

WESTERN ORGANIZING REVIEW

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Groups Urge Landowner Safeguards

Putting people and environmental health first in energy legislation

On July 16, the Western Organization of Resource Councils submitted testimony to the House Resources Committee opposing a bill sponsored by Rep. James Hansen (R-Utah) that strongly favors more oil and gas drilling, and urging the Committee to take steps to protect landowners impacted by fossil fuel development and safeguard the environment.

“Too often a mineral developer’s rights trump the property rights of landowners,” said Mark Fix, a Montana rancher and member of the Northern Plains Resource Council. “Many landowners in the West own the surface but not the underlying minerals, and have few tools to protect their health, homes or livelihoods from damage. Under current law, companies can explore for oil and gas, drill wells, build roads and pipelines, and conduct many other activities with few protections to the landowner.”

Fix added that some 60 million acres of privately owned land in the United States overlie federally owned minerals, with many of these acres located in the West. “As a matter of justice and fairness, wherever federal minerals underlie private surface, no oil and gas development should occur until

the surface owner has given her/his written consent,” he said. “Gas drilling in Colorado is already the densest in the world with some areas dotted with one gas well per 20 acres, and the industry would like to lower the spacing to 10 acres. With up to five acres used for each well, 50 percent of the landowner’s surface is no longer accessible by them—unusable land that they have to pay taxes on.”

The Powder River Basin in Montana and Wyoming is ground zero for coalbed methane development. Coalbed methane is natural gas trapped in underground coal seams. The U.S. Bureau of Land Management predicts that 51,000 coalbed methane wells could be drilled in Wyoming by 2010, and projections in Montana range from 10,000 to 35,000 wells in the next two decades.

Billions of gallons of water are being pumped out of aquifers during the drilling process, and most of this water will be stored on the surface or dumped into local rivers and streams. The long term consequences of this use of groundwater are unknown. The near term consequences can include the buildup of high concentrations of salts in the soil, changes in chemical composition.

—Kevin Williams

Mushroom Checkoff Unconstitutional

Beef, pork checkoff programs may be next

Programs that tax farmers and ranchers to promote the beef and pork industries may be on the way out, after the United States Supreme Court struck down a similar program for mushrooms in late June. WORC had joined in a friend-of-the-court brief in what turned out to be the winning side in the mushroom case.

“We believe the beef checkoff program, like the mushroom checkoff program, is unconstitutional,” said Linda Rauser, a rancher from Keene, North Dakota and Chair of the Western Organization of Resource Councils, after the Supreme Court’s decision was announced.

“Those programs not only violate our right to free speech, as the Court said [in the mushroom case], but they also force hog farmers and cattle ranchers to fund our own destruction. They are taxation without representation,” Rauser said.

The Supreme Court found that the mandatory assessment on mushroom producers’ free speech rights under the First Amendment. “Just as the First Amendment may prevent the government from prohibiting speech, the Amendment may prevent the government from compelling individuals to express certain views,” Justice Kennedy wrote for the 6-3 majority in the case, known as *United States v. United Foods, Inc.* “First Amendment concerns apply here because of the



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Power of the People

Linda Rauser

The 2001 summer WORC Board and staff meeting was held in June in beautiful Ouray, Colorado. Thank you, Western Colorado Congress, for your gracious hospitality! This meeting marked the halfway point in my career as WORC Chair and author of this editorial column. It occurred to me that what I have to say about this organization had better get said, before my time is up.

Those who take up the battle first, wait longest for victory. This can mean a long wait for WORC and its member organizations, who always seem to be on the cutting edge of identifying problems and solutions. We are not just surviving, but thriving. I attribute this, above all else, to WORC's commitment to remain a grass roots group. Member ownership leads to dedicated and committed members. It occurs to me that what should be our *problems* are really our *strengths*. Our membership is as diverse as our issues.

NCBA and the Cattlemen's Beef Board (CBB) are forcing the U.S. government to use taxpayers' dollars to defend an unconstitutional program so that NCBA can keep collecting our money during the appeals, to the tune of 1.7 million every week.

I mentioned that WORC has had its' share of waiting. Beginning in 1999, WORC and the Livestock Marketing Association collected and submitted 145,000 signatures on petitions to the USDA demanding a vote on continuing the beef checkoff program the vote was denied. WORC and LMA sued the USDA to force a vote.

On June 25, in the case of *United Foods v. United States*, the Supreme Court ruled that forcing mushroom producers to pay for advertising is invalid under the First Amendment. WORC filed a friend of the court (or *Amicus*) brief in the mushroom case, claiming that the beef and pork checkoff programs force producers to finance speech with which they may disagree. Kansas farmer and cattleman Jerry Goetz, and Montana ranchers and NPRC members Steve and Jeanne Charter have filed other USDA lawsuits.

The beef checkoff program is paid for by an assessment on beef producers of \$1 per head of cattle sold. The National Cattlemen's Beef Association (NCBA), whose membership constitutes about 3% of the country's ranchers and which covers about 90% of its' operating expenses

with checkoff dollars, says the mushroom ruling doesn't apply to beef because the beef industry is more highly regulated.

Excuse me? All these years, I've been paying the checkoff and I've been selling as many calves as I want, to whom I want, when I want. I have yet to receive any violation notices. Either I'm just lucky, or the beef industry is unregulated.

If beef and mushroom programs are so different, why did the NCBA file a friend of the court brief in defense of the mushroom program before the Supreme Court? Why did the Solicitor General of the U.S. tell the Supreme Court justices that the programs were substantially similar?

The NCBA claims that the beef checkoff is producing great benefits for cattlemen. Someone is benefiting, all right, but not cattlemen. The share of the beef retail dollar that goes to cattle producers—the ones who pay the checkoff—has been falling since the checkoff was put into place.

