



Independent Beef Association of North Dakota

19th Annual Meeting - September 20-21, 2024

Presentation by Mike Callicrate

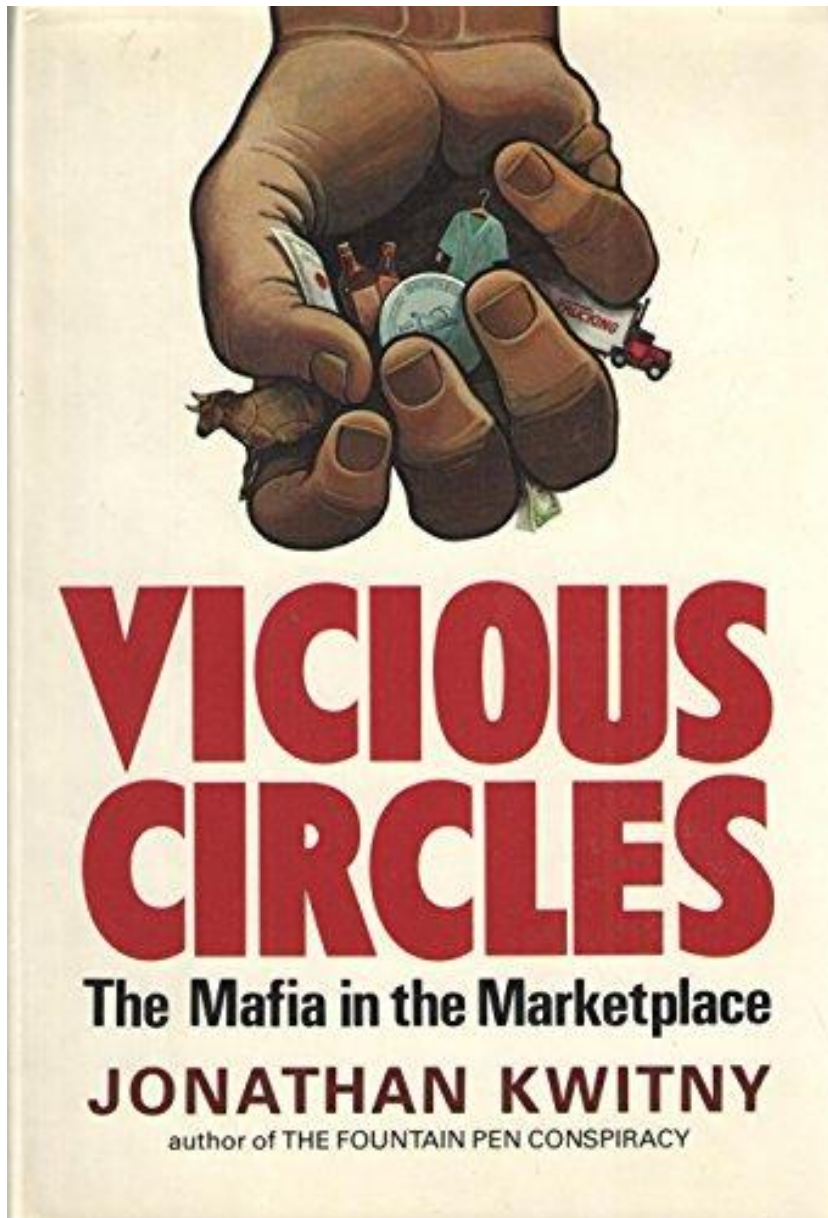
What happened Grandpa?



The U.S. has lost half its ranchers, over 90% of its hog farmers and over 90% of its dairymen in the last 40 years.

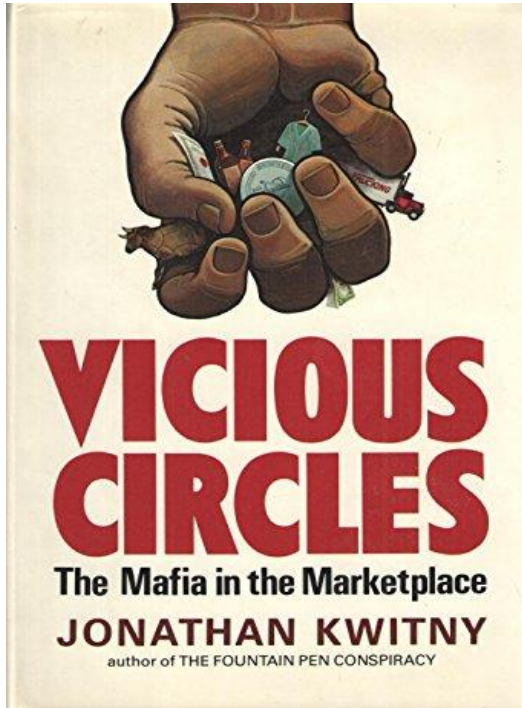
“All societies, from the simplest to the most sophisticated, engage in the production and distribution of new wealth that originates from farms, forests, earth and seas.”

- Charles Walters, The Nature of Wealth

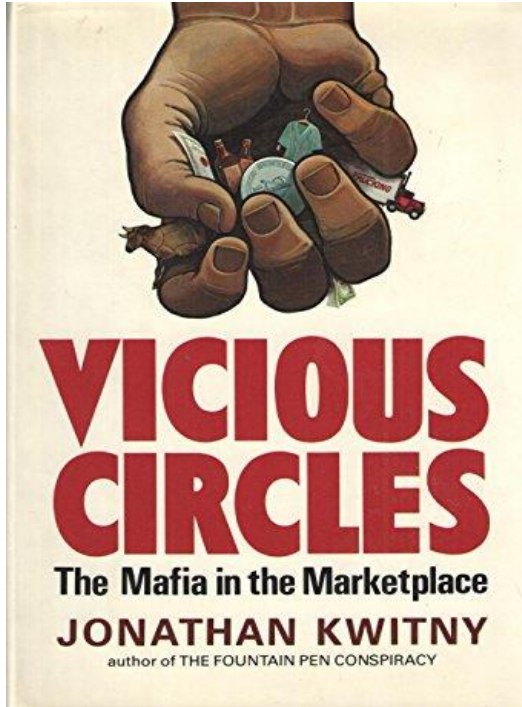


“Think of it as a kind of tax. Every time you buy a pizza, or a hamburger, or new clothes, or use a product that has traveled in a truck, the odds are that you are paying a tribute to one of America’s crime families ...”

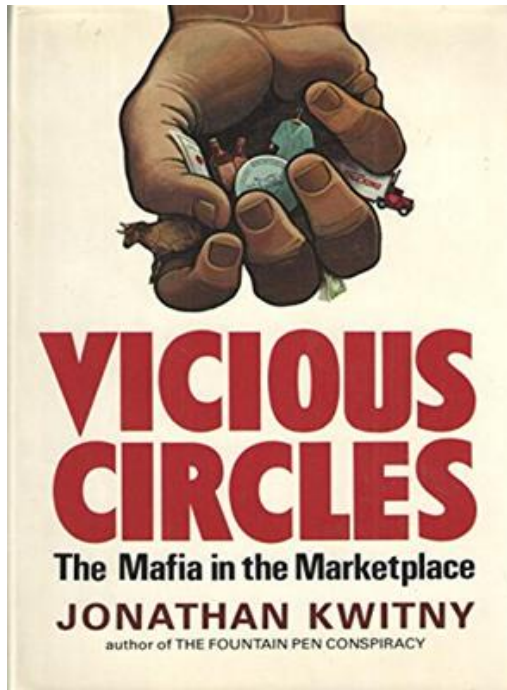
Published in 1979 after IBP established a cartel in the beef and cattle industries.



