

# AG ISSUES CLASS

Fort Lewis College

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# Why Should I Care? I'm Not A Food Producer!

- Of course you should care!!!
- You eat, don't you?
- Consumers are part of the food supply chain!
- Ask a food producer what their most valuable asset is and they'll tell you:
- It's the consumer, stupid!

# Houston, we have a problem!

- In little more than a decade more than 122,000 cattle ranches have exited the cattle business.
- During the same time period the inventory of cattle and calves in the U.S. plummeted from 101 million to just under 95 million.
- Between 1950 – 1999 the number of farms and ranches in Colorado alone declined by 38 percent while the number of acres in production dropped by 7.2 million acres.

## More facts...

- Increasingly, America's farming and ranching industry is becoming concentrated into huge corporate farming operations that are greater in size than the average U.S. farm or ranch.
- Today, 3.5 percent of Colorado farms account for 73.2 percent of the state's agricultural products sold.

# The Fabric of Rural America

- While farming and ranching families are being erased from the landscape, rural communities are suffering as well.
- Main street businesses, schools, churches, whole communities are at risk because of a narrowing agriculture economy.

# What's Happening and Why?

- Consolidation and monopolization of the food processing industry.
- Market abuse. (Lack of federal oversight).
- Lack of antitrust enforcement.
- Foreign imports.
- Competing in a global market place.

# Consolidation and Vertical Integration

- Consolidation in the food processing industry is growing at an alarming rate. Concentration among meat packers has more than tripled since the late 1970's.
- Today, just four beef packing companies control more than 84% of the market.
- Consolidation reduces competition in markets.

# Is That a Bad Thing?

- Economic Principle: Competitive market conditions begin to deteriorate when a four firm concentration level exceeds 40 percent.
- The beef processing industry is at twice that level and climbing.
- Extreme levels of concentration eliminate market competitiveness (fewer bidders or buyers) and encourage market abuse (collusion, price manipulation).
- End Result: Suppressed prices; farm and ranch financial collapse; more exit the business.



# Want an Example? Poultry!

- In little more than two decades, America's independent poultry producers have been eliminated.
- Poultry farmers were victimized by concentration in the processing industry.
- Mega-corporations have taken complete control of poultry production.
- Poultry farmers today are nothing more than contract growers who no longer own their own flocks. They are serfs on their own land.

# Let's Look at Pork!

- U.S. hog farmers are suffering the same fate.
- A constantly shrinking number of producers actually own the hogs they raise...
- Today, the multinational processing companies own nearly the entire pork pipeline.

# Coal Miner's Canaries

- America's poultry producers are coal miners' canaries for other production sectors of the food supply chain.

# The Farm Bill's Failed Policies

- The 2002 Farm Bill mandated country of origin labeling for fish, red meat, peanuts, vegetables.
- Country of origin labeling for food is the law but it has not been implemented.
- Today, only fish/seafood are labeled as to origin under the law.
- How come?

# Food Policy Politics

- During the appropriations process, funding for implementation of the law was withheld for everything except fish and seafood.
- Senator Ted Stevens, a Republican from Alaska, opposed labeling food products with the exception of seafood and fish.
- Alaskan fishermen enjoy the right to differentiate their product in retail cases today and consumers can choose from wild, fresh salmon caught by U.S. fishermen or the farmed, foreign, cheaper imports fed medicated feed and dyed to an eye-appealing pink color.

# Where's Your Meat From?

Imported beef and pork are co-mingled at the point of processing.

Domestic product is adulterated with foreign imported product to cheapen the price.

Statistically today that hamburger you ate for lunch was the product of six different countries and more than two dozen animals.

# Imported Food – Good or Bad?

- Foreign imports usually mean cheaper food prices...at what cost?
- What are the production standards in foreign nations?
- Antibiotics; hormones; pesticides; herbicides; food safety inspections; environmental standards; labor costs – wages and benefits...

# America's Failed Trade Policy

- Trade at any cost?
- When do we put America and America's producers first?
- U.S. Sovereignty is directly related to our nation's ability to feed itself.



# Hello? This is Your Wake-Up Call

- YOUR generation will reap the benefits and the consequences.
- Get engaged; become part of the process.

# Eat Beef! The West Wasn't Won on Salad!

- Some say the Colt Peacemaker...
- Some say moonshine...
- Some say women!
- Some say the West wasn't won on a salad.
- I say...

# Cattle

- The West was settled by cattle ranchers.

# Beef Producer and Proud of It!

- My family is generations deep in cattle ranching.
- Like thousands upon thousands of other cattle producers, I'm proud to say that I'm part of the food supply chain and that my family helps feed America.
- I want the right to label my beef in the retail case because I know it's the safest, most nutritious product on earth.