

## POLICY PENNINGS

## Poultry Producers Air Complaints

BY DARYLL RAY  
Ag Policy Analyst

This year, the Obama administration is holding a series of five hearings across the nation to explore competition issues affecting the agricultural sector in the 21st century and the appropriate role for antitrust and regulatory enforcement in that industry. The second of these workshops, conducted jointly by the United States Department of Agriculture (USDA) and the Department of Justice (DOJ), was held at Alabama A&M University in Normal, Alabama.

The May 21 workshop was led by Agriculture Secretary Tom Vilsack and U.S. Attorney General Eric Holder. The hearing focused on issues in the poultry industry, and featured panel discussions on poultry grower issues and trends in poultry production. And, it also included opportunities for public comments.

"All players in the poultry industry deserve an honest chance at success, and that requires a fair, viable, and competitive marketplace," said Vilsack. "Today's conversation helped bring a better understanding of the issues impacting growers on a daily basis and provided an opportunity to openly discuss some of the ideas that have been raised to address these concerns."

"Secretary Vilsack and I are committed to improving our understanding of how particular agricultural markets function," said Attorney General Holder. "And, that's why we decided to hold a series of five workshops across the country to examine the challenges facing America's farmers, growers and producers. One thing that already is clear is that competition is crucial to ensuring opportunity and fairness in our agricultural markets. The Department of Justice is committed to working jointly with the Department of Agriculture in protecting competition in those markets."

The story from the hearing that made most of the papers was that of Gary Staples the vice president of the Alabama Contract Poultry Grower's Association who indicated that he was afraid of retaliation by the company he grows chickens for because of the testimony that he was giving. At that point, it is reported that U.S. Assistant Attorney General Christine Varney said, "I fully expect that you will not experience retaliation." And then handing Staples a piece of paper she continued, "But if you do, call me at that number."

Kate Doby told the officials that even if there happens to be more than one integrator in an area, they do not try to take growers from each other and if a farmer is let go by one integrator the other one won't offer them a contract. There is no competition at the grower level.

Poultry integrators are companies that have integrated the whole poultry production operation from the hatching of chicks, to the placement of them on farms with contracts, to the provision of feed, to the slaughter and wholesaling of the processed chicken. They contract with farmers who are required to construct buildings to the company's specifications. This usually requires the

farmer to take out a sizeable loan to pay for the building. Some farmers report indebtedness of \$1 million.

The farmer raises the chickens for the company and is paid a fee. In addition, some who testified said the companies frequently require upgrades that require additional loans so that they find themselves in perpetual debt.

If the contract is not renewed or the contract is terminated by the company, they are often left with a sizeable debt with no income to pay off the loan. Doby told of a farmer in her area of North Carolina who committed suicide after losing his contract.

One former grower, Carole Morrison, testified that her family put in a scale on their farm to weigh the trucks as they picked up the chickens she was growing for the company. She said they did that to make sure that the company was properly paying them for the work they had done. Farmers are paid on the basis of weight gain.

She said that the company representative threatened them with the termination of their contract. Other farmers indicated that whenever they disagreed with the company about an issue they were told in no uncertain terms that such behavior would result in the termination of their contracts.

Tom Terry, a former grower from Tennessee, told us a similar story. He said that after loading up the chickens from one of his barns he followed the company trucks to the plant so he could watch them being weighed on the scales at the processing plant. He was prevented from doing so.

He also resisted making a set of upgrades because he calculated that the upgrades would cost him more than the incentive the company was offering. At the time, because of this kind of attention to detail, Terry was one of the top growers in his complex—the group of peer producers in his local area. Despite this record, the company quit placing birds on his farm and his contract was terminated.

He talked about selling the barns to someone else and says that he was told by the company that they would never place chickens in those barns again. There are no other processors in his area even try to get a contract with.

A representative of the National Chicken Council, Dick Loeb, asserted that the panel was biased against the companies and said that most growers were happy. He cited a 2001 survey that indicated that 75 percent of the growers were satisfied with their contracts. Loeb said the complaints being heard at the hearing only represented the other 25 percent of the growers.