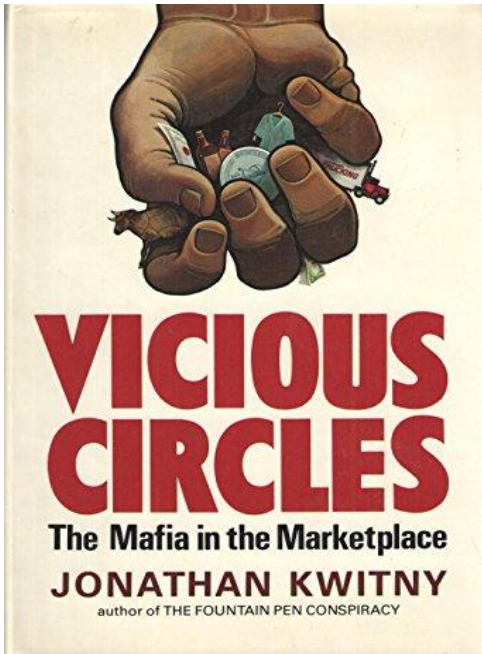
“It was April 25, 1970. The room was dark at the Stanhope Hotel in New York City, hiding the identity of New York’s most powerful labor and meat men, when Currier J. Holman arrived with his hat in hand. Iowa Beef Processors Inc. was in deep financial trouble. Bankers had given Holman notice. Iowa Beef Processors was finished if something big didn’t happen immediately.”



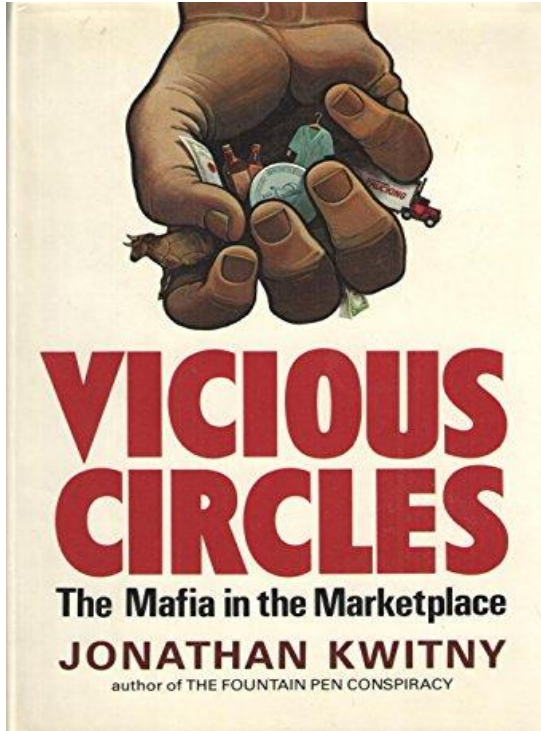
“Iowa Beef, though founded only in 1961, already in 1970 dominated the meat industry the way few other industries are dominated by anyone. It was as if the Mafia had moved into the automobile industry by summoning the executive committee of General Motors ...”



“Moe Steinman and the band of murderers and thugs he represented had effectively kidnapped a giant business. Its leaders were coming to pay him the ransom, a ransom that turned out to be both enormous and enduring.”

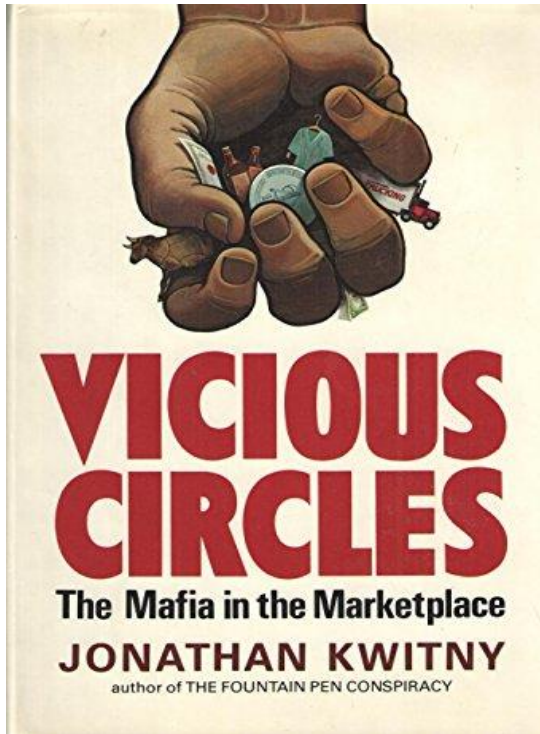


“With Moe Steinman and the New York Mafia providing Iowa Beef preferential and profitable market access to the single biggest market in the world, Iowa Beef could confidently continue to build the most destructive and efficient resource mining machine since the East India Company. Iowa Beef would create a business model capable of extracting every bit of wealth possible from our country’s natural resources, ranchers, farmers, workers, and rural communities.



Published in 1979

“In addition to other tactics, the Mafia, and other business consultants, would teach Iowa Beef that cooperating with your biggest competitors is more profitable than competing with them. Together, Iowa Beef, Cargill and Monfort (ConAgra) would share the market and drive market concentration to a new level of near monopoly control never seen before.



“By aligning themselves with the biggest feedlots and the biggest food retailers, Iowa Beef and the other big meatpackers would share the market, from the purchase of livestock to the sale of meat. At the same time, Iowa Beef would strategically engineer the demise of nearly all the small to midsized meatpackers in the country, **leaving America with a highly concentrated, dangerous, extremely fragile, and vulnerable meat supply chain.**”

DAVIS, GRAHAM & STUBBS
ATTORNEYS AT LAW

2800 COLORADO NATIONAL BUILDING
330 SEVENTEENTH STREET
DENVER, COLORADO 80202

TELEPHONE 303-882-8400
TELECOMEX 303-882-1379 / 882-8855
CABLE DAVGRAM, DENVER

May 5, 1979

RONALD S. BRADSHAW
VALLEY HOBBS, JR.
COUNSEL

MARION CANNON'S HOLT
CHRISTINE L. BURNETT
DONALD S. JOHNSON
FRANK S. KENNEDY
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RICHARD W. JONES
J. STEVEN PATRICK
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SAMUEL H. SARGENT
BENJAMIN H. HIGGINS
JAMES E. SODERBERG
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EDWARD WARREN DAVIS
DONALD S. STUBBS
DONALD W. HARRIS
MORRIS W. HENNING
RUSSELL W. HENNING
ELIOT O. HENNING
JOHN W. LEVINE
SPENCER W. HARRINGTON, JR.
RUSSELL L. HARRINGTON
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WALTER S. HENNING
THOMAS S. HARRINGTON
L. RICHARD HARRINGTON, JR.
DALE S. HARRIS
JOHN W. HARRINGTON
WILLIAM H. HARRINGTON
ROBERT S. HENNING
HEN, PEER
RANDALL HENNING

Gerald Connell, Esquire
Chief, General Litigation Section
Antitrust Division
United States Department of Justice
Washington DC 20530

Dear Mr. Connell:

This letter is a complaint on behalf of our clients, Averch Packing Company, Denver Recycling Co., Litvak Meat Company and Pepper Packing Company, against Iowa Beef Processors, Inc. ("IBP") pertaining to suspected violations of Section 2 of the Sherman Act.

