

Staff

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Sent: Thursday, May 21, 2009 11:21 AM
To: 'Staff'
Subject: FW: Johnson's Weekly Ag Round-Up: May 21

Senator Johnson's Weekly Ag Round-Up: May 21, 2009

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Senators to help ranchers stay competitive

New bill would stop manipulative markets

U.S. Senators Mike Enzi, R-Wyo., Byron Dorgan, D-N.D., Chuck Grassley, R-Iowa, and Tim Johnson, D-S.D., introduced a bill on Wednesday, March 20th that would stop years of unfair and manipulative meat packer practices that negatively impact ranchers and farmers.

“This bill is common sense. Certain companies have been stacking the deck. This not only hurts their competitors it hurts our economy. There is a continued need to restore transparency and competitiveness in all our markets, including the sale barn. Packers who own herds shouldn't be able to manipulate prices and now is the time for Congress to rein in anti-competitive meat packers and give ranchers an honest chance to make a living,” said **Enzi**.

“The big meat packing companies have held far too much power over the livestock industry for far too long,” **Dorgan** said. “It's time we injected some fairness into this market. Our independent ranchers are out there working hard every day, and they deserve a fair shake at the stockyard. We need to pass this bill and stand up for their interests.”

“Family farmers can compete with anybody if there's a level playing field. Unfortunately, all too often they are working with one arm tied behind their backs, because they are at the mercy of the big packers. Our bill works to create a healthy, competitive environment for small and large producers and packers by bringing transparency to the marketplace and ending manipulative behavior,” said **Grassley**.

“The top meat-packing companies continue to gain more power over the independent farmer and rancher. This bipartisan bill will prevent anti-competitive practices and keep our family farmers and ranchers in the fold. Our hardworking producers simply deserve a fair price for their product,” **Johnson** said.

The Livestock Marketing Fairness Act, would put ranchers and farmers on equal footing with packer-owned herds by amending the Packers and Stockyards Act of 1921 to end certain anti-competitive forward marketing contracts and ensure that ranchers have full access to the marketplace.

A growing number of large packing operations own their own livestock or control them through forward contracting agreements. This allows these firms to buy from themselves when prices are high and buy from others when prices are low. In recent years, the meat packing industry has become increasingly concentrated with only a handful of firms controlling a majority of the domestic cattle and hog slaughter.

The bill would:

- Require that forward contracts for livestock (cattle, hogs and lambs) be traded in public markets where buyers and sellers can witness bids as well as make their own offers. This ensures the market is open to multiple offers.
- Require marketing agreements to have a firm base price derived from an external source. This ensures that local contract prices are not subject to manipulation by packer owned herds.
- Exempts producer owned cooperatives, packers with low volumes and packers who own only one processing plant. This exemption targets the source of price manipulation and ensures that the business practices of small family-owned processors are not impacted by the law.
- Ensures that trading is done in quantities that provide market access for both small and large livestock producers.

The legislation is aimed at improving the stability and openness of forward contracting to provide ranchers and farmers more options to sell their animals. The legislation allows ranchers and farmers to continue choosing the best methods for selling their animals.

Johnson Makes Farm Service Agency Recommendations to Secretary Vilsack

Senator Tim Johnson on Thursday, May 21st announced his recommendations to Secretary of Agriculture Tom Vilsack for five State Farm Service Agency positions available in the state.

“These five individuals have strong agricultural backgrounds in South Dakota and are well qualified to serve in these important positions. I am making these recommendations to Secretary Vilsack knowing they are well suited to meet the challenges our agricultural communities face and will serve our state well,” Johnson said.

State Farm Service Agencies have a number of important responsibilities that impact the success of programs in agricultural communities. They are responsible for supervising agricultural programs and keeping impacted farmers and ranchers in the state informed. Members of the committee are also entrusted with managing appeals and complaints.

While it is customary for the Secretary of Agriculture to ask U.S. Senators for recommendations for appointments in their state, it is ultimately the Secretary’s responsibility to appoint a candidate.

Johnson has recommended:

Larry Birgen: Johnson has recommended LARRY BIRGEN. Birgen, who farms near Beresford, SD, has served as the Vice President of the South Dakota Farmers Union since 2006. He is a former Agricultural Stabilization and Conservation Service/Farm Service Agency field reporter and served as the Clay-Union Electric Director from 1993 to 2000. Birgen has been the Farmers Co-op Elevator director since 2001 and currently serves as board President. In addition, Birgen has served as Director of the Farmers Union Industries since 2002, and is the founding director of Midwest-Biodiesel located in Alexandria, SD. He and his wife Kathy have two children.

Jim Burg: Johnson has recommended JIM BURG of Wessington Springs. Burg served as the South Dakota Public Utilities Commissioner 1987 thru 2004. He served in the South Dakota House of Representatives from 1975 to 1984 and later in the South Dakota Senate 1984 to 1986. Burg, a former Mayor of Wessington Springs, is a member of the Board of Directors of the South Dakota Corn Growers Association and the South Dakota 4-H Foundation. A South Dakota State University graduate, he served in the South Dakota National Guard for 27 years before retiring in 1989 with the rank of Lieutenant Colonel. Burg and his wife Bernice, have five children and seven grandchildren.