NCBA and the Cattlemen's Beef Board are forcing the U.S. government to use taxpayers' dollars to defend an unconstitutional program so that NCBA can keep collecting our money during the appeals, to the tune of \$1.7 million every week. Funny, this whole thing began when CBB and NCBA denied producers a vote on whether or not to continue the program. NCBA maintains to this day that over 70% of producers are in favor of continuing the program, yet continues to oppose a vote.

Til next time, remember to do your friends a favor: invite them to join your local WORC group. If you're not a member of one of the WORC groups, do yourself a favor: Sign up!

Linda Rauser chairs the Western Organization of Resource Councils. She farms with her husband, Jeff in the suburbs of Keene, North Dakota, and is Vice-Chair of the Dakota Resource Council.



Bits and Pieces

The **Western Colorado Congress (WCC)** scored a victory against Shattuck Chemical and Umetco Minerals Corporation, a subsidiary of Dow Chemical Company. The Environmental Protection Agency announced that the Umetco radioactive waste dump above the San Miguel River, near Montrose, Colorado, would not become the new home of Shattuck Chemical's waste.

Shattuck Chemical Company's South Denver site is currently home to 150,000 tons of radium slimes and other radioactive waste. "This is a tremendous victory for WCC," said Marv Ballantyne, a 13-year veteran of WCC's campaign to prevent the importation of radioactive wastes to western Colorado, "But more importantly, it's a victory for the communities and environment of Western Colorado."

The EPA has decided to ship the waste to one of three government contractors in Idaho, Texas, or Utah. A decision is expected by the end of the summer. "Just because the Shattuck waste won't wind up in our backyard, doesn't mean that we'll lessen our pressure on the EPA to do its job," warned Ballantyne. "An improper characterization of the Shattuck waste could set a dangerous precedent for future waste piles."

The **Snake River Chapter of Oregon Rural Action** held its first organizational meeting on August 10. Forty people attended the meeting of the second chapter of Oregon Rural Action. Action teams were created to tackle city water billing, food safety, and factory farms. Translation services and Spanish language information were made available in an effort to build a diverse community group that recognizes the needs of its members.

Miguel Arriero, Treasurer of the new group and a naturalized citizen, spoke eloquently about the importance of understanding and using our democratic institutions.



ORA PHOTO

Oregon Rural Action's Snake River meeting.

Donna Buchanan, Chairperson, remarked, "It is important to be involved and make a voice that can be heard for the whole community."

The **Northern Plains Resource Council** has filed a suit in Federal District Court against the Bureau of Land Management (BLM) for what the group called blatant violations of several federal laws. The BLM, which is responsible for managing federal minerals, has leased over 600,000 acres of federal land in Montana for coal bed methane development.

The federal government owns 50% of the coal bed methane minerals in Montana. NPRC's lawsuit charges that the BLM violated the National Environmental Policy Act, the Federal Lands Policy and Management Act, the National Historic Preservation Act, and the Clean Water Act.

"The BLM is a bureaucracy out of control," said Mark Fix, a Tongue River rancher and Chair of NPRC's Coal Bed Methane Task Force. "They're in blatant violation of their own operating laws. These are not inconsequential laws... Together they provide a framework for making sure that federal decisions respect the interest of local communities, and for reining in bad corporate actors. For those of us who make a living in coal bed methane country, the future doesn't look good. If the BLM can't even follow its own laws, then how can we expect the methane industry to observe them?"

The **Idaho Rural Council** can continue its Clean Water Act lawsuit against the Bosma's Grandview Dairy in Bliss. The Idaho Rural Council filed the suit against the Bosma's Grandview Dairy in the fall of 1999. The Bosma dairy had been dumping dead dairy animals, construction waste, dairy pharmaceutical materials, manure, and other debris into springs that erupt from a shallow aquifer.

Bosma argued that the Clean Water Act did not protect the springs and that IRC did not have legal standing to file the suit. Judge Windmill disagreed, finding that the "springs are sufficiently connected through surface water to Clover Creek as to fall within the definition of the waters of the United States."

The trial is scheduled for December 3, 2001. "My family is very pleased with today's ruling," said Art Butler, owner of the Spring Cove Ranch and IRC member, "and we now know we will have our day in court."

Dakota Rural Action members have a unique opportunity to work with South Dakota legislative leaders and commercial developers in the pursuit of wind energy. The South Dakota Legislative Executive Committee has appointed an Interim Wind Power Generation Committee to study small-scale wind power generation projects and the effect of a “net energy billing provision,” or net metering.



Net metering allows a customer with a wind turbine to generate personal electricity first and then ‘bank’ the energy for later personal consumption or sell the electricity to local power companies. This technology allows customers to purchase electricity when their need exceeds personal production.

Dakota Rural Action’s Deuel County Chapter is researching self wind-monitoring equipment and avenues to market privately generated electricity. The group hosted a commercial development meeting on June 28, in Astoria. Paul White, a Midwest regional representative of Enxco, provided information about wind energy development and the Brookwind Project. The Brookwind project is a current commercial development by Enxco in Brookings and Deuel.

The **Powder River Basin Resource Council** received national media coverage in *Time* magazine’s July 16, 2001 edition. The article, “Plumbing the Pasture,” addressed the impact of coal bed methane drilling on Powder River Basin rancher Pete Dube.

Dube, like many Powder River landowners, owns only the surface rights to his land, not the mineral rights. As a result, CMS Oil and Gas is now drilling wells on his land. “When I bought this place, you could ride up on the ridge and see nothing,” said Dube. “Now you see trucks, pipelines, compressor stations. It’s funny, I tell people now I know what the Indians felt like when they saw wagon trains coming.”