Our four clients are located in metropolitan Denver, Colorado. IBP has a number of beef packing plants located in several states, and it has announced that it intends to construct an additional such plant in Lamar, Colorado, commencing in June 1979.

We believe that, unless injunction enters to bar that IBP construction in Lamar, irreparable damage will be done to our four clients and others by virtue of the afore-referenced Section 2 violations. Specifically, our clients believe that they, and probably all of the presently highly competitive meat packing industry in Colorado, will be eliminated should such injunction not be issued.

We believe that evidentiary bases exist for Section 2 charges against IBP both of monopolization and attempt to monopolize relative to its proposed Lamar plant.

As to monopolization, it appears that IBP, as the largest meat packer in the United States, has already achieved sufficient power to exclude competition in certain geographic market areas in the meat packing business.

ATTACHMENT A

"This letter is a complaint on behalf of our clients, Averch Packing Company, Denver Recycling Co., Litvak Meat Company and Pepper Packing Company, against Iowa Beef processors ..."

"We believe that, unless injunction enters to bar that IBP construction in Lamar, irreparable damage will be done to our four clients and others by virtue of the afore-referenced Section 2 violations [Sherman Act]."

"As to monopolization, it appears that IBP, as the largest meatpacker in the United States, has already achieved sufficient power to exclude competition ..."



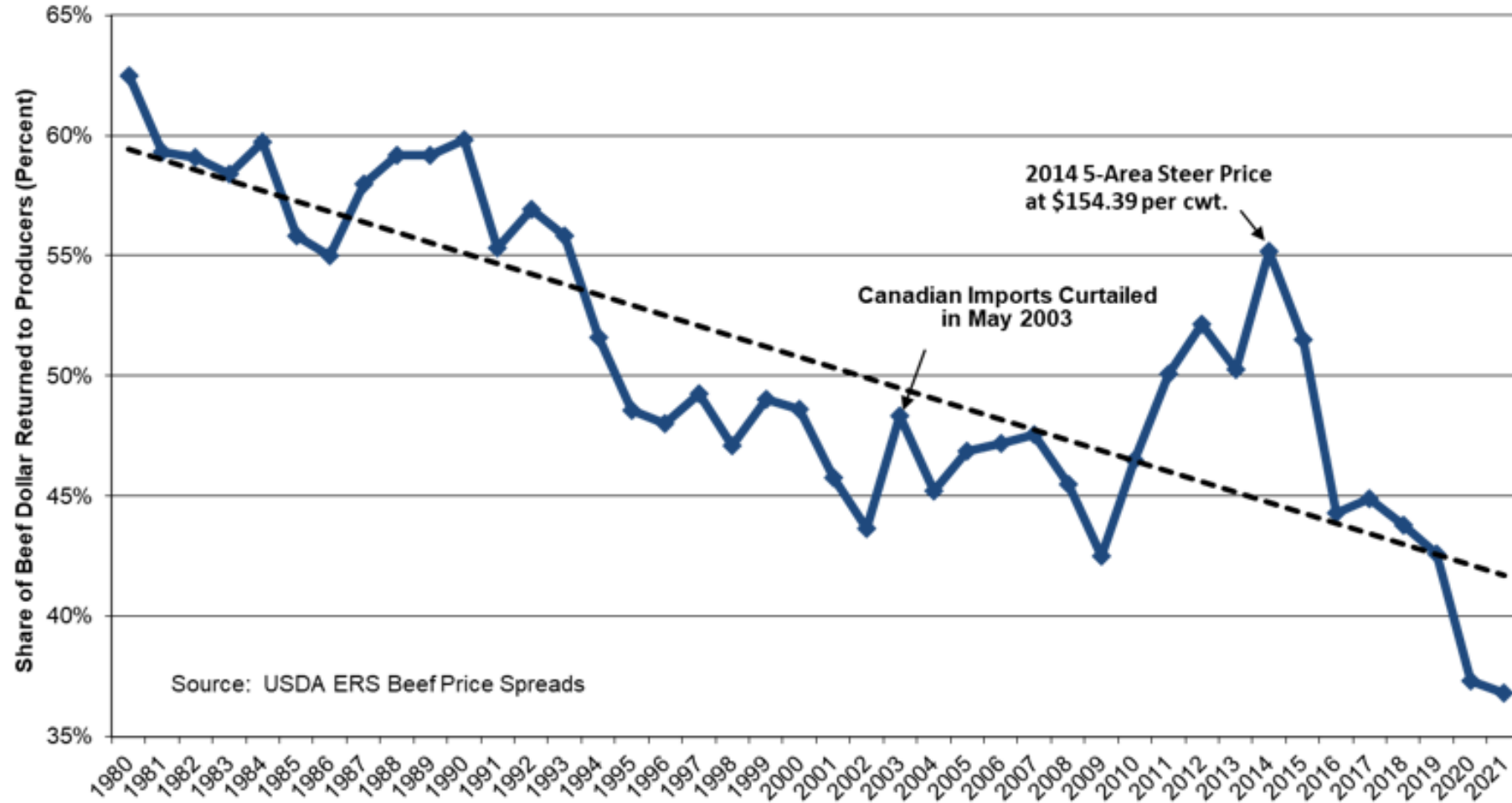
Peterson worked for IBP from 1961 to 2003.
IBP sold to Tyson in 2001.

“...there is no stopping it (concentration). This is an evolution that’s going to take place in spite of whoever is in the way.”

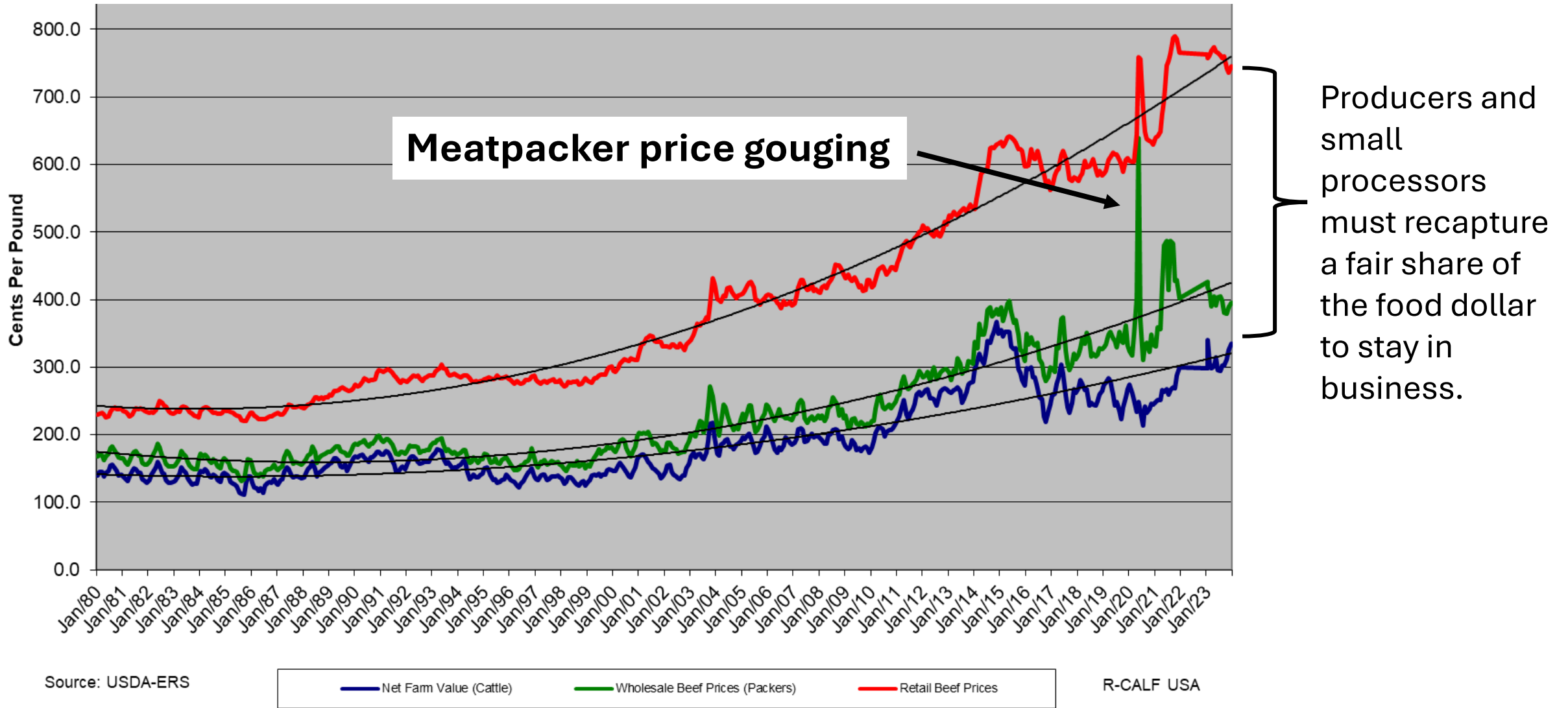
Robert Peterson, IBP Chairman and CEO, July 1996
\$20 Billion by 2001 article, in *Meat and Poultry*

