What Opinion Leaders in Agriculture Are Saying About the Proposed GIPSA rule:

The National Cattlemen's Beef Association: "If marketing arrangements are greatly reduced, cattlemen are the losers because it takes away their ability and incentive to manage risks, finance production and compete with one another to negotiate premiums. With alternative marketing arrangements being utilized by nearly 60 percent of the beef market, this will result in a huge shift in the way cattle are marketed."

The National Pork Producers Council: "If the rule becomes final as currently drafted, it would be difficult for producers to negotiate premiums from packers because premiums would need to be justified with documentation, including revenue and cost analyses. It also would be difficult for packers to accept livestock of lesser quality because discounts paid for such animals also would need to be justified."

The National Chicken Council: The new rule "appears to be one-sided, unrealistic and not in accordance with court rulings. The likely result will be years of litigation and uncertainty as companies, growers and the government try to sort out the impact on what has been an efficient system for producing an agricultural commodity."

Texas Cattle Feeders Association: "TCFA believes the implementation of the rule as written will be extremely harmful to cattlemen's right to pursue marketing arrangements that deliver rewards for the time and money put in to produce high quality beef. The changes proposed in the GIPSA rule would also diminish cattlemen's opportunity to fully participate in the free enterprise system and jeopardizes their right to privacy."

Rep. David Scott (D-GA): Said that the GIPSA rule violated the Farm Bill's rules, noting that officials had "very, very seriously overstepped their boundaries" given that some of the key suggestions in the rule were soundly rejected by the House Agriculture Committee, the House, the Senate and the conference committee during the 2008 Farm Bill debate.

Senator Pat Roberts (R-KS): "Given the potential impacts of the proposed rule on livestock and poultry producers, processors and consumers, I believe it is critical that a robust and comprehensive CBA [cost-benefit analysis] is conducted to ensure that all affected stakeholders have a firm understanding of the potential consequences of this regulation on their economic welfare and livelihood."

The American Meat Institute: "Courts have affirmed that our industry is dynamic and competitive and have rejected USDA's arguments repeatedly. Now, in the face of repeated judicial rejection of their arguments, USDA is engaging in a regulatory end-run and attempting to change the law through administrative fiat. This is not an appropriate role for the Department to play and could potentially cause harm and enormous disruption."

Stephen R. Koontz, Ph.D., Colorado State University's Department of Agricultural and Resource Economics: "The net effect of eliminating AMAs [alternative marketing agreements] would be increased retail prices, decreased farm-level prices, decreased quantities produced and consumed and economic losses in producer and consumer surplus in all segments of the industry."

The National Meat Association: "Among the many proposed changes, packers would be banned from selling livestock to other packers, producers would not have to prove competitive harm to make anticompetitive allegations and private contracts would be made public on GIPSA's website as soon as 10 days after the terms had been settled. These are restrictions and criteria that could stifle normal business operations, have been rejected by federal courts and are contrary to a free and open market."

Rep. Jim Costa (D-CA): Said the proposed rule could become a lawyer's field day to sue. He questioned why USDA would try to change the "harm to competition" standard that has been upheld in eight federal appellate courts over the decades.

GIPSA Livestock and Marketing Study, January, 2007: "In aggregate, restrictions on the use of AMAs [alternative marketing agreements] for sale of livestock to meat packers would have negative economic effects on livestock producers, meat packers and consumers."

Chris Clayton, DTN The Progressive Farmer, July 20, 2010: "… the hearing became a searing bi-partisan criticism of the livestock rules proposed last month by the Grain Inspection, Packers and Stockyards Administration. I'm watching this through the Internet feed and all I can think is 'Talk about breaking out a can of Whoop *&%.'"

Steve Kay, "GIPSA's J. Dudley Butler threatens U.S. livestock Production," *Beef Magazine*, August 2, 2010: "It's disturbing how one individual has the potential to cause so much damage to an industry. ... I shudder to think what might happen to beef quality and demand if GIPSA's rule takes effect."

Greg Henderson, *Drovers Magazine*, July 14, 2010: "Indeed, many believe that these actions by GIPSA are an attempt to set the livestock industries back 30 or 40 years, to a time when marketing cattle and hogs were less complicated."

Steve Kay, Editor & Publisher, *Cattle Buyers Weekly*: "USDA's Agricultural Marketing Service has long recognized the value of marketing arrangements and has strongly supported and promoted them as a means of benefiting both producers and consumers. However, another USDA agency, the Grain Inspection, Packers and Stockyards Administration (GIPSA) on June 22 published a proposed rule that threatens the existence of these arrangements. The rule does not forbid such arrangements. But independent observers such as myself believe the rule would make certain reporting requirements by packers so onerous and subject to litigation that packers will end such arrangements to minimize their legal liability. This would undermine 20 years of progress in the beef industry and similar progress in other sectors."