Gary Duffy: Johnson has recommended GARY DUFFY. Duffy farms near Oldham, SD, as part of Shamrock Farms, a family farm corporation raising corn, soybeans, wheat, cattle, and hogs. He is a current board member and Vice

President of the South Dakota Corn Growers Association and serves as a board member and past President of the South Dakota Value Added Development Center. Duffy is a delegate to the U.S. Grains Council from South Dakota. The South Dakota State University graduate is a past member of the Oldham school board, Oldham city council, the South Dakota Crop Improvement Association state board, and the South Dakota Corn Utilization Council. He has four stepsons with his wife Judy.

Joyce Jobgen: Johnson has recommended JOYCE JOBGEN. Jobgen has served as the national Treasurer of the American Agriculture Movement for 21 years and is currently the Secretary and Treasurer. She has been active in various community organizations including serving eight years as clerk of her township and is a former member of the town election board. Jobgen also consulted farmers and ranchers for over 15 years and has testified before Congress and the South Dakota state legislature on agriculture issues. She and her husband Donald have four sons, eleven grandchildren, and three great grandchildren.

Craig Severtson: Johnson has recommended CRAIG SEVERTSON. Craig Severtson, raised in Flandreau, SD, has been an active rancher and farmer in the Flandreau area for nearly 30 years. Severtson, a University of South Dakota graduate, serves as a 4-H Club member and was a 4-H leader for several years. He is a member of the East Central Cattleman's Association and served as Senator Tim Johnson's agriculture Field Representative from 1987 through 1993 while in the House of Representatives. In addition, his agriculture organization involvement includes Dakota Rural Action and Farmers Union. Severtson and his wife Joan have two sons.

Johnson Votes No on Credit Card Bill **Bill Could Hurt South Dakota Jobs & Consumers**

Senator Tim Johnson released the following statement after voting no on the *Credit Cardholders' Bill of Rights Act of 2009*. Johnson, who has repeatedly said that the Federal Reserve rules should have a chance to be implemented before additional legislation was layered on top, expressed great concern about possible job loss within the credit card industry in his state. He is also mindful of unintended consequences this bill may bring that would hurt consumers by delivering lower credit lines and more fees. Johnson said:

I believe some important changes have been made to the credit card legislation that passed the Senate today since I voted against it in the Banking Committee. I am particularly supportive of compromise efforts regarding risk based pricing, payment allocation and over-limit fees. Many parts of this legislation will be good for the consumer, and will ensure fairness and transparency for consumers engaged in credit card transactions.

That said, this is a time when millions of consumers are already facing lower credit limits and higher interest rates on their credit cards because of decreasing credit availability and continued economic instability; I am very concerned about the unintended consequences of this legislation. The Federal Reserve set in place new credit card regulations in December of last year, well aware of the economic situation in our country and the potential for worsening conditions. We should allow those rules to be implemented instead of layering more regulations on top.

While I think it is vitally important to protect consumers from unfair and abusive credit card practices, we cannot ignore the fact that the effects of this legislation will extend beyond the credit card market.

This legislation could further limit access to credit for consumers and potentially jeopardize thousands of jobs in South Dakota. Those risks are too large for me to support this legislation.

Johnson Features Health Care Responses on Website

Shares stories with colleagues on Finance, HELP Committees

After receiving nearly 150 responses to his requests for South Dakotans to submit their health care stories, Senator Tim Johnson has featured responses from across the state on his website. Johnson has also sent all the responses to leaders in Washington, including colleagues on the Senate Finance Committee and the Senate Health, Education, Labor and Pension (HELP) Committee.

“I have always thought it was important that those inside the beltway, leaders here in Washington, listen to folks back home,” said Johnson. “Nearly 150 South Dakotans have contacted my office in the last month and made it clear that we must fix what’s broken while keeping what works.”

Johnson is continuing to encourage people to tell him their experiences as Congress begins drafting health care legislation in the weeks ahead. Hard working parents, doctors in the field, and others fighting to keep their health care have all made clear the struggles they are facing.

Lindsey in Clark, SD told the Senator that she is “out of money before I am out of month;” Jennifer in Cavour, SD wrote that “I also live in constant fear of losing my health insurance should I be laid off or lose my job;” Rhonda in Madison, SD told Johnson that “most of us avoid going to the doctor because we have already spent \$800 or more a month for insurance and can't afford to pay the doctor bill.”

Johnson has also heard from South Dakota doctors, like Brian Smith in Rapid City, who told him that “we currently have universal coverage, but neither effective, nor efficient coverage. Secondly, the bureaucratic, non-health related overhead is skimming an excessive amount of healthcare dollars from a faltering system.”

“This process had made clear that we must pay close attention to the struggles not only of the uninsured, but also the underinsured, who are working day and night to keep care that they can barely afford,” Johnson continued. “I have shared all of the responses with leaders in Washington, and urge people to continue to submit their stories.”

To read stories from across the state or share your own story, please go to <http://johnson.senate.gov/>.

****The Senate will be on Memorial Day recess next week, so there will be no Round-Up. Look for our next Round-Up on June 5. Happy Memorial Day!****

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