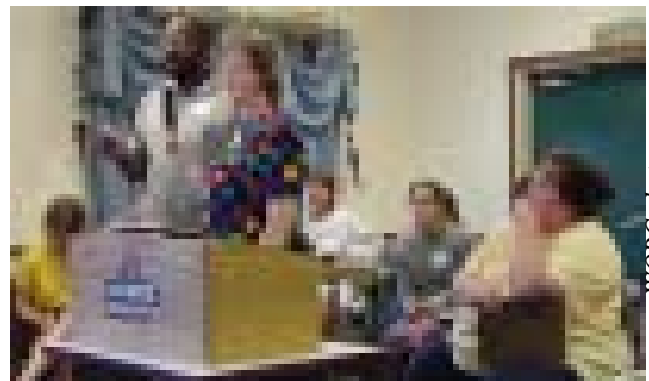
Time’s Terry McCarthy described PRBRC as “an unlikely alliance of ranchers and environmentalists who have joined forces to mitigate the impact of the drilling.”

Dakota Resource Council (DRC) has a new affiliate, the **Missouri Valley Resource Council (MVRC)**. MVRC’s goal is to pressure local county commissioners to stop uncontrolled development along the Missouri River near Bismarck. MVRC has begun circulating petitions calling for adequate setbacks for new residential development, vegetated buffer zones and earth-tone homes. The petitions will be presented to commissioners at future county commission meetings. The Missouri River has been named the most endangered river in the U.S. for two years in a row by American Rivers, a nonprofit conservation organization dedicated to protecting and restoring rivers nationwide.

Forty people attend the kickoff meeting on July 26, in Bismarck, North Dakota. Craig Scott, past chair of DRC, hosted the meeting. Donny Nelson, current DRC chair, welcomed the new affiliate and Randolph Nodlond, a founder of DRC, shared the organization’s history with the audience.

Congratulations to the new officers of Missouri Valley Resource Council: Gerald Weiler, Chair; Chuck Kurszewski, Vice-Chair; Bill Zuger, Secretary-Treasurer, and Mary Engel and Ron LeClerc, Board Representatives.

WORC held two training workshops for organizers and leaders of community organizations in July. The Advanced Community and Leadership Training workshop drew 15 staff and members to Billings. Topics covered included interview techniques, guerilla media, negotiating, and facilitation techniques. The four-day Principles of Community Organizing training was held July 27-30 in Sioux Falls, South Dakota with 21 participants.



WORC photo

Stephan Walker of the Arkansas Public Policy Panel and Krista Atyeo of Dakota Rural Action led a mock action at a simulated county commissioners meeting during the Principles of Community Organizing training in Sioux Falls, South Dakota in July.

U.S. Needs Energy Efficiency

Travis Marshall

On June 21, the Western Colorado Congress and the Western Colorado Action Network (WeCAN) participated in a "Rolling Blackout" protest in Grand Junction, Colorado. The protest was organized to send a clear message to President Bush that improving energy efficiency should be the cornerstone of U.S. energy policy.

WeCAN believes in protecting the environment and high quality of life in Colorado by making responsible individual choices. President Bush's energy plan places too little value on energy efficiency, even though it's cheaper, quicker, something every American can do, and the best way to solve our immediate energy shortages. We can send President Bush a clear message by turning off our power on June 21, between PM and PM.

This symbolic protest was to show President Bush that America is not fooled into thinking that drilling is the answer. Americans know that energy efficiency has contributed to our nation's economy and standard of living in the past 25 years. Energy efficiency is the most cost-effective way to reduce the risks of climate change, oil import interruption, and local air pollution. The Bush plan places too little emphasis on efficiency:

- The Bush plan says that the U.S. needs to build at least 1300 electric power plants over the next 20 years. In Colorado, coal fired plants have been proposed for Rangely and Las Animas, even though coal is American's dirtiest energy source. A November 2000 Department of Energy report found that energy efficiency and renewable power sources could meet 60 percent of the nation's needs for new power plants.
- The Bush plan refuses to toughen fuel economy standards. In 1988, cars and light trucks got about 26 miles per gallon. Today, the average passenger vehicle gets 24 miles per gallon. We have the technology to improve fuel efficiency right now.
- Bush's claims he supports efficiency and renewable energy yet he slashed funding for both by more than \$200 million. It is ludicrous to say there is an energy crisis and then take away funding for efficient energy solutions. Energy efficiency is the right solution.

Both wind and solar energy sources are much cleaner and can be brought on-line faster than conventional power plants.

Fortunately, the Bush Plan is not our only option. There are hundreds of ways that individuals and communities can challenge the Bush Plan and put conservation and renewable energy into practice.

A few examples:

- A West Slope electric cooperative DMEA is offering its customers tips on cutting winter heating bills in half by taking easy and cheap steps to make houses more efficient. By providing a simple checklist in publications it distributes with electric bills, the co-op is doing its part to save energy through efficiency and helping the local consumers save money.
- Xcel, an investor owned utility that provides the bulk of Grand Junction's power, has started a program which offers low-interest loans ranging from \$500 to \$5,000 to help individuals improve the efficiency of their homes. Home Energy Assistance Team, or HEAT, will fund improvements to people's houses, such as upgrading windows, furnaces, or insulation that will aid in lowering heating costs and improving efficiency.
- Xcel has also committed to developing more wind power for customers by expanding the number of turbines in its wind farm in northern Colorado. When the expansion is complete, Xcel will receive 30 megawatts of wind power from the farm. One megawatt of wind can provide electricity for approximately 300 homes.

These are just a few examples of the innovative programs available to citizens across the West Slope. WeCan is researching ways people can save money and energy and encourages other communities across the country to do the same.

Travis Marshall is an active Mesa State student and a member of the organizing committee for the Western Colorado Action Network (WeCAN) an affiliate of the Western Colorado Congress.



Bull Mountains Revisited

Anne Charter

The debate over the ever-recurring subject of mining coal in the Bull Mountains is beginning again. Take this as written from the horse's mouth, as to how it has been for thirty years dealing with the side effects of propositions to extract our remote area's coal. The various companies have never intended to mine coal, but to create a



saleable package to peddle to some trusting soul at a profit. Then came John Bauges, Jr. in the mid 90's, claiming to intend to really mine coal. It turned out that he really planned to mine the community. At a presentation before a businessmen's group in Billings, Bauges spoke of inexhaustible finances, of being prepared to mine more coal cheaper than

anyone in the world and of an impending contract with Japan.

