

Wisconsin Farmers Union: Von Ruden: Farmer Fair Practices Rule should have been a 'no-brainer'

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The U.S. Department of Agriculture (USDA) announced Oct. 17 it would be terminating the Farmer Fair Practices Rule on Competitive Injury, and taking no further action on the Grain Inspection, Packers and Stockyards Administration (GIPSA) Unfair Practices Rule. These rules would have reaffirmed the most basic of protections to American family farmers and ranchers as they endure increasingly concentrated markets and unfair treatment from multinational meatpackers. After numerous delays, the Fair Practices Rule was set to take effect on October 19th, and would have clarified once and for all that an individual farmer or rancher who is harmed by a meat packer or processor's unfair practices does not have had to demonstrate that such unfair practices had harmed the entire U.S. market before seeking a remedy.

The proposed GIPSA Unfair Practices Rule would have established a list of practices that violate the Packers and Stockyards Act and set out a process for determining when a meat packer or processor has engaged in such prohibited conduct. Unfair practices in the vertically-integrated poultry and pork sectors, such as non-transparent tournament pricing, non-disclosure clauses that prohibit a grower from reviewing their contract with an attorney, never-ending requirements to upgrade facilities at the grower's expense, and retaliation when growers ask questions or assert their rights, are particularly egregious.

These two rules would have helped to even out the power imbalance between individual farmers and ranchers and the multi-billion dollar meat packer, processor, and integrator corporations with whom farmers and ranchers attempt to negotiate. Wisconsin Farmers Union (WFU) President Darin Von Ruden issued the following

statement in response to the announcement:

“The United States Department of Agriculture, an agency that should be looking out for the nation’s farmers and ranchers, has turned its back on us this week. The Farmer Fair Practices Rule should have been a no-brainer – it simply affirmed the long-held interpretation by the Department that growers do not need to prove harm to the entire industry when they as individuals have been harmed by unfair contract practices by a meat packing or processing company.

By withdrawing the Farmer Fair Practices Rule and by taking no further action on the GIPSA Unfair Practices Rule, the USDA is signaling to meat packers and processors that it is fine to continue using heavy-handed and non-transparent contract provisions against family farmers. Since the USDA has failed to stand up for basic fairness for U.S. farmers and ranchers, WFU calls on Congress to take action to ensure fair and meaningful competition in the meat processing sector.”