



USDA Harms Farmer and Rancher Protections in Final Rule on Undue Preference

Long-delayed rulemaking process hands win to powerful meatpacking companies

FOR IMMEDIATE RELEASE

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Pittsboro, N.C., December 10, 2020 – The so-called “Undue Preference” rule determining whether meatpackers can give sales advantage to one livestock producer over another was finalized today by the U.S. Department of Agriculture (USDA). The rule is the last remnant of a nearly 15-year fight to level the playing field between farmers and big meatpacking companies.

Again and again in this finalized rule, USDA chose to disregard the concerns of farmers and ranchers in favor of industry. Throughout the finalized rule, USDA states they intend for the rule to be “broad and flexible” to apply across a range of issues. However, according to USDA’s response to proposed rule comments, prohibiting the exploitation of farmers and ranchers by multinational corporations is “beyond the narrow scope of this rule.”

Edna Rodriguez, Executive Director of RAFI-USA, said, “Once again, USDA has failed in its duty to protect this nation’s livestock producers from even the most egregious abuses by the multinational meatpackers that dominate this industry. For the sake of vulnerable farmers and ranchers, the incoming administration must withdraw this rule.”

Prior to the release of the draft Undue Preference rule for comment on January 13, 2020, RAFI-USA joined National Sustainable Agriculture Coalition, Organization for Competitive Markets, and the Campaign for Contract Agriculture Reform for a farmer fly-in to Washington, DC, to discuss the weaknesses of the proposed rule and stress the urgency of stronger protections. The group delivered petitions from 86,000 people in support of a stronger rule.

“We traveled to DC to talk about undue preference in the industry. There were hog, cattle, and poultry growers all together from across the country. We told stories of abuse and exploitation by these companies. This rule is like a Christmas present for industry and a big lump of coal for farmers. We need help. We need USDA to protect us.” said former poultry grower Craig Watts, who participated in the farmer fly-in and spoke during a press conference on the issue.

Notably absent from the final Undue Preference rule are provisions to prevent retaliation against producers on the basis of race, communication with elected officials, or participation in producer associations. Rather, this rule allows competing corporations to match competitor’s prices or terms, or make a “reasonable business decision” as defined by the company itself. Even when asked to define what is “reasonable” the Agency chose not to.



“This rule was supposed to stop meatpackers and poultry integrators from the kind of abuses it specifically allows!,” says Mike Weaver, former contract poultry grower and current President of the Contract Poultry Growers Association of the Virginias.

The Undue Preference rule was released to address Section 202(b) of the 1921 Packers and Stockyards Act, which was enacted to curb consolidation and protect farmers and ranchers from abuse as meatpackers and processors gained power. The 2008 Farm Bill mandated that USDA establish a comprehensive set of rules (known as the GIPSA rules) to clarify parts of the Packers and Stockyards Act, but more than a decade of Congressional obstruction and USDA inaction on the GIPSA rules has left the 2008 mandate unfulfilled.

“This is a bad rule. I’ve been trapped in a contract for 26 years now. I’ve been made a lot of promises and few of those have been fulfilled. We’ve made numerous efforts to improve the situation for contract producers. Sec. Vilsack visited my farm with Rep. Bob Etheridge. We need help from the new administration. We need someone to stand up for farmers.” says Tom Butler, contract swine farmer in Harnett Co., North Carolina.

RAFI-USA urges the incoming administration to withdraw this rule.

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Rural Advancement Foundation International-USA’s mission is to challenge the root causes of unjust food systems, supporting and advocating for economically, racially, and ecologically just farm communities. We work across agricultural sectors, collaboratively through coalitions and cross-programmatically. RAFI-USA works nationally and internationally, focusing on North Carolina and the southeastern United States. RAFI-USA is a 501(c)(3) nonprofit organization based in Pittsboro, North Carolina and incorporated in 1990.