Many attending rejoiced in anticipation of the jobs and wealth Bauges would bring to the state. My reaction was to pronounce Bauges as "Bogus" and his company, Mountain Inc., became "Mountain of Ink"—subsequently "Mountain

"What I offer here are memories of the confrontation between the coal companies and the people living on the land underlain by coal, and the kind of people it takes to stand up to the giants of industry."

— NPRC founder Anne Charter, in her book, *Four Dollars and Sixty Cents Short*

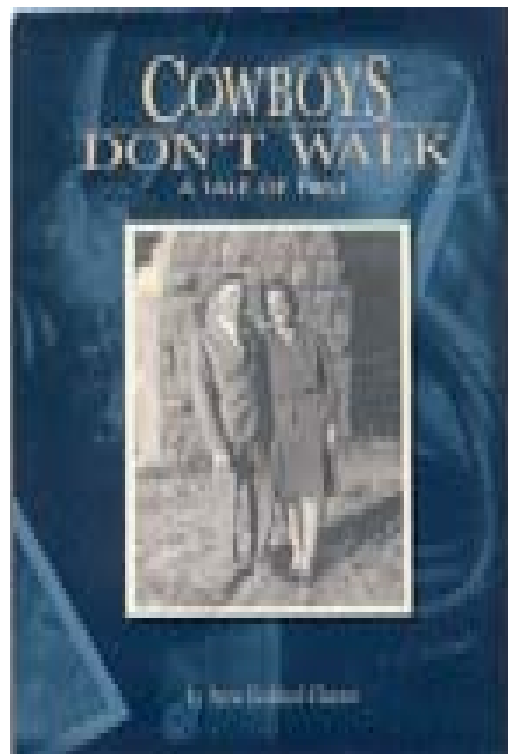
of Red Ink." The mineral owner of record then was Glacier Park Company, a bastard offspring of the Burlington Northern Railroad. Glacier turned out to be a stumbling block to Bauges. Like the Gingham Dog and the Calico Cat, they got into a terrible spat and ate each other up, leaving multimillion dollar mountains of private and public debt and a smoldering environmental mess behind.

This time around John Bauges, Jr., still lurks as some kind of silent partner, as Clair Johnson of the *Billings Gazette* recently documented. The question is which comes first—the chicken or the egg? Reopening of the mine and guaranteed customers for two coal-fired power plants are interdependent. The Rural Electric Associations are clearly the prey this time. There are many debatable side issues: should the REA's role be expanded into marketing electricity

big time elsewhere, besides providing power to their members at an affordable price? Should investment support extraction of nonrenewable energy sources, or concentrate on least-cost investments in end use efficiency and conservation first, and promising renewable wind, solar and biomass energy sources as they become cost-competitive?

However, right now, there is just one central issue at stake: who do we trust? If we, the taxpayers and ratepayers and our elected representatives, trust those who have already bilked us, we deserve what we get.

Anne Charter is a founding member of the Northern Plains Resource Council and the author of "Cowboys Don't Walk." This commentary was originally prepared as a letter to the editor of the Billings Gazette.



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Groups Protest USDA Nominee

Labor, civil rights, religious and environmental groups join, farmers and ranchers

One hundred and sixty farm, labor, religious, environmental, civil rights, and consumer organizations have called on Congress to block the confirmation of Thomas Dorr, President Bush's nominee for Undersecretary for Rural Development at the Department of Agriculture.

"Thomas Dorr is bad news for independent farmers and ranchers," said WORC spokesperson Helen Waller, a Circle, Montana, farmer, speaking for the Western Organization of Resource Councils, one of 160 groups which sent a letter to Senate Agriculture Chair Tom Harkin (D-Iowa) in July opposing Dorr's confirmation. "His plans for rural development are based on a system that bypasses the value of community, and exploits people and the land."

The diverse organizations signing the letter argued that Dorr's vision for the future of U.S. agriculture is one controlled by corporate farms, and that his racial views are incompatible with the values of most Americans. In a 1999 speech to rural economists, Dorr linked ethnic and religious uniformity to economic prosperity.

"Dorr's program is to put family farmers out of business," said grain farmer George Naylor, a member of Iowa Citizens for Community Improvement (CCI) and a leader of the National Farm Action Campaign. "We're not going to sit

back and let the Bush Administration shove its vision of corporate agriculture down our throats. We're going to put maximum pressure on the new leadership in the Senate to make sure Dorr's nomination is dead on arrival."

"We all thought feudalism ended in the Middle Ages, but Dorr wants to bring it back," said Rhonda Perry, a hog farmer and a member of the Missouri Rural Crisis Center. "The only role for farmers in Tom Dorr's vision is as serfs on their own land, providing labor for the giant agribusiness operations."

Among the groups signing the letter opposing Dorr were the National Campaign for Sustainable Agriculture, National Catholic Rural Life Conference, Farm Aid, National Farmers Organization, National People's Action, Nebraska Farmers Union, The Organic Consumers Association, Rainbow Push Coalition, United Farm Workers of America (AFL-CIO), and Defenders of Wildlife.

Administration is stonewalling, Iowa group says

An Iowa family-farm group opposed to Dorr's nomination has charged Iowa Farm Service Agency (FSA) Director Derryl McLaren with stonewalling their requests to release documents that could prove damaging to Dorr's nomination.

Iowa CCI and other family farm organizations are investigating allegations that Dorr was involved in a scheme several years ago to collect farm subsidy payments for which he was not eligible.

Iowa CCI submitted a Freedom of Information Act request on July 17th to the Iowa FSA office asking for the release of documents related to Dorr's alleged payment scheme. The FSA has not produce the documents, and McLaren refused to meet with Iowa CCI to discuss the matter. "The FSA is stonewalling us," said George Naylor. "McLaren knows this information could torpedo Dorr's nomination and show that he has no business in any government position."

