Association  
 American Federation of Government Employees (AFL-CIO), Local 3354, USDA-St. Louis (representing Rural Development and Farm Loan employees in Missouri, Oklahoma, and Kansas)  
 American Grassfed Association  
 American Raw Milk Producers Pricing Association

Ashtabula-Lake-Geauga County Farmers Union  
BioRegional Strategies  
Buckeye Quality Beef Association (Ohio)  
C.A.S.A. del Llano (TX)  
California Dairy Campaign  
California Farmers Union  
California Food & Justice Coalition  
Campaign for Contract Agriculture Reform  
Campaign for Family Farms and the Environment  
Carolina Farm Stewardship Association  
Cattle Producers of Louisiana  
Cattle Producers of Washington  
Center for Celebration of Creation  
Center for Food Safety  
Center for Rural Affairs  
Chemung County Church Women United (NY)  
Chemung County Council of Churches (NY)  
Chemung County Council of Women (NY)  
Church Women United of Chemung County (NY)  
Church Women United of New York State  
Citizens for Sanity.Com, Inc.  
Citizens for Sludge-Free Land  
Colorado Independent CattleGrowers Association  
Community Alliance for Global Justice  
Community Farm Alliance (Kentucky)  
Community Food Security Coalition  
Contract Poultry Growers Association of the Virginias  
Court St Joseph #139, Corning/Elmira, Catholic Daughters of the Americas, Corning, NY  
Crawford Stewardship Project  
Cumberland Counties for Peace & Justice  
Dakota Resource Council  
Dakota Rural Action  
Davidson College Office of Sustainability  
Ecological Farming Association  
Endangered Habitats League  
Family Farm Defenders  
Farm Aid  
Farm and Ranch Freedom Alliance  
Farmworker Association of Florida  
Fay-Penn Economic Development Council  
Federation of Southern Cooperatives  
Food & Water Watch  
Food Chain Workers Alliance  
Food Democracy Now!  
Food for Maine's Future  
Gardenshare: Healthy Farms, Healthy Food, Everybody Eats

Georgia Poultry Justice Alliance  
Grassroots International  
Heartland Center / Office of Peace and Justice for the Diocese of Gary, Indiana and the Integrity of Creation  
Hispanic Organizations Leadership Alliance  
Idaho Rural Council  
Illinois Stewardship Alliance  
Independent Beef Association of North Dakota (I-BAND)  
Independent Cattlemen of Nebraska  
Independent Cattlemen of Wyoming  
Institute for Agriculture and Trade Policy  
Iowa Citizens for Community Improvement  
Iowa Farmers Union  
Island Grown Initiative  
Izaak Walton League  
Kansas Cattlemen's Association  
Kansas Farmers Union  
Kansas Rural Center  
Ladies of Charity of Chemung County (NY)  
Land Stewardship Project  
Main Street Opportunity Lab  
Maryknoll Office for Global Concerns  
Michael Fields Agricultural Institute  
Michigan Farmers Union  
Michigan Land Trustees  
Michigan Organic Food and Farm Alliance  
Midwest Environmental Advocates  
Midwest Organic Dairy Producers Association  
Minnesota Farmers Union  
Missionary Society of St. Columban  
Mississippi Livestock Markets Association  
Missouri Farmers Union  
Missouri Rural Crisis Center  
National Catholic Rural Life Conference  
National Family Farm Coalition  
National Farmers Organization  
National Farmers Union  
National Latino Farmers & Ranchers Trade Association  
National Sustainable Agriculture Coalition  
Nebraska Farmers Union  
Nebraska Sustainable Agriculture Society  
Nebraska Wildlife Federation  
Network for Environmental & Economic Responsibility  
New England Small Farm Institute  
Nonviolent Economics  
North Carolina Contract Poultry Growers Association

Northeast Organic Dairy Producers Alliance  
Northeast Organic Farming Association - NY  
Northeast Organic Farming Association, Interstate Council  
Northern Plains Resource Council  
Northwest Atlantic Marine Alliance  
Ohio Ecological Food and Farm Association  
Ohio Environmental Stewardship Alliance  
Ohio Farmers Union  
Oregon Livestock Producers Association  
Oregon Physicians for Social Responsibility  
Oregon Rural Action  
Organic Consumers Association  
Organic Farming Research Foundation  
Organic Seed Alliance  
Organization for Competitive Markets  
Partnership for Earth Spirituality  
Past Regents Club, Catholic Daughters of the Americas, Diocese of Rochester, NY  
PCC Natural Markets  
Pennsylvania Farmers Union  
Pennypack Farm and Education Center (PA)  
Pesticide Action Network North America  
Pomona Grange #1, Chemung County NY  
Powder River Basin Resource Council (WY)  
R-CALF United Stockgrowers of America  
Rocky Mountain Farmers Union  
Rural Advancement Foundation International - USA (RAFI-USA)  
Rural Coalition  
Sisters of St. Francis of Philadelphia  
Slow Food USA  
South Dakota Livestock Auction Markets Association  
South Dakota Stockgrowers Association  
St John the Baptist Fraternity of the Secular Franciscan Order, Elmira, NY  
Sustain LA  
Taos County Economic Development Corporation  
Texas Farmers Union  
The Cornucopia Institute  
Tilth Producers of Washington  
Trappe Landing Farm & Native Sanctuary  
Veteran Grange #1118, Chemung County, NY  
Virginia Association for Biological Farming  
Western Organization of Resource Councils (WORC)  
WhyHunger  
Women, Food and Agriculture Network