The Time is Now for Meaningful Checkoff Program Reform
By Angela Huffman

Organization for Competitive Markets (OCM) is a national, nonprofit public policy research and advocacy organization headquartered in Lincoln, Nebraska. Founded in 1998, we focus strictly on antitrust and trade policy in agriculture. Competitive markets in agriculture is our goal, giving rise to our name. We represent America’s family farmers fighting the takeover of the food system by large multinational and foreign corporations. In this fight, we are proud to stand alongside AAM and more than 80 other farm and food organizations working together to ensure meaningful checkoff program reform included in the 2018 Farm Bill.

What are checkoffs? Through a government program, farmers are mandated to pay a fee, or tax, every time they sell their products. These programs are called checkoffs and the funds they create were originally intended to help family farmers market their goods. Almost every agriculture commodity product has a marketing checkoff program and fee. But today, there is a huge problem. Many of these programs have been hijacked by large industrial agriculture interests that use these funds to build their influence to push policy that supports industrial agriculture’s takeover of the food system, and they are used to ensure the market is rigged against the independent family farmer and rancher. Farmers and ranchers are being forced to pay for their own demise and their ultimate extinction.

The good news is there is a solution. Legislation has been reintroduced in both the U.S. House and Senate that would reform the federal checkoff programs. The Opportunities for Fairness in Farming (OFF) Act, S. 741 & H.R. 1753, would prohibit lobbying, rein in conflicts of interest, and stop anti-competitive activities that harm other commodities and consumers. It would also force checkoff programs to publish their budgets and undergo periodic audits so that farmers and ranchers know where their hard-earned money is going. The Voluntary Checkoff Act, S. 740 & H.R. 1752, would ensure no farmer or rancher is forced to pay fees into programs that do not promote their market segment.

Please ask your U.S. Senators and Representative to co-sponsor these bills. We will not end the abuses without you taking the time to let your elected officials know how you feel about the checkoff programs.

Membership Application

Name ________________________________

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Send to: Jim Rice
11232 RD K
Liberal, KS 67901

Please send any contributions for the newsletter to: Christine Miller. We appreciate and encourage info or pictures that we can use.

(AAM stands for food producer and commodity PARITY. Parity is a term that denotes a fair commodity price adjusted for inflation to the commodity prices brought in 1910-1914 when producer-middlemen-consumer had a balanced income. Today, 15 commodities average less than 50 percent of PARITY. Meanwhile, costs of trucks, implements, tractors, fuel, fertilizer and help rose many times. AAM still demands a parity price increase for commodities.

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Facebook, Membership and stuff

AAM has been seeing lots of new interest. Our Facebook page continues to grow in “Likes”. Most every day there is another like for our page. Davids updates continue to not only inform us of what is going on but seem to be of great interest to the followers and often they are shared by many. AAM has seen a substantial growth in memberships this year. Some old timers, some newcomers as we continue to add to our supporter list. Hopefully many of those and more are planning on attending the AAM Annual Convention in Lubbock Jan. 4th & 5th.

We encourage you to consider joining our state report group. We love to hear how things are going in your state from weather to ag reports to ag issues, etc. Thanks to Jim Zeeb, Greenville IL, who did a wonderful job of writing about a little history and his early experiences in AAM in this issue. We would like to recognize you in the next issue. All you need to do is write something up and send it to us aam-inc@yahoo.com. Your help is much appreciated.

AAM President’s Report

AAM has had a busy few months, thanks for everyone that has reached out with comments and ideas so that we can address the issues you as our members care about. I am excited that our AAM membership continues to grow and several new members are young farmers. These young producers are the future for Rural America as well as AAM’s future leaders. In early March, AAM had a President’s tour of the heartland with meetings in Kansas, Nebraska and South Dakota. Traveling with me to the meetings were Past President of AAM Corky Jones and Larry Matlock. It was an honor for me to road trip with these two great Americans and my good friends. We had great meetings, the number one issue of concern to producers was the low prices for all their commodities. Other issues were the need to have Country of Origin labeling for all imported agriculture products and the concern about the Farm Bill and whether Congress is going to improve the economic situation or once again fail producers. Farmers attending were not demanding more taxpayer subsidies but were asking for a fair price for their production in the marketplace.

The Farm Bill action in the House of Representatives is becoming very political. The last time this happened was in 1996 when the Freedom to Farm bill was written in the House Speakers Office and never passed the House Committee but was sent straight to the House Floor. That effort ended with a Presidential Veto before certain changes were made and the bill eventually became law. Now House Speaker Ryan has intervened and demanded welfare reform measures be included in nutrition programs, the draft bill was not shared with Members of the Agriculture Committee until shortly before the Markup. During Markup the Democrats did not offer a single amendment and the Farm Bill did not get a single Democratic vote and now is waiting action by the Full House. In most years the Farm Bill is bipartisan and is supported by an urban/rural coalition because of nutrition programs coupled with ag programs.

I will be surprised if it can pass with only Republican votes so it’s future is in doubt. We may be setting the stage for an extension of the current law because being an election year, Congress is not going to get much accomplished.