One of the documents Iowa CCI requested is a copy of a copy of an audio on which Dorr allegedly admitted applying for and receiving FSA payments for which he knew he was not eligible. According to Iowa CCI's sources, the matter was brought to FSA's attention and Dorr was forced to pay back the money.

The Senate Agriculture Committee, which is chaired by Iowa Senator Tom Harkin, has scheduled a hearing on Dorr's nomination for September 25th. The National Farm Action Campaign (NFAC) has requested an opportunity to testify at the hearing.

NFAC is a national organizing initiative led by farm and rural organizations fighting for a farm and food policy that promotes the interests of family farmers while protecting consumers and the environment, and opposes corporate control of the U.S. food production system.

— John D. Smillie

What You Can Do....

Call Your Senator

The Senate Agriculture Committee will hold a hearing on Dorr's nomination on **September 25**

Call your Senator and Agriculture Chair Sen. Tom Harkin
Tell them to reject Dorr's nomination

Senator Tom Harkin 202-224-3265 or 202-224-6702

Tom_hrkin@harkin.senate.gov

For your senator's number or email address contact the
U.S. Capitol switchboard at (202)-224-3121

requirement that producers subsidize speech with which they disagree.”

Kennedy’s opinion distinguished the mushroom program from mandatory assessments on California tree fruits that the Supreme Court had upheld in a previous case. In the earlier case, the Court said the mandatory assessment was constitutional because the promotion it funded was part of a marketing order regulating the marketing and sale of peaches, nectarines and plums. “There are no marketing orders that regulate how mushrooms maybe produced and sold, no exemption from the antitrust laws, and nothing preventing individual producers from making their own marketing decisions,” the Supreme Court said in the mushroom case.

Beef goes with mushrooms

The Supreme Court’s decision initially affects only the mushroom assessment, but the language could be applied to the beef and pork checkoff programs in cases now pending in federal courts. The Western Organization of Resource Councils and the Livestock Marketing Association have amended their complaint against the beef checkoff program to challenge the constitutionality of the mandatory assessment on cattle producers.

The South Dakota federal district court hearing WORC’s case asked both sides in the dispute to address the constitutionality of the beef checkoff in light of the Supreme Court decision invalidating the mushroom checkoff. South Dakota Court Judge Charles Kornmann said that if the beef checkoff is unconstitutional, it doesn’t make sense to hold a referendum.

“Advertising for beef may well be much like that for mushrooms,” Judge Kornmann said in a July 5 memo to both sides in the dispute, which began when USDA refused to hold a vote on whether cattle producers want to continue the checkoff. “I do not want to get further into this case or try this case only to discover that USDA concedes that the entire beef checkoff program is unconstitutional... Obviously, neither this court nor USDA are going to ignore an opinion by the Supreme Court.”

The Cattlemen’s Beef Board – which collects and spends beef checkoff revenues — has done its best to play down the Supreme Court decision. “The mushroom program is as different from the beef checkoff as the mushroom industry is from the beef industry,” said Beef Board Chairman Dan Hammond.

The National Cattlemen’s Beef Association, which gets more than 90% of its funding from checkoff dollars through

contracts with the Beef Board, shares that view. “We do not think there’s any similarities, basically,” NCBA President Lynn Cornwell told *Successful Farming*.

Montana ranchers Steve and Jeanne Charter, who had sued to contest thousands of dollars in fines imposed by the United States Department of Agriculture for failure to pay the mandatory checkoff, revised their case against the USDA on August 7th, charging that checkoff is unconstitutional. They’ve asked the court to freeze all existing beef checkoff assets and establish an escrow account for those funds and for all future checkoff payments, pending the outcome of the case. The Charters are also asking for a refund of past-compelled payments.

Kansas farmer and cattleman Jerry Goetz petitioned the Supreme Court for a new hearing on his challenge to the beef checkoff. The U.S. Tenth Circuit Court of Appeals had ruled against Goetz’ contention that the checkoff was unconstitutional several years ago, but the Supreme Court never heard the case. Goetz and his attorneys view the mushroom decision as a vindication of arguments they made nearly ten years ago.

Both sides in a lawsuit filed by the Campaign for Family Farms and the Environment have agreed to address the constitutionality of the pork checkoff, but not until the narrower issue – whether Agriculture Secretary Ann Veneman should have defied a vote of hog producers’ to end the pork checkoff – is settled.

“It is unfortunate that producers have had to defend our rights in court against these undemocratic programs,” said WORC’s Linda Rauser. “Hog farmers fought for and won a vote to end the pork checkoff, but that decision was nullified by Secretary of Agriculture Ann Veneman, forcing hog producers into court to defend their vote. Beef producers submitted 145,000 signatures on petitions demanding a vote on continuation of the beef checkoff program, but USDA has denied us our right to a vote, and that case is also in court.”

Beginning in 1999, WORC and LMA collected and submitted 145,000 signatures on petitions to USDA demanding a vote on continuing the beef checkoff program. After USDA refused to hold a referendum, WORC and LMA sued USDA to force a vote.

The Campaign for Family Farms forced a referendum on the pork checkoff through a petition drive, and hog producers voted down the checkoff last fall. Former U.S. Secretary of Agriculture Dan Glickman suspended the mandatory pork checkoff before leaving office in January, but incoming Secretary Ann Veneman reversed the decision and reinstated the program.

— John D. Smillie

Food From Family Farms

Helen Waller

As Congress prepares to return from its summer recess, the conversations in rural America's grain elevators, coffeehouses and sale barns are dominated by talk of the federal farm bill.

Since 1996 and the passage of the so-called *Freedom to Farm Act*, farmers have seen prices for major crops—corn, soybeans and wheat—on a downward skid. The promise of a growing export market proved to be empty, and when things got bad enough for farmers, Congress took up the slack and kept farmers in business with taxpayer's money.

We have seen repeated years of AMTA payments, emergency payments, disaster payments—all at taxpayer expense, as though it could go on forever. Despite this huge layout of taxpayer dollars, it doesn't come close to compensating for the value of the products farmers deliver to market. Congress must replace this flawed approach with a policy that ensures a fair price at the marketplace for farmers.

