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Opinion

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Our View

Let's settle the question of whether there's a thumb on the scale

Sysco, a Texas-based company that distributes food to restaurants, hotels and other facilities, has filed a federal lawsuit alleging violations of antitrust laws by Cargill, JBS, Tyson and National Beef.

If the suit moves forward, this seems like another good opportunity to either prove or put to rest allegations that have roiled the livestock and processing industries for years.

At issue is whether four large companies are collectively using their place between producers and consumers and their market domination to manipulate supply and prices to their advantage both up and downstream.

According to the lawsuit, a former quality assurance officer at a JBS facility “has confirmed the existence of a conspiracy” among the



Capital Press File

A new lawsuit accuses the four largest beef processors of setting prices in violation of federal antitrust laws.

beef packers, which is corroborated by statistics that show “industry-wide slaughter and capacity reductions.”

The four meat packers collectively generate about 80% of the U.S. beef supply and control an even higher proportion of the domestic cattle market, as well as the associated

“supply and distribution chain,” the complaint said.

By exploiting their market power, the companies have “created surpluses in the cattle market and shortages in the wholesale beef market,” artificially raising their profit margins higher than they can achieve under competitive conditions, the complaint said.

“United by their conspiracy, Operating Defendants were confident that none of them would break ranks and disproportionately expand their beef production to satisfy unmet demand,” the plaintiff claims. “Armed with this assurance, Operating Defendants improved their meat margins by achieving and sustaining an unprecedented gap between cattle and beef prices.”

The defendants have not yet commented.

Another lawsuit — filed in 2020 by a group representing ranchers, food processors and consumers — alleges much the same thing, and is moving through a federal court in Minnesota.

At the behest of then-President Donald Trump, in 2020 the U.S. Department of Justice began an investigation of the industry. Leadership of the department has since changed to the Biden administration. The investigation is ongoing, and no update has been offered.

Whenever a large part of the market is controlled by a handful of companies, it raises suspicions.

We believe that, to have a free market, all sides must operate on a level playing field and with full price transparency. It would serve the public good to know whether or not there's a thumb on the scale.

Our View



USDA

Legislation in Congress would block companies and individuals based in China, Russia, Iran and North Korea from buying U.S. farmland.

Ban U.S. farmland sales to these nations

A proposal to protect a valuable strategic asset from some foreign-based actors deserves the full support of Congress and the Biden administration.

Rep. Dan Newhouse, R-Wash., has offered legislation in Congress to prevent companies or individuals based in China, Russia, Iran and North Korea from buying U.S. farmland. The House Appropriations Committee recently added it to a funding bill on a unanimous voice vote.

Similar measures have passed the House before, but the Senate has failed to pass them.

We all know the contempt with which the Communist Chinese government holds U.S. technology and patents. We also have seen the contempt the government has for human rights. And we have seen the lengths to which the government will go to deny its responsibilities in the worldwide spread of COVID-19.

Now those same actors have their eyes on U.S. farmland, the most important of assets.

The stated policy of every U.S. administration has been to protect the ability of U.S. farmers to feed the nation and its friends around the globe. This policy has resulted in plentiful and affordable food. All a person has to do is walk through any grocery store and the success of that policy is obvious.

Allowing Chinese companies to buy into that policy makes no sense. Already, a Chinese government-backed company owns Smithfield Foods, the world's largest pork producer and processor.

The Chinese paid \$4.7 billion — 30% more than the market value of the company — in 2013.

Since then, a lot has happened between China and the U.S. China continues to threaten to take over Taiwan, an independent nation off the coast of the mainland, apparently hoping to emulate Russia's invasion of Crimea and Ukraine.

In each instance, China has put the interests of itself over those of everyone else.

Then there's Russia, where Vladimir Putin is taking over independent foreign nations. He even threatened the president of Finland after that nation opted to join NATO, calling the move “a mistake.”

At the same time, Putin has trashed Russia's economy. Note that the Russian ruble is worth less than 2 pennies.

Iran and North Korea, both sworn enemies of the U.S., continue to seek nuclear arsenals and the intercontinental missiles to deliver them.

Considering these factors, Congress should block any efforts of companies in any way associated with China, Russia, Iran and North Korea from ever buying U.S. farmland.

Chinese companies or individuals already own 352,140 acres of U.S. agricultural land. Much of that land is tied to Smithfield Foods. Iranians own 4,324 acres of U.S. farmland, and Russians own 834 acres. North Korea owns none.

That does not seem like a lot, but in our eyes, it's too much.

U.S. farmland is the keystone of our nation's security. Selling it to those who wish us ill is folly.

Outflanking fire with common sense

As the next fire season approaches, questions and concerns continue to pour in from the public demanding ways to avoid a repeat of the stifling smoke and destruction of our federal forestlands yet again in 2022.

The question is, “Can we do anything about it?” The answer is “Yes.”

Preparation for this fire season requires action now. Many policies governing the management of our federal forestlands were developed over a half century ago. These outdated policies need to be reviewed, updated and modernized to match the current conditions on the ground today. The authors of those policies did not anticipate that our climate would be warming, causing extended drought conditions that are putting our federal forests at elevated risk of catastrophic wildfire.

Initial suppression is just one of the policies that need to be examined. Extinguishing a small fire quickly before it explodes into a devastating mega-fire is simply common sense. Communities for Healthy Forests understands that while every fire is not a candidate for quick suppression, many are.

Let's combine common sense with scientific data to strategically outmaneuver wildfire before it starts.

Government agencies such as NOAA, the U.S. Forest Service and the Bureau of Land Management have a rich database of information regarding predictable weather patterns, current ground conditions, vegetation types and access points to name a few.

Securing rotary and fixed-wing air assets combined with in-place contracts with fire-fighting agencies/companies that can respond quickly represents the kind of common sense policy decisions we want to see, and the public would applaud.

Changing federal policies to allow common sense action by forest landowners and operators that are working in or near the forests to take quick action on fires before agency personnel arrive would be key. Action while fires are small would reduce the number of those fires escaping initial response by federal agencies, often with extended response times. In Oregon, all forestland operators are required to have basic fire training to safely attack fires and many have the expertise and equipment to stop fires quickly while small.

Action now has the potential to reduce the number of large wildfires, the dangerous and harmful smoke, and the loss of life and property. The cost of implementing these measures before fire season begins pales in comparison to the expense of allowing small, controllable fires to grow into devastating wildfire again this fire season.

Melvin Thornton is the former district manager (2000-2017) of the Douglas Forest Protective Association and an active member of Communities for Healthy Forests.

GUEST VIEW
Melvin Thornton