Producers' Share of Consumer Beef Dollar

Prepared by R-CALF USA



Middlemen have stolen the producer and worker share of the food dollar while overcharging consumers.



Retail Beef Prices vs Wholesale Prices vs Net farm value Jan 1980 – May 2022

“There’s an economic term to describe this phenomenon: It’s called stealing.”

In 1998, Agricultural Economist, Dr. John Helmuth described what the big meatpackers were doing to cattle producers.

CORPORATE PACKERS

**RURAL
AMERICA WEALTH**

**AMERICAN
PRODUCERS**



Emptiness: A picture of big meat packer retaliation – Why cattle feeders won't speak out against meat packer abuses...



Callicrate feed yard closed in 1999 when the meat packers refused to buy the cattle.

**Opening day of Tyson/IBP trial, January 2004
Federal Courthouse, Montgomery, Alabama**



A photograph of the Federal Courthouse in Montgomery, Alabama, featuring a man in a suit and hat walking in the foreground. The building is a large, classical-style structure with many windows and a central entrance. The text is overlaid on the image in two white boxes.

**Opening day of Tyson/IBP trial, January 2004
Federal Courthouse, Montgomery, Alabama**

“These guys are nothing but old-time gangsters, thugs, and thieves. They beat your brains in with their market power and take your money.” – Mike Callicrate

A Failure of Justice

Judge Strom reversed the \$1.28 billion jury verdict in Pickett vs Tyson/IBP, setting bad precedent and giving the green light to the big meatpackers to continue their pillage and plunder of the cattle industry. The Supreme Court refused to hear the case.



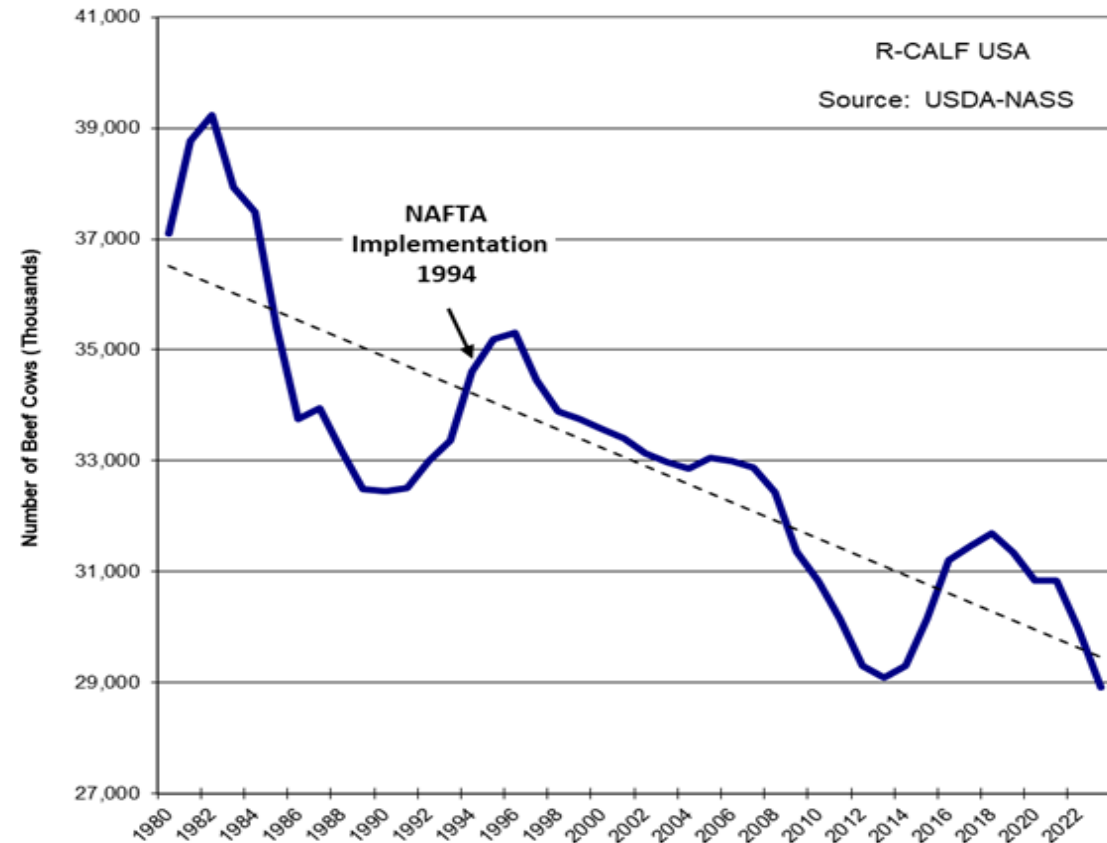
Reagan appointee - Lyle E. Strom
District of Nebraska - United States District Court

Land without stewardship ...