It comes as no surprise that the House proposal, which was ram-rodged through committee without a final version in writing that members and citizens could review, without any public debate, and without a record of how our representatives voted, is really just an extension of the mistakes of *Freedom to Farm*. Our hopes now rest on the House floor debate and the Senate, where Congressional action is expected to take place throughout September.

To break out of this cycle of taxpayer bailouts and a depressed rural economy, farm groups from all over the country are working together to pass a new farm bill that will establish fair and competitive markets for independent family farmers. Our proposal, the *Food from Family Farms Act*, would provide farmers with fair prices paid by the grain corporations that purchase farm products. Our farm bill will save taxpayers billions of dollars, increase farm income through the marketplace, create a food security reserve to provide price stability for consumers, and protect against food shortages during poor production years.

Unfortunately, we know we've got our work cut out for us. Giant agri-business corporations like Cargill and ConAgra are profiting tremendously from current farm policy. Since *Freedom to Farm*, they've made record profits and have strengthened their control over crop and livestock markets. They support the status quo—they've got the money to kick into Congressional elections, and to

pay high-powered Beltway lobbyists to look after their interests during farm bill debates.

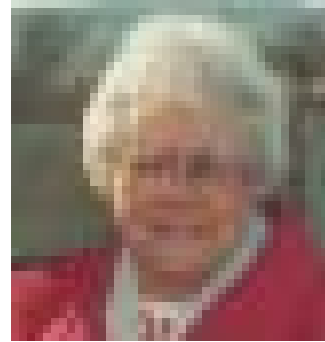
Most commodity groups are another roadblock to a successful farm bill. These organizations, such as the National Pork Producers Council (NPPC) and National Cattlemen's Beef Association (NCBA), use farmers' own mandatory checkoff dollars to pay for lobbying efforts in behalf of corporate agri-business rather than take a stand for fair prices for farmers and ranchers.

By now it should be clear that agriculture isn't one big happy family. Congress can't just lump us all into one big sack, assuming that we all have the same vision for the future of production agriculture. The line is drawn in the sand, with one side working for corporate agri-business interests and the other working for family farmers and rural communities. We will soon know which side Congress chooses to take.

Just before Congress took its August recess, Senator Harkin, at the urging of Farm Aid's president Willie Nelson, brought together some members of the Senate Agriculture Committee with farmers and representatives of producer-friendly farm organizations to discuss the upcoming farm bill debate. Chairman Harkin assured us that the process would be open and the voices of farmers would be heard. As sponsor of the Conservation Security Act, he spoke of his concern for soil and water conservation, the future of the family farm system and the survival of rural communities.

We need a farm program that can provide safe and affordable food for America's consumers. We need a farm program that keeps farmers on the land by ensuring a fair price for the food we grow. We need a farm program based on fair prices at the marketplace—one that doesn't shift the cost to taxpayers. We need Congress to stand up to corporate agri-businesses and pass the *Food from Family Farms Act*.

Helen Waller farms near Circle, Montana. She is past Chair of the Northern Plains Resource Council and the National Family Farm Coalition.



Tyson - IBP Merger Back on Track

The on-again, off-again marriage of **Tyson Foods** and **IBP, Inc.** is on again, this time as a shotgun affair. Tyson and IBP first planned to merge at the beginning of the year, after Tyson edged out Smithfield Foods in a bidding war for IBP, the world's largest beef-packer.

Tyson got cold feet and tried to back out of the deal, citing IBP's failure to report accounting irregularities at one of its appetizer subsidiaries. IBP sued Tyson for backing out and won, forcing Tyson back to the altar. The final price: \$4.4 billion in cash and stock. Tyson says it will have 28 percent of the U.S. beef market, 23 percent of the chicken market, and 18 percent of the pork market after the deal is finalized in the next few months.

BP's food safety problems have continued under new ownership: the company recalled half a million pounds of hamburger from 35 states because of possible contamination with E. coli 0157:H7.

IBP Chairman and CEO Bob Peterson will retire from management, but will serve on the new Tyson Foods' Board of Directors. Peterson was one of IBP's original cattle buyers when it started up in 1961. He moved up the ladder, becoming President in 1977 and CEO in 1981, building IBP into the world's largest beef packer. Peterson was a blunt and often controversial defender of what critics saw as IBP's monopolization of the beef industry. Peterson got a \$6.3 million bonus in 1999, and a \$5.2 million bonus in 2000, over his \$1 million base salary.

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ConAgra wants to sell its beef-packing business, and **Smithfield** wants to buy a beef-packer. But Smithfield is denying reports that it is talking to ConAgra about a deal; some observers say Smithfield thinks ConAgra's asking price is too high.

ConAgra, the second-largest food company in the U.S., wants to sell its beef business, the third-largest in

the U.S., to get away from less-profitable commodity businesses and focus on its more profitable retail operations. ConAgra's stock has dropped twelve percent this year. Some analysts and shareholders say that what the company calls its "dirt to dinner" strategy has not worked, and have urged it to dump the dirt. ConAgra has six beef-packing plants in the U.S., and four in Australia.

Smithfield tried to buy leading packer **IBP** late last year but lost out to Tyson. In response to reports of discussions with ConAgra, **Smithfield** said there had been talks, but none were going on currently.

Smithfield Chairman Joe Luter III apparently has a knack for making the right moves. The company has acquired several companies over the past few years, and continues to post record earnings. The company's latest acquisition is **Gorges/Quick-to-Fix Foods**, a ready-to-eat food manufacturer now in bankruptcy court, for \$34 million.

Cargill has closed flour and soybean mills this year, and has also closed its Marshall, Missouri, beef packing plant, laying off 350 workers. The plant will be converted to makecase-ready meat cuts for retail stores. Cargill lost \$87 million in its most recent quarter ended May 31.

