

May 31, 2011

The Honorable Marcy Kaptur
U.S. House of Representatives
2186 Rayburn House Office Building
Washington, DC 20515

Dear Congresswoman Kaptur:

On behalf of the six million families represented by the American Farm Bureau Federation, we write to support your amendment to allow the Agriculture Department (USDA) the opportunity to complete reviewing the 60,000 comments received and the proposed rule entitled “Implementation of Regulations Required Under Title XI of the Food, Conservation and Energy Act of 2008; Conduct in Violation of the Act.” It is also imperative that USDA continue its economic analysis of the rule.

Farm Bureau is in the unique position of representing every species impacted by this rule. We also have no affiliation with major packers, integrators or processors, and therefore our only interest is the impact of this rule on farmers and ranchers. Because of this unique position, there are several provisions in this rule that we strongly support, while others give us pause.

Generally speaking, Farm Bureau’s philosophy supports a market environment where our farmers and ranchers can sell their product in a way that best fits with their individual operation and risk aversion level. Our policy clearly states that “We support efforts to ensure open markets to all producers.” Over the years, our farmers and ranchers have recognized the need for a referee in the marketplace, and Farm Bureau policy supports the Grain Inspection, Packers and Stockyards Administration (GIPSA) in that role. Some of our policy supporting the authority of GIPSA includes:

- “We...oppose any attempt to lessen the ability of [GIPSA] to adequately enforce the act and its regulations.”
- “We support more vigorous enforcement of U.S. antitrust laws in keeping with original intent; to include... [the] Packers and Stockyards Act of 1921.”
- “The Packers and Stockyards Act should be amended to...strengthen the ability of GIPSA to stop predatory practices in the meat packing industry.”
- We support “establishing GIPSA as the overall authority and provider of oversight to ensure livestock contracts are clearly-written, confidentiality concerns are addressed, investments are protected...” as well as “enhanced price transparency, [and] price discovery,” and ensuring that “contractors honor the terms of contracts.”

These overarching policy principles guide Farm Bureau’s comments on this proposed rule.

It is also worth noting that Farm Bureau has consistently requested thorough economic analysis from agencies when promulgating new rules. Without such an analysis it is difficult for America's farmers and ranchers to assess the true impact of rules and to understand all of the implications of proposed rules. This rule is no exception.

We oppose language to preclude USDA from reviewing the comments and completing their economic analysis and are strongly opposed to any action that would stop work on that rule.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bob Stallman', with a long horizontal flourish extending to the right.

Bob Stallman
President