Without cows the natural wealth of America is literally going up in flames

The U.S. Beef Cow Herd Is Shrinking Fast
Hitting a 70-year Low in 2014 and Lower in 2023



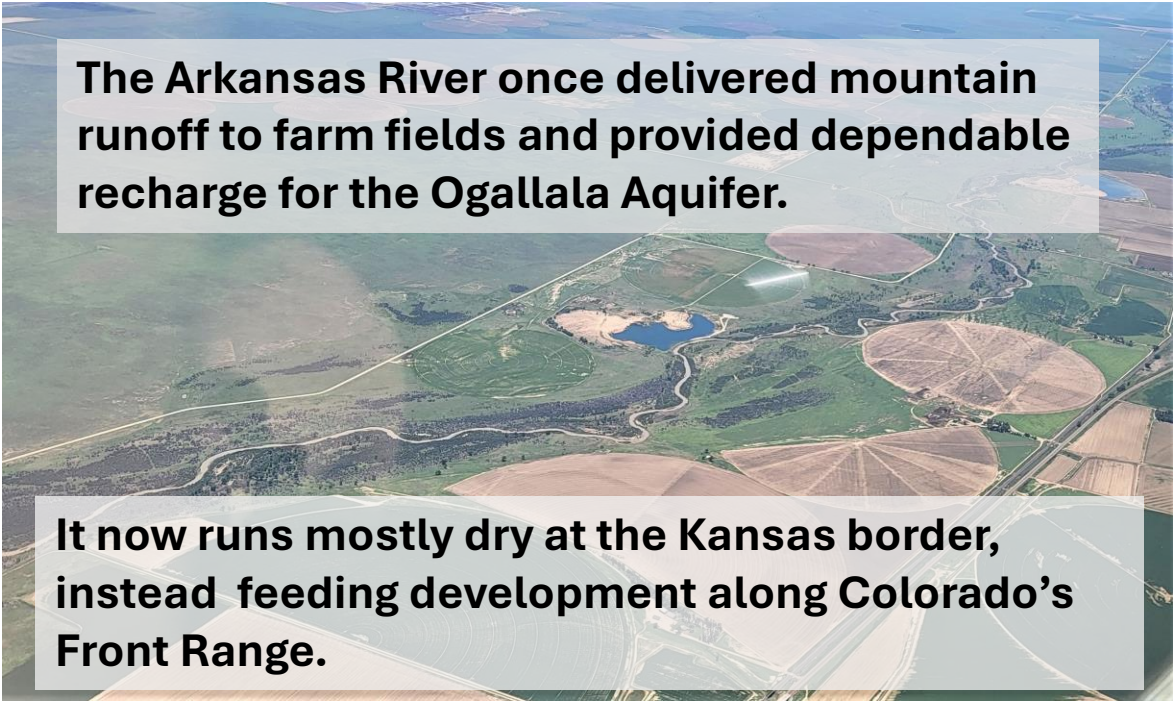
Grass +  = Food

Cows can restore producer income, soil health, and community well-being

From Great American Prairie to Dried Up Industrial Wasteland



May 2023 – From the center of the Ogallala Aquifer at Garden City, Kansas, to the edge of the aquifer west of Lamar, the land is suffering from poor stewardship and abusive extraction of resources. 22



The Arkansas River once delivered mountain runoff to farm fields and provided dependable recharge for the Ogallala Aquifer.

It now runs mostly dry at the Kansas border, instead feeding development along Colorado's Front Range.




Big agribusiness turns free water into corporate profits, leaving dry land and broken communities behind.

Aquifer depletion is most critical in Southwest Kansas, the heart of industrial agriculture.



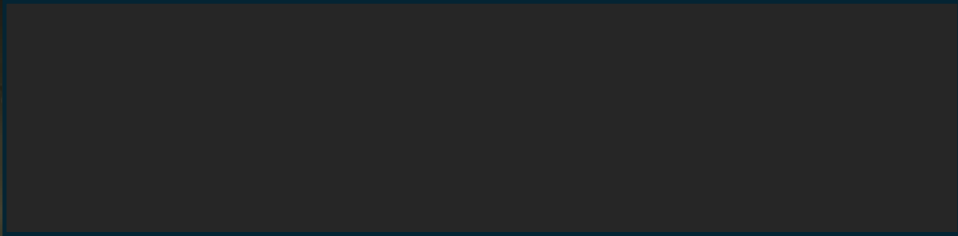
Without water, this land has little value.



Reminiscent of the 1930's dust bowl. This wasn't supposed to happen again.



Mike Callicrate tried to warn the world...



WYOMING

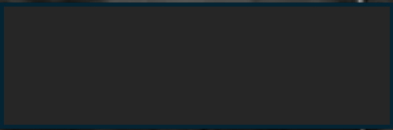
Recharge water from the South Platte and Arkansas Rivers is being diverted to Front Range development.




NEBRASKA

OGALLALA
AQUIFER

COLORADO



Meathooked & End of Water – VICE ON HBO



**EVERY
DROP
COUNTS
DAY
ZERO**

Now
available
on Amazon

NCBA's Long Range Plan finally comes together ...

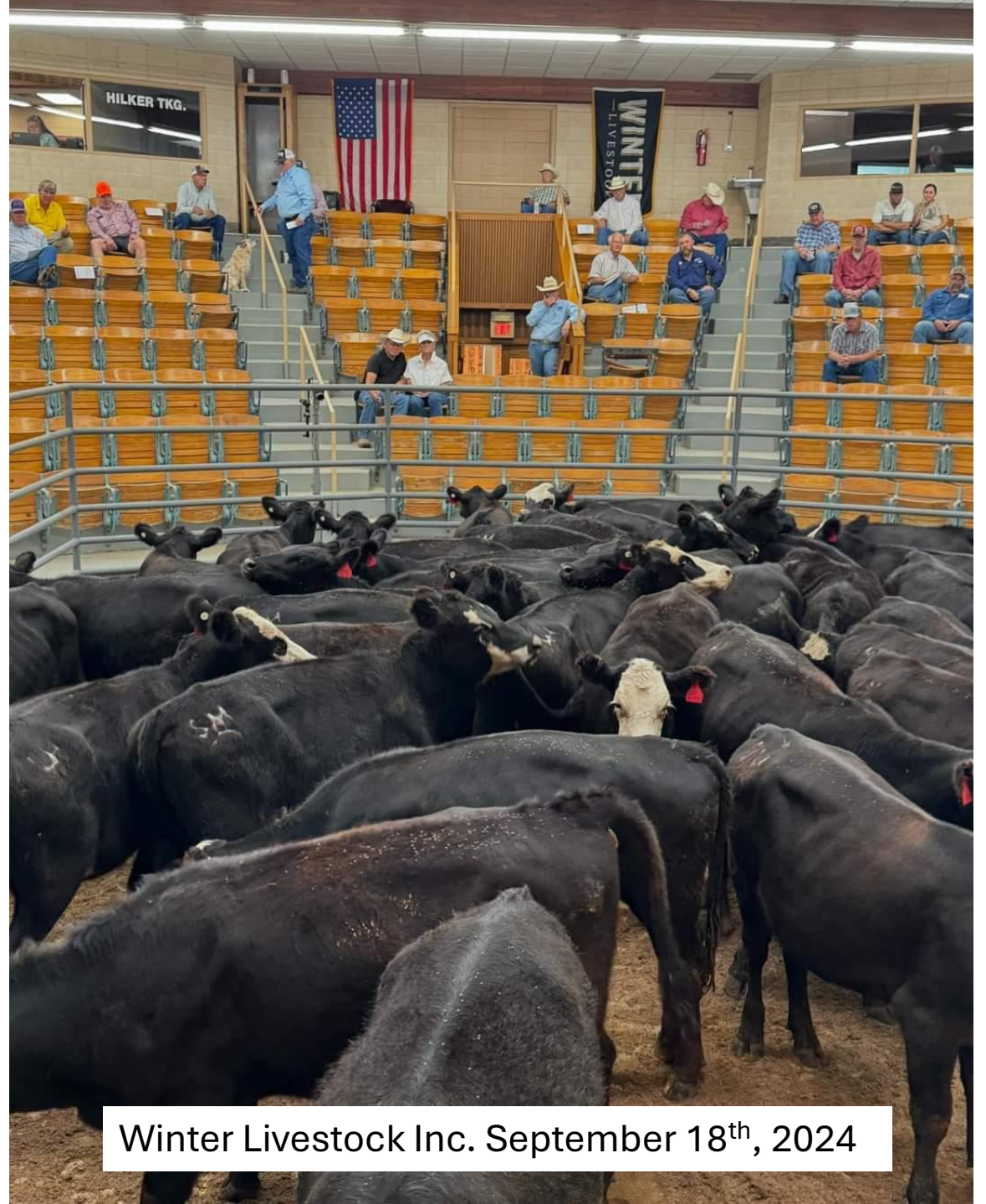


Making beef more “sustainable” like poultry and pork!