—John D. Smillie

Margin Monitor

Company	Latest quarterly profits (% change from prior year)
---------	--

IBP	- 9%
ConAgra	- 12%
Cargill	- \$ 87 million*
Smithfield*	+ 28%
ADM	- 6%
Tyson	- 52%

* Compared to \$6 million loss in prior year.

Where's the Beef From?

Pushing for Country of Origin labeling in Congress

Fifteen organizations representing consumers, farmers and ranchers have joined in a letter to all 100 United States Senators, urging their support of legislation to require country of origin labeling for meat and produce.

"Consumers have a right to know where their food is produced," the groups, including the Western Organization of Resource Councils, wrote. "Country-of-origin labeling allows consumers to make a better, informed decision about the food products they purchase."

Joining WORC in the letter were R-CALF – USA, National Farmers Union, the Consumer Federation of America, the National Consumers League, Public Citizen, the Center for Food Safety, The National Family Farm Coalition, National Farmers Organization, the Organization for Competitive Markets, the Florida Fruit and Vegetable Association, the Florida Tomato Exchange, Florida Farmers Suppliers Coalition, Inc., the Northwest Horticultural Council, and the National Catholic Rural Life Conference.

The Consumers Right to Know Act of 2001, Senate Bill 280, introduced by Senator Tim Johnson (D-South Dakota), would amend the Agricultural Marketing Act of 1946 to require retailers of beef, lamb, pork, and perishable agricultural commodities to inform consumers, at the final point of sale, of the country of origin of the commodities. To receive a "Made in the USA" label, the product must be 100% born, raised and processed in the United States. Representative Earl Pomeroy (D-North Dakota) and John Thune (R-South Dakota) introduced similar legislation in the House.

Representative Thune tried to amend the farm bill to require country or origin labeling in the House Agriculture Committee in late July. Thune's amendment was hotly contested for more than three hours over two days. Several killer amendments were tacked on to it by voice vote, including a national identification program for all livestock, before the Committee killed the proposal.

The death of the farm bill amendment does not affect Pomeroy and Thune's labeling bill, and the two representatives are redoubling their efforts. "Our ranchers have invested millions of dollars and taken great effort to raise the highest quality product," said Pomeroy. "They deserve to have the U.S. label mean something."

Dispelling myths

According to a March 1999 Wirthlin Worldwide survey, 86 percent of consumers support country-of-origin labeling for meat products. Surveys conducted by the fresh produce industry found that between 74 and 83 percent of consumers

favor mandatory country-of-origin labeling for fresh produce.

In their letter to Senators, WORC and the other groups said that labeling costs under Florida's, state labeling law, amount to just \$5 to \$10 per week per store, refuting cost claims made by opponents in the House Agriculture Committee. The letter pointed out that certifying the origin of meat – an alleged problem raised in the House Agriculture Committee debate – is not a problem for companies that sell meat to the school lunch program, which must be of domestic origin.

The letter also addressed the argument that country of origin labeling might violate trade laws. "According to the USDA's 1998 Foreign Country of Origin Labeling Survey, the United States is among only 6 of the 37 reporting countries that do not require country-of-origin labeling on processed meat," the groups wrote. "Since the time of the 1998 survey, a number of additional countries, such as Japan, have begun requiring country-of-origin labeling of meat. Regarding fresh fruits and vegetables, some 35 out of the 46 surveyed countries require country of origin labeling of these products. To date, there have been no formal challenges to any country's country-of-origin labeling requirements."

—John D. Smillie

Injecting Competition into the Farm Bill

Country of Origin Labeling is a key part of a proposed Competition Title proposed by consumers, farmers and ranchers for the 2002 Farm Bill. Other key provisions of the Competition Title:

- Strengthen existing law that prohibits price discrimination by packers, and prohibit livestock marketing contracts without a fixed base price.
- Ban the ownership and control of livestock by meat packers.
- Contractor's rights provisions to protect producers from one-sided contracts with agribusiness corporations.
- Contract bargaining rights, to allow poultry growers to negotiate the way labor unions can. Expand anti-trust protections in the Packers and Stockyards Act, which currently apply only to livestock, to other agricultural commodities.
- Give the United States Department of Agriculture authority to act to curb agribusiness mergers (currently, USDA can only study mergers and give advice to other agencies).

NAFTA Nightmare

WORC takes a stand on NAFTA's impact on agriculture

Since the North American Free Trade Agreement (NAFTA) was implemented in 1993 farm incomes have plummeted and bankruptcies escalated in the U.S., Canada, and Mexico—while U.S. consumer food prices have increased 20 percent. On June 7, NPRC members attended a Press Conference and Rally in Butte, Montana. The purpose of the conference was to discuss U.S. trade policy and North American Free Trade Agreement (NAFTA) expansion with Senator Max Baucus (D-MT). Baucus is the new Chairman of the Senate Finance Committee, which has jurisdiction over trade policy. This position places Baucus in a crucial decision making role. Baucus voted for NAFTA after seeking environmental and labor agreements.

On July 26, WORC members delivered a letter to the House of Representatives opposing legislation that would grant Fast Track trade authority to President Bush. Bush seeks Fast Track authority to expand NAFTA to an additional 31 nations through a proposed agreement called the Free Trade Area of the Americas (FTAA).

“This letter marks the culmination of efforts by hundreds of thousands of grassroots rural activist from across the country to place agriculture on equal footing with labor and the environment in the context of the current trade debate,” according to Dena Hoff, a farmer from Montana, who chairs the Northern Plains Resource Council, “the NAFTA trade model has failed family farmers and ranchers, and has devastated rural America, inadequate border inspections, commodity dumping, price manipulation, and devastatingly low commodity prices for farmers are just some of the casualties of the failed agricultural and trade policies embodied by NAFTA, the WTO, and the Freedom to Farm Act. Congress and the President must focus on addressing the many failures of NAFTA instead of expanding this economic, social, and environmental disaster to the rest of the Western Hemisphere.”

