

## AMI Vows To Fight Packer Ban

WASHINGTON, DC — Vertical integration and strategic alliances used in many American industries should not be made illegal for meat packers, according to the American Meat Institute (AMI), for such an action will turn the clock back on industry progress and the quality provided to consumers.

AMI President J. Patrick Boyle vowed to fight efforts to ban packers' ability to own and control livestock when he delivered testimony today before the Senate Committee on Agriculture.

"We will oppose any effort to restrict meat packers who comply with existing antitrust and fair business practice laws from sourcing their raw materials in any way," said AMI President J. Patrick Boyle. "It is unfair to make it illegal for the meat industry to compete effectively with the vertically integrated poultry industry and many other vertically integrated industries for the consumer's dollar."

In addition to federal antitrust laws like the Sherman and Clayton Act, meat packers are also subject to the Packers and Stockyards Act, a statute unique to the meat industry.

"To my knowledge, there is no other sector of the U.S. manufacturing or service economy in which government plays such a watchdog role with respect to raw material suppliers," Boyle said.

According to Boyle, consumers want consistent product quality at the lowest possible price. Consumer demand has led to fewer and larger retail chains in fields as diverse as home improvement, video rentals, food and consumer products and fast food.

"Just ask anyone who supplies products to Wal-Mart or McDonalds what this means: it means you must meet their standards or you can't sell to them," he said.

"This is the way business is done today and the meat industry should be no exception." Iowa-based Winnebago and Maytag are two examples of companies that have used vertical integration to provide high quality products, he noted, as is Gateway computers, founded by an Iowa cattleman.

Boyle told lawmakers that the meat industry has done many things including increasing coordination with livestock producers and even owning some livestock — to ensure that meat products meet consumer expectations.

As a result of strategic alli-

ances, packers today sell beef that is 27 percent leaner than it was in the 1980s and pork that is 31 percent leaner. Coordination and vertical integration also have created beef and pork products that are increasingly convenient and consistent, and many are value-added with features like marinades and sauces added to fresh, branded products.

Consumers spend far less of their disposable income on meat than they did 30 years ago, according to Boyle: 1.9 percent of disposable income, compared to 4.1 percent in 1970.

"This is a trend of which we are proud and one that provides consumers a distinct benefit," he said. We should not rush to undo the foundations of this success without understanding the ramifications for everyone involved."

"The benefits to farmers were perhaps most vivid during the hog market crash of 1998, when spot market prices for an unanticipated over-supply of hogs dropped to as low as \$9 per cwt. Those hog farmers with contracts had locked into much higher prices for their hogs generally \$35 and more per cwt and were protected from the low market prices," Boyle said.

"Packers with contracts, on the other hand, were obviously paying far over the market value for their hogs at the time. Both parties to the contract, however, benefited from the certainty provided by a steady, consistently priced, contracted supply of hogs."

## Crop Research Highlights Penn State Field Day

ROCKSPRING (Centre Co.) — Penn State's College of Agricultural Sciences will reveal the latest advances in farming here at its annual Crop Management Field Day, Tuesday, July 23 at the Russell E. Larson Agricultural Research Center.

Research into cultivation techniques, new varieties, and pest management systems will be presented by college faculty.

"This is an opportunity for crop producers, ag industry folks and others to see some of the research underway at the research farm," said Gregory Roth, associate professor of agronomy in the crop and soil sciences department. "They also can interact with Penn State crop specialists from various departments."

Research will be featured on four one-hour tours running sequentially from 9:30 a.m.-3:30 p.m. Each tour will be conducted

## PDMP Members Meet On Large Dairy Farms Frey Dairy Farm Meeting Set For Aug. 8

SPRUCE CREEK (Huntingdon Co.) — About 130 dairy producers and professionals gathered here recently for one of a series of membership meetings sponsored by the Professional Dairy Managers of Pennsylvania (PDMP).

Wayne and Marjorie Harpster and their three sons, Abe, Aaron, and Andy, hosted the meeting on their dairy, Evergreen Farms Inc. This operation features a herd of more than 2000 cows. The Harpster family shared their story of growth and transition of management and ownership between generations.

Gary Snider from Farm Credit of Western New York also spoke on "Bringing the Next

Generation into Management and Ownership," sharing tips and resources that will help producers plan together for themselves and the future.