Greenwashing: According to the Environmental Working Group lawsuit, Tyson's net-zero and "climate-smart" beef claims are false or misleading. There is no credible evidence that Tyson intends to make any significant changes to its current activities.

Empty Seats

Number of bidders for feeder cattle are looking more and more like the number of meatpackers.



Winter Livestock Inc. September 18th, 2024

Cattle Industry Goes Hyper-Industrial Beef on Dairy on Concrete

Sept. 3, 2024 - LINCOLN — Construction workers are hurrying to put the final touches on what is planned to be the state's largest feedlot for feeding cattle – 150,000 head

Blackshirt Feeders feedlot operation near Haigler, Nebraska. (Courtesy of Settje Agri-Services & Engineering)

Cattlemen who have always prided themselves on their fierce independence are looking to exit the industry or join poultry and hog producers in vertical supply arrangements.





The greatness of a nation can be judged by the way its animals are treated. - Mahatma Gandhi

Environmental Consequence

Industrial Farming meets Hurricane Florence

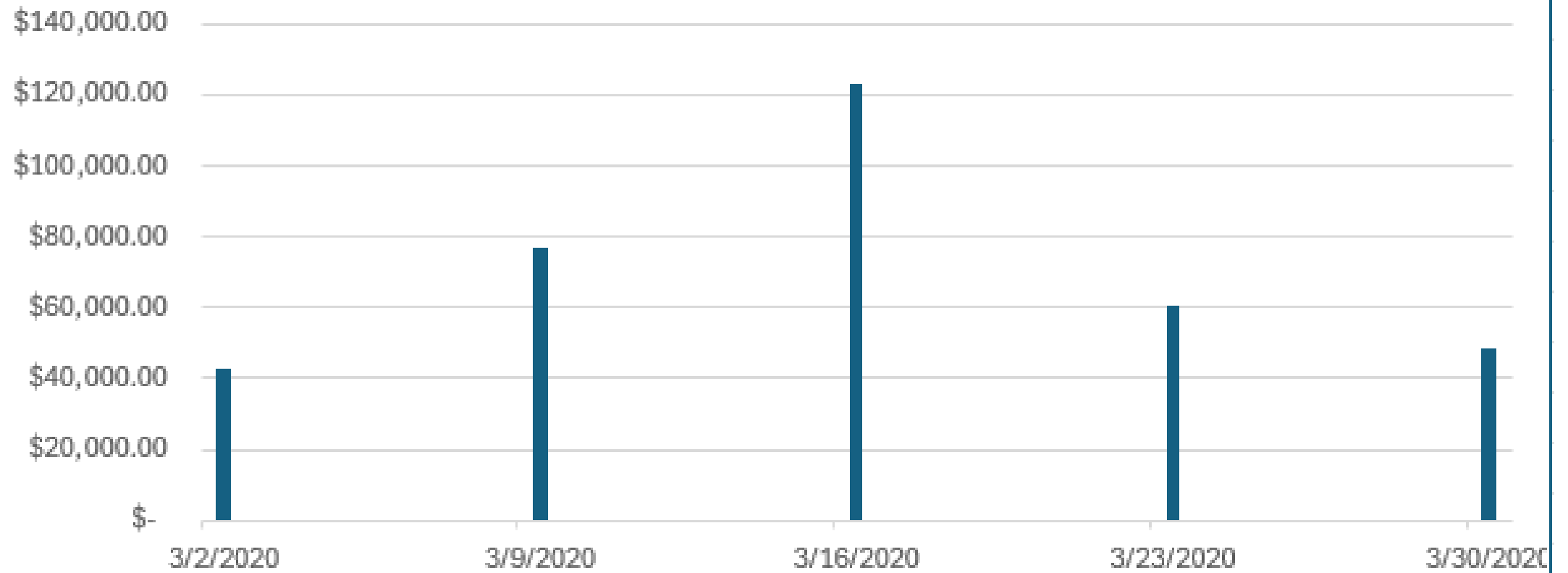


In 1979, Jonathan Kwitny warned us.



The pandemic exposed the frailty and vulnerability of our industrial corporate-controlled food system.

Ranch Foods Direct Fillmore Sales First Month COVID - 19 Pandemic



JBS hires former USDA food safety chief



JBS's Wesley and Joesley Batista – a Brazilian crime family



After allowing rotten meat into the U.S., Almanza goes to work for JBS.

JBS Caught Exporting Rotten Beef Worldwide, 2017

- Tried to cover up the stench using chemical products
- Paid federal inspectors to ignore adulteration
- Falsified sanitary permits
- Channeled bribes to Brazilian politicians

Illusion of Choice Exposed by Recent Beef Recall, Oct. 2018

- **7 million pounds recalled by JBS**
 - World's and U.S.'s largest meat company owned by Brazilians
 - 57 people in 16 states were sickened by Salmonella poisoning
- **Illusion of Choice – 13 brands in recall**
 - La Herencia, Four Star, 5-Star Beef, **Kroger**, Cedar River Farms, Cedar River Farms Natural, Comnor Perfect Choice, Gourmet Burger, Grass Run Farms natural, JBS Generic, Showcase, Thinkpure, **Walmart**
- Several JBS executives arrested for corruption, 2017-18

Federal government won't stop buying food from meatpacker tied to bribery case

Agriculture Secretary Tom Vilsack said barring JBS from government contracts could hurt taxpayers because the company has so few competitors.



Tom Vilsack's letter illustrates how the government's options have become painfully limited in an agriculture sector heavily concentrated on everything from poultry to cereal. | Kevin Dietsch/Getty Images

In 2019, as Brazilian meatpacker JBS was proving itself as a leading global criminal, instead of protecting American citizens by revoking JBS corporate charters and grants of inspection for its many criminal violations, our federal government funded JBS with lucrative preferential meat purchasing contracts – JBS a big winner in USDA trade war relief contracts.



Greg Gunthorp received the 2023 Spirit of Farm Aid award

“Our agricultural and food system has economically gutted rural America. If we continue down this path of concentration and consolidation, there will be no independent family farms left.

“Most of the protein, the red meat and poultry, is already a feudal serf system where farmers don’t own the animals on their land, only the manure, the mortgage, and the mortalities.

“There's no independent egg and chicken producers left, and the small to mid-sized pig producers and cattle feeders are virtually gone, leaving industrial corn and soybean farmers and cow-calf guys, and they're on the ropes.”

Land-Grant Economists Lead Effort to End Competitive Livestock Markets



Gary W. Brester, Emeritus Faculty
Research Interests: Agricultural Markets

11-9-12

Al,

How should I put this????

Ok, how about the following:

Callicrate is nuttier than a loon.

