

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