More on this meeting is scheduled to appear in the *Dairy Plus* booklet in *Lancaster Farming's* Sept. 21 issue.

The next membership meeting for PDMP is scheduled for Aug. 8 at Frey Dairy Farm, Inc. in Conestoga, Lancaster County. This meeting will offer some practical tips for "Working Together: Building Employee Communication" Producers will learn how Tom Frey put together a team of four managers and how they continue to work through their different management styles and communication challenges. At-

tendees will also have an opportunity to talk with each of the Frey dairy managers.

For those with smaller dairies and family labor, Rich Stup, Penn State Dairy Alliance, will add some insight on "Communicating with Family Employees and Managers."

Cost for the meeting is \$10 for PDMP members, \$50 for non-members. The program runs from 8:45 a.m. to 2:30 p.m. Lunch is included.

Reservations are required. Please send payment and RSVP by July 31 to Tammy Perkins: 324 Henning Building, University Park, PA 16802 or call toll free at (888) 373-7232, fax at (814) 865-4686, or email at tap10@psu.edu.

## Farmers Union Members Testify On Livestock Concentration

WASHINGTON, D.C. — Farmers Union members Paul Jackson of Ringling, Okla., and Nolan Jungclaus of Lake Lillian, Minn., testified before the U.S. Senate Committee on Agriculture today about livestock concentration negatively impacting their farming and ranching operations.

The hearing focused on the U.S. Department of Agriculture's enforcement of the Packers and Stockyards Act, and specifically explored a proposed ban on packers owning livestock more than 14 days before slaughter.

As an independent grain and livestock producer, Jungclaus testified that concentration in the livestock industry, spearheaded by meatpackers who own and feed their own livestock, is "sucking the lifeblood out of rural communities."

Jungclaus spelled out the need for action and not additional studies on the concentration issue. "A study will do nothing for family farmers while allowing the packers the opportunity to control the rest of the hog industry and an increasing share of the beef industry until there is noth-

ing left for the American farmer except raising the owner's livestock for them on contract," he said.

"I don't need a study to see the impact that consolidation has on Bob Hall who owns our local gas and grocery store and is forced to live on ever-tightening margins as packers and large retailers work together to eliminate competition," Jungclaus said. "And, I don't need a study to show me that the hardships our local businesses face directly impact our church offerings and the tax base that supports our schools and hospitals. It is time to take action and pass the ban on packer ownership of livestock."

Jackson, a fourth-generation farmer who runs stocker cattle in south central Oklahoma, told the Committee that meatpackers, which already control up to 80 percent of the processing, have been able to undercut market competition by owning cattle and staying out of the cash market for extended periods of time.

In addition to a ban on packer ownership of livestock, Jackson said Congress must modernize the Packers and Stockyards Act to work in today's cattle market to provide real protections for agriculture producers. "Livestock producers, better than anyone, know how to produce top quality cattle, but they require open, transparent and competitive markets to benefit from their production," said Jackson.

twice, and individuals will have an opportunity to attend all four tours.

The corn research tour will demonstrate hybrid testing for corn silage, polymer corn seed coatings, twin row corn planting techniques, and strategies for evaluating hail damage effects on silage corn.

The tillage, Bt, and white mold tour will present research on zone till corn, Bt corn hybrids and their isolines, and white mold and weed management in soybeans.

The fertility and soil quality tour will highlight studies on pop-up and alternative starter fertilizers for corn on high P soils, as well as nutrient cycling and crop rotations and soil biological activity.

The weed management tour will focus on predicting weed emergence with

GDDs, spatial weed management, herbicide screening, and glyphosate and weed shifts.

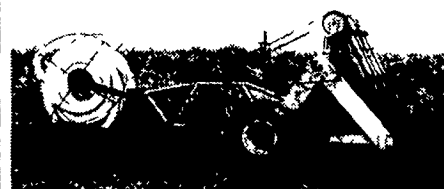
The Larson Agricultural Research Center is located at Rockspring, nine miles southwest of State College on Rt. 45. The field day is open to the public. Registration will be \$10 and includes lunch. Attendees can reserve a space by calling (814) 865-2543 or by sending e-mail to lac8@psu.edu. The day offers a total of four credits toward certified crop adviser (CCA) certification programs for professional agronomists.



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