

# Thanks to Obama, cattlemen lose out

When four companies control 80 percent of the supply in a marketplace, even the most conservative economists would admit there's a high potential for market manipulation.

This is the case in the world of meatpacking today, where four giant packers — Tyson, Cargill, JBS and National Beef — rule the market. And that is why, last year, the U.S. Department of Agriculture floated preliminary rules that would limit the ability of these companies to discriminate against small cattle producers.

The final version of these rules, however, leaves ranchers as powerless as before and some of them, like Colorado rancher Mike Callicrate, downright irate.

"We always lose. If we win, we still lose, because these big corporations get the final vote. They own this government," said Callicrate, who participated in a price-fixing lawsuit against Tyson and who has led efforts to reform the meatpacker monopoly.

Fred Stokes, a Mississippi cow-calf producer, helped found the Organization for Competitive Markets, a group working to ensure farmers and ranchers have access to open, competitive markets. When he heard that USDA dropped any attempt to reform its rules, he almost couldn't believe what happened. "(The USDA told us) 'I understand your situation, I feel your pain.' What happened to all that?"

Until this final version was released, cattlemen believed the new rules might even the playing field — getting them the same prices for their cattle as the prices that owners of big feedlots routinely get from the packers. Last year, the USDA held a series of listening sessions where they expressed sympathy with farmers struggling against corporate market manipulation. As late as this summer, Secretary of Agriculture Tom Vilsack stood strong for the proposed rules, even in front of powerful packer groups like the American Meat Institute, which took him to task for changes they believed would loosen their members' viselike grip on the meatpacking industry. Then the new rules were issued, and they failed to include the changes that would benefit small cattle producers.

What happened? The Agriculture Department takes its cues from the Obama administration, and staffers there, who



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STEPHANIE PAIGE OGBURN

have also forced the Environmental Protection Agency to roll back many of its progressive initiatives, may have feared the meatpackers' PR juggernaut would generate negative reactions in swing farm states like Iowa. Though conservatives in Congress fought any change in the rules, the Agriculture Department's sudden abandonment of the proposed reforms was startling. Even

trade publications that frequently advocate for agribusiness remarked upon the overt influence demonstrated by the meat industry in the sudden switch.

"Fundamentally, I think what happened is Obama surrounded himself with a lot of people — corporate Democrats — who have a lot of bad ideas," says Dave Murphy, an Iowa rural organizer whose group, Food Democracy Now!, was founded just after the 2008 election. Murphy says he supported Obama in the state's caucus in 2007, because Obama campaigned on reforming the big packers and cracking down on pollution from concentrated animal feeding operations, or CAFOs. The number of hog farmers in Iowa has dropped from 23,000 to 8,300 in the last 17 years as its hog sector has transformed into giant farms with huge environmental footprints.

The number of independent cow-calf producers has also declined by over 25 percent in the past 30 years. Hog and chicken farmers have lost numbers at even steeper rates, because the packers already fully control their industries, and low prices have driven many out of business. What remains are the factory farms.

Many cow-calf producers still work on what might be called the "family farm" level: A couple, their kids, and maybe a hired hand or two, whose primary income comes from growing a small or medium-sized amount of food and selling it into the marketplace for others to eat. Looking at the trend lines, though, one has to conclude that the era of the small livestock farmer is just about over. And the Obama administration's actions just accelerated that era's demise.

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