Gary

**Gary W. Brester, Professor
Dept. of Agricultural Economics and Economics
306 Linfield Hall
P.O. Box 172920
Montana State University
Bozeman, MT 59717-2920**

It's important to recognize the complicity of Oklahoma State University, like many other land-grant institutions supporting a corporate controlled form of industrial agriculture, in the demise of our nation's family farms and ranches, decline of rural places, and in the loss of our ability to feed ourselves.

- Mike Callicrate, OSU/Kirkpatrick Foundation Pig Conference, March 2023

Antitrust Chief says Economics Has Its Big Tabacco Corruption Moment

“Universities, economics journals, and the practice of economics are being fundamentally corrupted.

“Conflicts of interest have become so rampant it is increasingly rare to encounter a neutral expert.”

Antitrust chief, Jonathan Kanter [Speech at Fordham University](#) on the “crisis of expertise” in antitrust, aka the corruption of economists. September 12, 2024

The 1970 decentralized and competitive marketplace served producers, workers, and consumers far better than today's extractive food cartel.

1970 producer share was 82%

2023 share was 39 to 48%

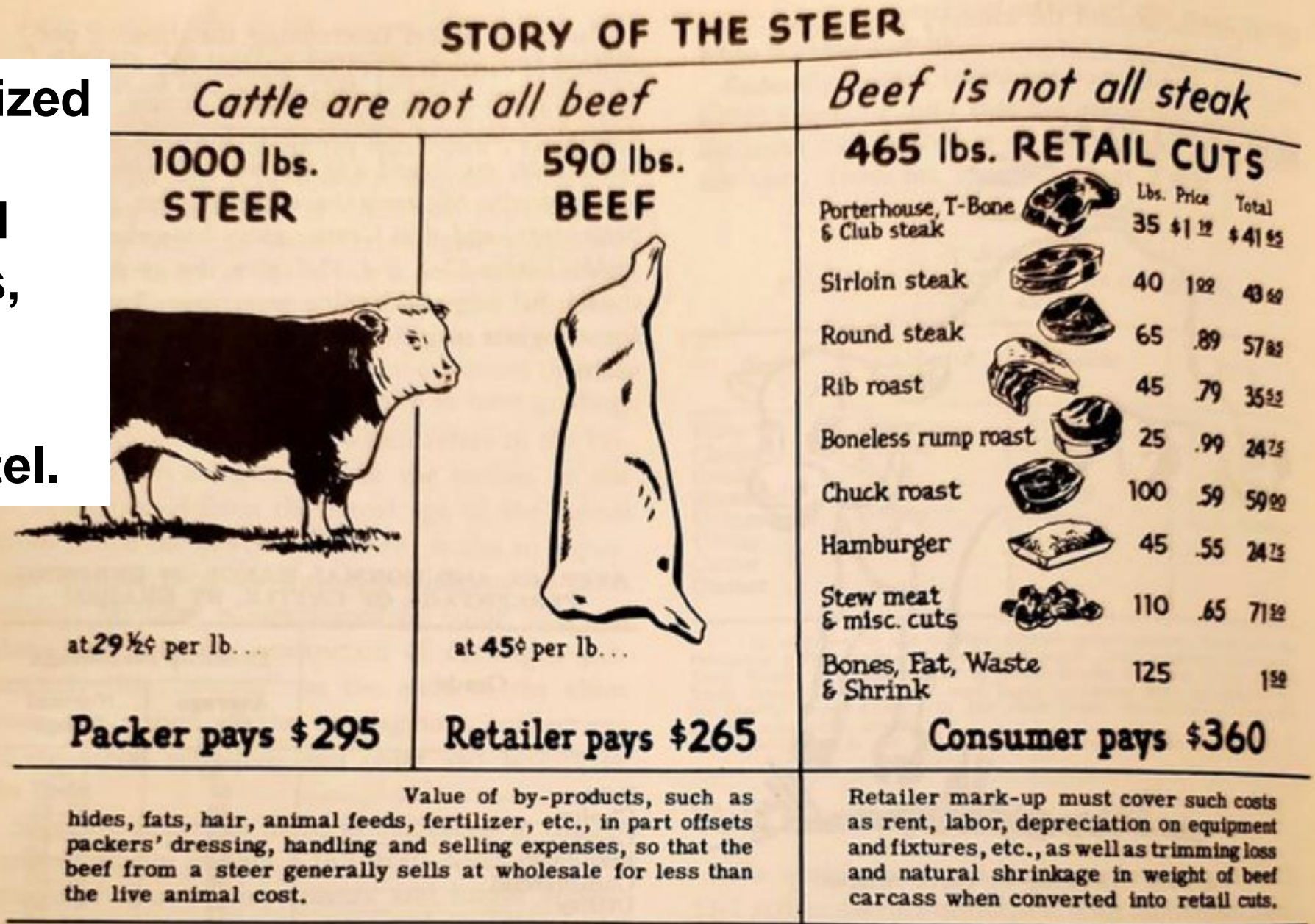


Fig. 12-3. Cattle are not all beef, and beef is not all steak! This shows the approximate (1) percentage yield of chilled carcass in relation to the weight of the animal on foot, and (2) yield of different retail cuts. (Courtesy, American Meat Institute)

The meat cartel is charging consumers 40% above the rate of inflation.

\$3,919 - \$2,332 (IPD) = \$1,587/head

Categories based on the "Story of the Steer"	1970	1970 Values In 2023 Dollars Based on IPD	1970 Values In 2023 Dollars Based on CPI	2023 Prices
Steer	\$295	\$1,911	\$2,254	\$1,840 (1,000 lbs. x \$1.84)
Beef	\$265	\$1,717	\$2,025	
Retail	\$360	\$2,332	\$2,751	\$3,919 (465 lbs. x \$8.43)

IPD - Implicit Price Deflator CPI – Consumer Price Index

Compared to the competitive market of 1970, today's monopolized marketplace is shorting cattle producers over \$1,350 per head, while the families who feed us eat out of dollar stores.

What if ranchers could sell meat instead of cattle?

1,500 lb. finished animal (Ave. slaughter wt. Sept. 2, 2024)
yields **42%*** retail, or 630 pounds of packaged beef.

630 lbs. x \$8.51/lb. (USDA's Sept 11th average retail scanner price)

= **\$5,361** per head

- \$1,150 processing

= \$4,211 net return per animal

= **\$2.81/lb. live weight**

(Producer share is 78%)

5 Area Weekly Weighted Average Price for Sept 2, 2024 was **\$184.03/lb.**

*42% retail yield represents boneless as reported by USDA monthly.

What if ranchers could sell meat instead of cattle?

1,500 lb. finished animal (Ave. slaughter wt. Sept. 2, 2024)
yields **47%*** retail, or 705 pounds of packaged beef.

705 lbs. x \$8.51/lb. (USDA's Sept 11th average retail scanner price)

= **\$6,000** per head

- \$1,150 processing (standard bone-in cut)

= \$4,850 net return per animal

= **\$3.23/lb. live weight**

(Producer share is 81%)

5 Area Weekly Weighted Average Price for Sept 2, 2024 was **\$184.03/lb.**

*47% retail yield represents "Story of the Steer" bone-in.

**Niche players today are making the same mistake as IBP's
Currier Holman in assuming there's a fair and open market.**



Pig producer Greg Gunthorp, left, with loyal
wholesale customer Chef Rick Bayless

“In a world dominated by big food service and management companies, the wholesale market is essentially over for small processors. The ideal restaurant customer that pays their bills, has volume, and will use more than 12% of the center cuts of the carcass are few and far between. I call them purple unicorns.” – Greg Gunthorp

Why wholesale is over for local/regional plants?