Loeb reported that there are 30,000 poultry growers in the U.S. A quarter of that is 7,500. It would seem that his own numbers work against his attempt to minimize the importance of what the panel was hearing from growers.

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## ORGANIC

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And business at PrairieSun Organic Food Market has been steady.

Some customers stop in to buy organic products for health or environmental reasons, while others just prefer the taste, Jackson said.

"Quality, flavor and customer service are what we bring to the table," Jackson said.

Customers range from college students to out-of-state visitors, but Jackson's main clientele are locals. Jamie Buttke, one of the workers at PrairieSun Organic Food Market, said she would be one of the store's best customers if she didn't already work there.

"I was really worried when

we started that I wasn't even going to be able to afford rent, but the first week I realized that wasn't going to be a problem," Jackson added.

Donations by Vermillion philanthropists has been especially helpful in paying monthly bills and keeping up with the nearly 100-year-old building in which PrairieSun Organic Food Market resides, Jackson added.

By 2011, Jackson hopes to expand the 400-square-foot store and 800-square-foot back room used for cold storage. Also in 2010, she wants to start giving tours of the farm and implement other educational programs for kids.

PrairieSun Organic Food Market is open Monday and Wednesday from noon-7 p.m.; Friday from noon-6 p.m.; and Saturday from 9 a.m.-2 p.m.

For more information about PrairieSun Organics, call the store at (605) 624-1966 or go to www.prairiesunorganics.com.

## USDA Begins Survey Of Honeybee Colonies

BY MICHAEL DOYLE  
McClatchy Newspapers

WASHINGTON — Concerned Agriculture Department officials on Monday announced the start of an ambitious survey of honeybee colonies in California and a dozen other states.

Prompted by a worrisome decline in bee populations nationwide, officials hope the new \$550,000 survey will pinpoint the parasites and diseases responsible. It's a particular problem in regions like California's Central Valley, where farmers rely on honeybees for pollinating crops.

"There has been a disturbing drop in the number of U.S. bee colonies over the last few years, while the demand for commercial bee pollination services continues to grow," Agriculture Secretary Tom Vilsack said.

Lawmakers included the money for the honeybee survey in the 2007 farm bill, and Rep. Dennis Cardoza, D-Calif., has conducted two oversight hearings into the bee population decline.

"Whatever kind of research we can get, it's a good thing, because bees are such a valuable commodity," Janet Brisson, a Grass

Valley, Calif., resident and treasurer of the Nevada County Beekeepers Association, said Monday when informed of the survey.

The survey of 320 apiaries, though, is not a census of the total bee population. Instead, it will focus on mortality and troublemakers.

Specialists from the Agricultural Research Service and Pennsylvania State University will collect bees and debris from selected apiaries. An acutely detailed, 22-page set of instructions specifies every step of the operation.

"You will need to open eight colonies and ... shake the adult bees into the collection wash tub," the instructions state. "You will collect two one-quarter scoops of bees and these bees go into (an) alcohol bottle and in the live bee box for that apiary."

The samples will then be tested for evidence of pests or pathogens, including foreign mites known as Tropilaelaps.

Scientists and beekeepers already know there's a problem. Since 2006, they've been tracking what's called Colony Collapse Disorder. Adult bees abandon hives, never to return.

In some cases, beekeepers have reported losing between 30 percent and 90 percent of

their hives. An Agriculture Department telephone survey last year found that apiarists reported losing nearly 29 percent of their honeybee colonies between September 2008 and April 2009.

Nationwide, there are currently about 2.5 million honeybee colonies.

"We need results," Visalia, Calif.-area beekeeper Steve Godlin told Cardoza's House horticulture and organic agriculture subcommittee two years ago. "We need a unified effort by all."

California's almond crop alone requires more than 1.4 million colonies of bees annually, amounting to more than half of all bees in the United States. The state's lawmakers have been at the forefront of the legislative effort to find out more about what's gone awry.

So far, scientists have not identified a single cause for the population decline. Potential culprits include new microbes or viruses, pesticides and environmental stress. Agriculture Department scientists say cell phones aren't a problem, despite earlier speculation.

The new survey is slated to last through the end of the year.

