



SUSTAINABLE AGRICULTURE COALITION

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COALITION APPLAUDS INTRODUCTION OF FAIR COMPETITION BILL *Supports a Fair Marketplace for the Nation's Farmers, Ranchers, and Consumers*

Washington, D.C. May 3, 2007 – The Sustainable Agriculture Coalition commends Congressman Leonard Boswell (D-IA) and co-sponsors Representatives Barbara Cubin (R-WY), Marcy Kaptur (D-OH), Bruce Braley (D-IA), and Dave Loeback (D-IA) for introducing the *Competitive and Fair Agricultural Markets Act* (H.R. 2135) today. The Coalition supports this bill, a companion bill to the Senate version - S.622, as an important measure in a package of legislation that will make up a comprehensive Competition Title for the next Farm Bill.

“U.S. agricultural markets are becoming far too concentrated,” said Martha Noble, senior policy analyst with the Coalition. “Many farmers and ranchers must deal with mega-processing firms that offer take-it-or-leave-it, non-negotiable production contracts. This is especially true in the livestock and poultry sector. In many regions there are only a few buyers, or even just one buyer, for livestock or poultry. The Competitive and Fair Agricultural Markets Act will help level the playing field for farmers and ranchers in their relations with these mega-firms.”

The Competitive and Fair Agricultural Markets Act would correct serious deficiencies in USDA’s authority to protect farmers and ranchers from unfair practices in agricultural marketing. It would increase protection of poultry growers from violations of the Packers and Stockyards Act by authorizing USDA to bring administrative enforcement actions. It would also amend the PSA by removing court-fashioned barriers that require livestock and poultry producers to prove sweeping effects on competition of unfair and deceptive practices that have harmed them individually.

The Competitive and Fair Agricultural Markets Act would amend the Agricultural Fair Practices Act by eliminating some of the worst abuses in processor-drafted contracts, including draconian confidentiality clauses and mandatory arbitration requirements that void legal recourse otherwise available to farmers and ranchers in contract disputes. Agricultural producers would be given 3 days to review, reconsider and cancel a contract. They would also be provided compensation for capital investments required under the contract if the contract is arbitrarily canceled. In addition, processors, handlers and other contractors could no longer discriminate against producers because they belong to organizations or cooperatives.

“The measures in the Act which strengthen statutory protections and USDA enforcement authority, coupled with a new Office of Special Counsel, should leave USDA with no excuse to redress its current failure to enforce the longstanding prohibition against unfair and anti-competitive behavior in the marketplace. Congress should not let another farm bill go by without making the changes necessary to establish fair and competitive agricultural markets for our nation’s farmers and ranchers.”

The Sustainable Agriculture Coalition represents grassroots farm, rural, and conservation organizations from across the country that advocate for federal policies and programs supporting the long-term economic and environmental sustainability of agriculture, natural resources, and rural communities.