During the 1993 NAFTA debate, U.S. farmers and ranchers were promised that the pact would create a lasting solution to farmers’ struggles and benefit them by opening new export markets in Mexico and Canada. Now, seven years later, the evidence shows that farm incomes have declined, consumer prices have risen by 20%, and some of the largest agribusiness companies have reaped huge profits. During NAFTA’s seven years, Archer Daniels Midland’s profits

nearly tripled— from \$110 million to \$301 million- and ConAgra’s profits grew from \$143 million to \$413 million.

A study issued in June by Public Citizen’s Global Trade Watch, *Down on the Farm: NAFTA’s Seven-Year War on Farmers and Ranchers in the U.S., Canada, and Mexico*, gives a comprehensive review of NAFTA’s agricultural outcomes.

“In the past year, we noticed that wheat, soy, beef and other producers who had been a base of support for trade deals [were] really starting to complain about how badly things were going since NAFTA,” said Lori Wallach, director of Public Citizen’s Global Trade Watch. “We understand why farmers are so upset, because nearly every U.S. commodity has faced a flood of NAFTA imports swamping modest export gains, and prices have

tanked.”

Public Citizen and other concerned citizen groups are not the only ones with questions about fast track. Senator Max Baucus (D-Montana) circulated a letter urging President Bush not to weaken U.S. trade laws. The letter is signed by 61 Senators, including both Democratic and



NAFTA's Seven Year War on Farmers & Ranchers Some of the Reports Findings:

- During NAFTA the rate of elimination of small U.S. farms with sales under \$100,000 was six times greater than in the preceding five-year period;
- U.S. farm income is projected to decline 9% between 2000 and 2001—from \$45.4 billion to \$41.3 billion—compared to annual farm income of \$59 billion before NAFTA;
- While the U.S. agricultural trade surplus with Canada and Mexico grew by \$203 million between 1991 and 1994, it fell by \$1.5 billion since NAFTA;
- U.S. corn export volume fell by 11% and prices fell by 20%;
- The volume of cotton exports fell by 28% and prices plunged 38%.

View the full report at www.tradewatch.org.

Republican leaders and a majority of the Finance Committee, the Committee with jurisdiction on international trade issues.

“U.S. trade laws ... fulfill a critical function as a political safety valve,” the Senators wrote. “If trade laws did not provide assurances that trade would be fair and that temporary relief could be granted against injurious surges of imports, there simply would be no political support for new trade agreements, existing trade agreements, or fast track negotiating authority.”

In the House, Representatives, Martin Frost and Earl Pomeroy circulated a letter throughout congress, asking members to express their support for including labor and environmental provisions in future trade agreements.

“The five-year lapse in trade promotion authority and the increasing public concern over the direction of U.S. trade and investment policy offer clear evidence that we need to rebuild a national consensus for international trade,” Frost and Pomeroy wrote, “to develop that consensus, we must include labor, environment and other issues of public concern in future trade negotiations. We believe these provisions must be enforced with tested, meaningful remedies.”

Representative Mike Simpson (R-Idaho), a cosponsor of the presidential trade negotiating authority bill, said he is “rethinking” his support for the bill because he has come to distrust the Bush administration’s commitment to fair treatment of agriculture in trade negotiations. Simpson said he was particularly concerned by the Agriculture Department’s decision to classify 1998 market loss payments in the trade-distorting category in a report to the World Trade Organization (WTO).

After the USDA announced its classification decision, House Agricultural Committee Chair Larry Combest (R-Texas), withdrew his cosponsorship of the GOP’s Fast Track bill. “The United States has strong adversaries in the international agricultural trade arena and therefore must be resolute in its pursuit of free and fair trade.” In a letter to Secretary of Agriculture, Ann Veneman, Combest wrote, “Abandoning the principle of assistance to our farmers does not instill any faith that the outcome of trade negotiations will be fair to United States agriculture.”

“Given the track record of the NAFTA model for farmers and consumers in the three NAFTA countries, it is not surprising that farmers nationwide are increasingly opposed to the notion of expanding NAFTA through the

proposed Free Trade Area of the Americas,” said Public Citizen President Joan Claybrook. “As bad as NAFTA’s seven years has been in the United States, the results for poverty-stricken Mexican farmers and consumers is horrific and puts to rest that myth that these trade deals benefit people in developing countries.”

The Bush administration is claiming that Fast Track is crucial for the U.S. to succeed in negotiating and approving trade agreements. “Putting all the decision-making power for trade deals into the hands of the President is unconstitutional, because it circumvents the democratic process we promote to citizens and governments in the rest of the world, said Hoff. “What kind example of democracy are we setting?”

Since Fast Track’s inception in 1974 it has only been used five times. According to the Office of the United States Trade Representative, the Clinton Administration negotiated nearly 300 separate trade agreements without the assistance of Fast Track.

The time to act is now!
Contact your Representative
Let them know
America needs Fair Trade not Free Trade



If you are unsure of whom your member is visit www.house.gov and scroll down to the bottom. Click on the link that says, “Write your Representative” and enter your zip code. Don’t forget to send letters to the editor of your local newspaper and directly to President Bush at president@whitehouse.gov. Sample letters can be found at www.tradewatch.org.

2001 WORC Calendar

Western Colorado Congress Annual Meeting August 25

Senior Organizing Training, Story, WY September 14-16

Oregon Rural Action Founding Convention October 13

Powder River Basin Resource Council Annual Meeting, Sheridan, WY October 27

Dakota Resource Council Annual Meeting, Grand Forks ND October 27

Dakota Rural Action Annual Meeting .. November 3

Northern Plains Resource Council 30th Annual Meeting, Billings, MT November 16-17

WORC Board and Staff Meeting, Billings, MT December 6-8

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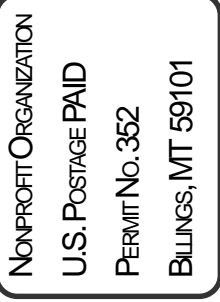
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