## Farmers Brief Congress On Local Food Benefits

WASHINGTON — A panel of farmers told a Senate Agriculture Committee hearing room full of Congressional staffers today that mid-sized farms connected to local and regional marketing chains offer a tremendous engine for economic growth in rural communities.

"Mid-sized farms can produce at a scale and with an agility that is attractive to institutional and wholesale markets particularly when those markets are differentiating their products as local, organic, grass fed or family farm raised," said Ferd Hoefner Policy Director at the National Sustainable Agriculture Coalition (NSAC) one of the sponsors of the briefing. "These value based supply chains provide much better income opportunities for mid-sized farmers than the raw commodity market."

While the number of very small farms and very large farms and ranches has increased over the last decade, mid-sized farms continue to disappear. The mid-sized farmers presenting at this

briefing, however, were using production methods, marketing strategies and channels that allowed them to compete and thrive.

Diana Endicott, a Kansas farmer, saw the income opportunities of marketing through a local and regional food network. She founded Good Natured Family Farms (GNFF), a cooperative alliance of more than 150 family farms in Kansas and Missouri producing a cornucopia of meats, milk, cheese, eggs, fruits and vegetables using environmentally sustainable farming practices. GNFF markets their pesticide, hormone and antibiotics free fare to 38 supermarket and institutional customers including Hen House Markets, Balls Price Chopper Supermarkets, and the Community Mercantile in Lawrence, Kansas under the Good Natured Family Farms label.

Endicott estimates that as a regional aggregator and distributor of goods with a wholesale value of \$4 million in 2009, GNFF generated more than \$8.5 million

in economic activity for the rural communities of its members in the form of increased employment and other multiplier effects.

Early on Endicott received a grant from the Sustainable Agriculture Research and Education Program (SARE). SARE is one of the programs highlighted in the Know Your Farmer, Know Your Food initiative championed by USDA Deputy Secretary Kathleen Merrigan to connect consumers with local farmers. The SARE grant allowed Endicott to build the positive relationships with super market meat managers that were essential to the cooperative's success. SARE, and the other programs in the KYF, KYF portfolio can contribute mightily to the success of mid-sized farms looking to take advantage of these new market opportunities.

Karl Kupers, sees values based local and regional marketing as a means of saving the family farm. The winner of the 2010 Business Leadership Award from the Natural Resources Defense Council, Kupers co-founded

Shepherd's Grain, an alliance of 33 family farms in the Pacific Northwest producing and milling wheat for consumers in their region. Shepherd's Grain flours are marketed as local and sustainably produced. Many of the practices used by Shepherd's Grain farmers to conserve soil and water and reduce the use of pesticides were developed by Kupers with the help of a SARE grant.

Shepherd's Grain was also selected this year to receive a \$300,000 working capital grant from USDA's Value Added Producer Grant Program, another program in the KYF, KYF portfolio. Kupers urged full funding for SARE, VAPG, and Farm to School programs as these all support the development and growth of regional food systems.

The briefing was co-sponsored by the National Sustainable Agriculture Coalition, Farm Aid, Organic Valley, and Heifer International U.S. Country Program.

## New Farming Methods Show Trees, Farms Do Mix

BY GEORGINA GUSTIN  
McClatchy News Service

ST. LOUIS — When most people think of farmland, they think of open fields lined with long, neat crop rows. But some farmers and researchers picture something else: trees.

The practice of combining farming and trees, known as agroforestry, has caught the attention of more farmers in recent years. And Missouri, with its ample forests and one of the country's premier agroforestry research centers, is leading the way into the woods.

"I really do believe agroforestry has come of age. ... We've turned a corner," said Gene Garrett, the former director of the University of Missouri's Center for Agroforestry, speaking at a conference on the subject recently in Washington.

Essentially, agroforestry allows forests and farming to work together, something that contradicts the traditional notion of cutting trees down to create farms fields. It can take a handful of forms — from a mushroom or fern farm in a shady forest to a cattle grazing operation amongst thinned-out trees.

Proponents say agroforestry allows small-scale farmers to earn much needed extra income by growing certain shade-loving crops in unused forests, while larger-scale farmers can use trees to mitigate the environmental costs of agriculture, from soil erosion to water pollution.