- Every niche created by smaller producers has been co-opted and stolen by Big Food -- product of USA, natural, grassfed, gestation crate free, environmentally responsible, antibiotic hormone free, organic, sustainable, regenerative, etc. (aka Greenwashing)
- Balancing carcass utilization and seasonal demand changes are difficult.
- Wholesale meat and poultry is highly subsidized, extractive, and costs less than sustainably and regeneratively produced meat that internalizes costs.

When elephants fight, it's the grass that suffers.

- Ancient proverb of the Kikuyu people

1979 - “In addition to other tactics, the Mafia, and other business consultants, would teach Iowa Beef that cooperating with your biggest competitors is more profitable than competing with them. Together, Iowa Beef, Cargill and Monfort (JBS) would share the market and drive market concentration to a new level of near monopoly control never seen before.”

October 2024 - “By collusively underpaying suppliers for fed cattle, and over time reducing beef output, Defendants have been able to increase their margins and profits, confident that none of them would take volume from each other,” McDonald’s said in the lawsuit.



Dr. William D. Heffernan
Former Professor of Rural Sociology, UMC

“Let’s start talking about an alternative food system, an alternative to this large global, mass food production.”

See: https://www.youtube.com/shorts/2UQsw_qdy8s

South Dakota Governor's Conference - 1996



In being the first to speak out, Bill faced retaliation from the growing number of academics supporting industrial agriculture.

In my mind, he was the grandfather of all anti-monopoly work to come.

– Joe Maxwell, Cofounder of Farm Action

For regenerative agriculture to exist, we must see a return of family farmers, stewardship, and husbandry, along with a fair share of the consumer dollar to the farm and ranch gate. **Market access is the most difficult step.**

More direct connections to eaters must be developed.



The Lincoln administration established the United States Department of Agriculture along with Land-Grant Colleges to develop agriculture and assure our ability to feed ourselves.

“... we must adopt the measures needed for bringing together the producers and consumers of food and wool, and thus augmenting their power to have commerce among themselves.”

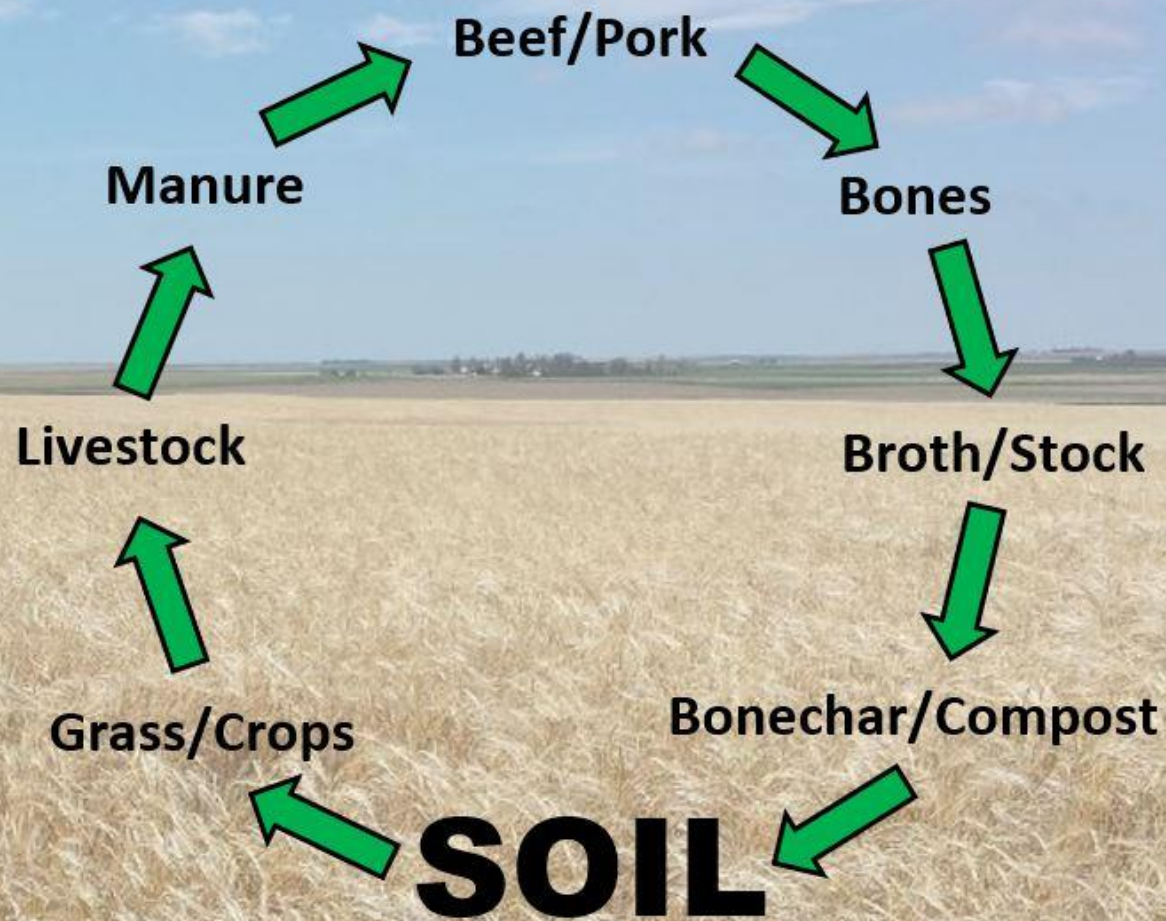
– Henry C. Carey 1853, advisor to President Lincoln

We believe the ideal farm is family owned and operated, diversified and livestock-centered, responsibly grazing and feeding the farm's production, with animal manure going back to the land.

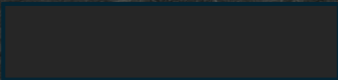
CALLICRATE
CATTLE CO.



Regenerative Farming and Ranching Callicrate Cattle Co.



Healthy Soils – Healthy People - Healthy Communities!



CALLICRATE
CATTLE CO



CALLICRATE
CATTLE CO



Carcasses are trucked from slaughter facility for further processing.



The Colorado Springs food hub provides space for meat processing, local fruit and vegetable distribution and value-added food production.



Eat more meat, but make it good meat from family farmers and ranchers



**The world needs fewer MBAs
and more Master Butchers**

Jared, Roger, Nate, John and Joanna (JoJo) in the cut room.

... and more beef should be cut directly from hanging carcasses.

The industrialization and deskilling of the beef industry has left us with precious few butchers that know how to break down a carcass into retail cuts. Oldtimers Roger Wichman and John Nicocia have trained their replacements at Ranch Foods Direct.

THE CARNIVORE DIET



SHAWN BAKER, MD

Meat dense diets are growing in popularity, healing the costly degenerative and chronic diseases highly-processed manufactured fake foods have caused.

Maker-owned marketplaces could provide a profitable and healthy alternative for producers and consumers to connect around good food. Through collective ownership, farmers and ranchers, along with artisan food makers, such as butchers, bakers, coffee roasters, and cheese-makers, would be insulated from market forces and exorbitant rents, thereby freed up to create wealth and resiliency within their local communities.



Building Thriving Communities Around Locally Owned Marketplaces

Maker-owned marketplaces and food hubs provide healthy affordable local food, vibrant community centers, and profitable and dependable market access for family farmers and ranchers.