Action on the Farm Bill in the Senate appears to be on track with both Republican and Democratic Members working together. Hopefully the Senate will move forward and can help bring together a compromise in the House of Representatives. I’m concerned that to much of the institutional knowledge of both Congressional Staff as well as members continued on page 2
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of the media has been last of people that understand how farm programs work in the past. It wasn’t until the 1970’s that loan rates were not raised, and direct payments were issued to farmers based on a target price. This change was supported and pushed by food processors and cattle feeders who wanted to buy commodities cheaper and let US taxpayers make up the difference to farmers. Many times, now articles written about non-recourse loan rates refer to them as a Depression Era programs that are out of date for today’s farm programs.

We had non-recourse loan rates in place until the 1985 Farm Bill and it was replaced on only cotton and rice that year with a Marketing Loan which allowed prices to fall to the world market price levels. Finally, agribusiness processors and the big meat feeders could buy commodities below the cost of production. Because of these changes, the cost of farm programs surged up as prices fell. The bottom line is Congress failed Rural America when they negotiat ed these farm programs that allowed low prices to bankrupt family farmers which in turn destroyed our small rural towns during the 1980’s. We are again in a Farm Crisis that is once again destroying our family farms at alarming rates. AAM is one voice that is demanding that Congress do its job and pass a new Farm Bill that once again would raise prices to at least the Full Cost of Production.

AAM is working on exciting items such as enhancing our AAM Heritage Exhibit as well as making plans for a great Annual Meeting next January. It’s not too early to begin making plans to attend. AAM has ordered new caps both summer and winter which will be available in late June for you to order. Wear them proudly because of the rich history they stand for. Please stay in touch and if you like what you see on AAM Facebook page let us know and share it with your friends, also contact our staff as well as this newsletter and pass them around.

You, as members of AAM, are our spokespeople and lobbyists, set down and write a Letter to The Editor of your local paper, contact your Member of Congress and tell them what you need if they want your vote. Know that you are not alone, stand tall and speak your mind and never back down. My late friend and Past AAM President Tony Wilts said, “We might not always win but we never lay down before we get hit”. I think of this often and when you deal with difficult situations it’s worth remembering.

David Senter
President
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Plastic Bananas and Economic Cycles

It’s been a few years since I wrote a piece for the AAM reporter. Actually, I think it has been about thirty years. Back then, I was an angry young man of 39 hell bent to deliver retribution to all the scheming, smug, elitist political leaders of the 80’s, convincing to move resources (people and families) out of agriculture to make for a leaner, more competitive U.S. agriculture in the world market place. And move resources (people and families) they did. At the height of the farm crisis 2000 farmers were leaving their farms and homes per week.

I was totally devoted to my farming operation and family back then. I was a bashful farm boy, nervous about speaking in public, and I seldom travelled. One day, I could not stand any more of the lies coming out of D.C. and something in me snapped. I joined the American Agriculture Movement, Inc., and got involved with the Illinois Farm Alliance. I travelled to Washington, D.C. twice to lobby for the Farm Policy Reform Act of 1985. I began to do TV interviews and write op eds in newspapers. I became involved in political campaigns, and worked with a group of private citizens and academia in the East St. Louis, IL area to identify and uncover voter fraud. I worked to form coalitions of farm/labor groups. I sold T-shirts to raise money for political efforts, and I served on a Congressional ag advisory board. Not bad for a b Bashful farm boy, but I can’t believe, today, that I had all that energy for political efforts, and still raised corn, soybeans, wheat, and hogs. Looking back, I think my motivation was the toll in suffering that the farm crisis took on people and families, the “resources” that the Coalition on Economic Opportunity advised to be moved off the farm.

The farm crisis gradually ran its course, and I went back to my family and my land, the things that I love the most. Fate was good to us and we prospered for many years.

However, it seems that no matter how much things change, economic and political circumstances seem to cycle. Once again, the White House is playing games with exports threatening to further depress, already depressed commodity markets. Additionally, there are new concerns arising about attacks on the Renewable Fuels Standard. The President hits us in the gut, and Ted Cruz and his oil lobby benchmen right hook us to the chin. At this juncture, you have to wonder if Sonny Perdue is second guessing his decision to accept President Trump’s nomination as Secretary of Agriculture. Politicians could be the second coming of Billy the Kid if he’s not careful. I see a unique and creative way out of this whole tariff and trade embargo dilemma, and for that matter all the future dilemmas resulting from manipulation of farmers’ markets and income. Very simply, when U.S. tariffs result in a trade war injurious to farm income, or if the President and his cabinet decide to embargo specific commodities, then the USDA automatically implements the provisions in the Farm Policy Reform Act of 1985. Amazingly, that is one of the most cost effective, big bang for the buck, farm income improving, legislative proposals ever to be introduced in farm bill debate.

Again, I say, it’s been 30 years since I wrote a report for the AAM, Inc. Reporter. It’s a wonder that I am still addressing the very same issues. The names have changed, and so has the technology, but the plastic bananas in Washington, D.C. still seem to float to the top. Be well.

Jim Zeeb, Greenville, IL

Jim Rice
AAM friends, Nathanial Ratliff and Lucas Nelson WSSCW

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