"Especially in Missouri, a lot of farms have trees," said St. Louis resident Nicola Macpherson, owner of Ozark Forest Mushrooms, which produces mushrooms near the tiny town of Timber, about 150 miles south of St. Louis. "It's an up-and-coming part of running a farm, not just because of environmental concerns, but so people can make some money."

Agriculture Secretary Tom Vilsack has made components of agroforestry part of his agenda to help revitalize America. And last month, at the U.S. Department of Agriculture's headquarters, the largest-ever gathering of agroforestry-focused groups came together to discuss the future of their particular brand of farming with the hope of getting more farmers involved.

"We want to come up with a national framework for agroforestry," said Andy Mason, the interim director of the agriculture department's National Agroforestry Center, speaking at the conference, via live Web cast. "That's the goal."

Neither the department nor the university's agroforestry centers track practitioners, but both report a surge in inquiries and requests for information. "We're getting more calls from extension specialists wanting guidance. ... There are indeed more and more individuals realizing the benefits associated with these practices," Garrett told the conference.

The Agriculture Department's center originated with the 1990 farm bill, and the Missouri center formed in 1998, as agricultural experts started to acknowledge that agroforestry could play an important role in improving American agriculture and agricultural lands.

"Multifunctional landscapes is another way of thinking about agroforestry," Mason said in an interview. "So our land provides food, fuel, and fiber and also has environmental benefits. You can think about it as a practice, but you can also think about it as a system."

In the emerging science of agroforestry, Macpherson is an old hand. At the conference, she talked about turning a patch of dark forest in the Ozarks into a thriving mushroom business.

Nearly 20 years ago, Macpherson took a few oak logs on her property and started the process of growing shiitake mushrooms, which involves soaking and seeding logs, then letting them sit in the right shady conditions to sprout fungi. She started with only eight logs, but today Ozark Forest Mushrooms has 18,000 logs, annually producing 15,000 pounds of mushrooms that are found at stores and restaurants throughout the area and beyond. Macpherson has since branched into more mushroom varieties, wild greens, and native forest fruits such as pawpaws and elderberries — or, as Macpherson said, "what all the pioneers used to eat" — that are getting more popular with farmers market shoppers and some chefs.

Agroforestry is not confined to fruits and vegetables, though. The practice known as silvopasture entails grazing cattle or other animals among rows of trees, rotating the animals from area to area allowing forage to grow between the trees. The process gives the animals shade, but also allows farmers to use the land in a multifunctional way — by growing food for the animals and readying them for market as the slow-growing, but more valuable, hardwood trees reach maturity for the timber or nut markets. Another agroforestry practice called alley cropping is designed so crops such as wheat or hay are planted in rows between high-value trees, allowing farmers to develop two or more revenues from the same piece of land.

"We try to get as many incomes off our land as we can," said George Owens, a farmer from northern Florida who employs silvopasture. "We make money off of timber, pine straw, hunting leases, wildlife plots, clover."

Beyond food, however, agroforestry practices can play an important role in cleaning up, or at least alleviating, some of the negative consequences of large-scale agriculture, researchers say. Stands of trees grown on riverbanks or on land can, for example, control soil erosion and prevent fertilizer and pesticide run-off from entering streams and larger waterways. Or, a line of trees forming a windbreak can prevent wind erosion and absorb ammonia odors from factory farms.

The environmental benefits, advocates say, can go beyond the field or stream, reaching global proportions. Garrett and others say that farmers or landowners who either have existing forests or plant them can become players in what the World Bank, in 2008, estimated is a \$130 billion carbon trading market.

Through the growing carbon market, companies or entities that pollute by carbon credits to offset their emissions. Those offsets can come from forests, with landowners selling the credits based on the acreage, species and age of the trees.

"These markets can create jobs in rural communities," said Kathleen Merrigan, the agriculture department's deputy secretary, adding, "This is critical to rural America."

Merrigan explained that other countries have, either historically or more recently, used agroforestry principles in farming. American farmers, though, have long ignored forests.

Until recently, "I came to the USDA with this perspective that we have underthought and under-utilized agroforestry as a strategy for diversification for our farmers," Merrigan said. But now, she added, "The timing is right."

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