



Packer Ownership Ban Good For Family Farmers

Q: Senator Harkin, I am an independent livestock producer in Iowa and I am alarmed at the rapid consolidation of the meatpacking industry. Small producers like myself are quickly losing what little marketplace we have left. What can the farm bill do to help us survive?

The easiest way to ensure the future prosperity of our farmers and ranchers is to see that they have access to a fair and open market.

A: The lack of competition in the agricultural marketplace is one of the most critical issues facing our nation's farmers and ranchers. The Senate farm bill included several provisions designed to restore fairness, transparency and equity in these markets. The easiest way to ensure the future prosperity of our farmers and ranchers is to see that they have access to a fair and open market.

That's why our bipartisan Senate bill bans the ownership of livestock by meat packers. When packers are allowed to own livestock, they do not have to bid aggressively because they can simply fulfill their own supply needs. As a result, packers can manipulate the market by controlling the supply. If we allow packers even some control over supply we give them a very powerful tool to affect prices.

The Senate bill also makes other important changes to the Packers and Stockyards Act, the law designed to protect livestock and poultry farmers from unfair practices. First, it would protect farmers who raise livestock under production contracts. These types of arrangements, where small farmers raise livestock owned by others, are not currently covered by the Packers and Stockyards Act, although they have become common in the livestock industry.

The bill also prohibits mandatory arbitration provisions in livestock and poultry contracts, and gives producers the right to discuss their contracts with their closest advisors. We need these provisions to level the playing field for farmers and reduce the ability of big packers to write one-sided contracts.

Farmers are hard working Americans who simply want a fair chance to compete in the marketplace. That is why I'm working hard to ensure that any farm bill we send to the President includes these common sense competition provisions. Hopefully, the House of Representatives will side with us and allow those common sense reforms to become law.