

Collective Bargaining Is a VERY Powerful Tool

By Richard A. Levins-University of Minnesota Agricultural Economist Emeritus and author of "Market Power for Farmers, What it is, How to get it, How to use it."

Most of you reading this have heard of the research I did a few years back on the effectiveness of OFARM's price bargaining. Across the board, organized farmers got better prices than those who faced buyers alone.

Here, I want to remind you of the power of collective bargaining on a much grander scale. In my view, collective bargaining played a large part in ending the Great Depression. Properly used, it could go a long way toward fixing our current economic problems, both on and off the farm.

The run-up to the Great Depression in the 1920's looked an awful lot like what we have gone through in the past decade or so. Big Business was all but worshiped. For example, one of the bestsellers of the 1920's was *The Man Nobody Knows*, a book that depicted Jesus as the founder of modern business. Jesus had, after all, taken twelve humble men, self-employed in the business of fishing, and fashioned them into an organization that conquered the world. The Rockefellers and Vanderbilts would have been proud!

The year 1929 showed everyone that their faith had been misplaced. What brought us out of the Great Depression? Some economic historians credit President Roosevelt's spending programs and other progressive policies. Others say it was World War II. I think both groups are partly right, but both miss an important part of the picture: labor unions. There were almost four times as many organized workers at the end of the Depression as when it began. Those organized workers apparently realized that the super rich couldn't do anything with their money unless workers cooperated. Organized workers, using collective bargaining, changed the balance of power in the Depression.

The use of power in an economy involves the effective use of threats. Wealthy owners routinely threaten workers with firing, closing plants, and moving jobs overseas. On the other hand, the workers best threat is one of disrupting the orderly process of the rich getting richer. During the 1930's, there were over 20,000 strikes. The number of strikes increased during the decade as more and more workers became organized. In the peak year of 1937, there were 4,720 strikes. Think about that. Thirteen strikes each and every day, including weekends. Big Business As Usual became impossible. Wages increased, working conditions improved, legislation became more favorable to workers. The changes were so dramatic that the years immediately following World War II are sometimes called "the birth of the middle class".

As surely as the years following World War II were the rise of the middle class, we can call the years following 1980 the fall of the middle class. The middle class income distribution of the mid-twentieth century has gradually turned back toward pre-Depression levels. The years since 1980 were also times in which labor union participation dramatically declined. Furthermore, the pro-labor legislation gained during the 1930's has been gradually dismantled. We should therefore not be surprised that the percentage of American workers that are organized has fallen back to where it was in the 1920's. Consequently, the strike threat has all but disappeared. During 2000-2007, there were a total of 181 strikes; there were only 21 strikes during all of 2007.

Continued on page 3.

President's message

By Oren Holle, OFARM president

I read a statement recently made by an agribusiness executive. "The business of agriculture has changed dramatically since I started farming over forty years ago." I am old enough to have been in farming through many of those changes.

I've come to the conclusion that, for the most part, I'm glad the 'good old days' are gone. That is, however, only in the sense of the way farm, and most other work was done back then: the hard way. On the other hand, some of the really great experiences of that era are rarely seen as a part of today's rural community culture. Families and extended families and neighborhoods worked together, out of necessity, to get the work done. There were many more opportunities to keep the next generation in the same communities we grew up in. The sense of deep concern for the rural agricultural communities seems to be seriously eroded.

Family and community values, I believe, were held to higher standards back then. Family farmers and family businesses were held in a higher esteem. They were truly viewed as the backbone of our great nation: as people of great value, with high ideals and principles. 'The business of agriculture has changed dramatically'. Business and policy of agriculture appears to have evolved to view producers, most notably 'family farmers', as a sort of disposable commodity. How the human element is affected by change seems to make no difference to business and policy decision makers. Much of that change appears to be centered around a basic philosophy that 'bigger is better'. Subscription to that premise has crept into virtually every aspect of our lives.

Some would beg to differ with my opinion, I'm sure. On a number of occasions I have tried to put the bigger or smaller is better equation at the top of evaluation of various aspects of my life, the life of my community, and my country, and I find myself hard pressed to find much tangible advantage to the super size of everything that is now imposed on almost every aspect of our lives.

Why do I bother to share this opinion? I believe that the values, ideals and principles of most of us who are involved in OFARM are in harmony with these thoughts. I believe that speaks well for the motivation that we have as leaders of this organization to do the best we can to be of service to 'family farm' organic producers. The need for producers to have the ability to make a profitable living from those farms has never been greater. Your greater participation as a producer and possible leadership in this effort has the opportunity to pay huge dividends as we become more effective through growth and greater cooperation. We need you and I believe you need us.

I close my comments with a reminder of our fundamental mission statement;

**To coordinate efforts of producer marketing groups
to benefit and sustain organic producers.**

OFARM Annual Meeting

Thursday, February 25, 2010

8:30 a.m.-4:30 p.m.

Courtyard by Marriott-LaCrosse, WI

For further information call Oren Holle – Tel. 785-337-2442

Levins continued from page 1-

I have thought about these issues for years. I have tried to think of ways that good policies would, on their own, surface in our political system just because they are the right thing to do. I have tried to think of ways individuals could somehow make it even though the economic deck was stacked against them. Through all of this, I keep coming back to power. If you don't have power, and don't use it, you will be taken advantage of by those that do. It is therefore important that everyone reading this ask themselves: "What power do I have?" "Is my vote enough?" "Must I find a way to make my day-to-day participation in the economy count?"

The super rich are doing just fine, thank you very much. They are using their power effectively day in and day out. The only way I can see for ordinary American working people, both on and off the farm, to respond is by organizing into groups large enough, and strong enough, that their combined power in the market place can no longer be ignored.

Thanks, OFARM, for showing leadership where it counts.

OFARM Files Comments with USDA to Stop GE Alfalfa

USDA sought comments on its proposed Environmental Impact Statement to approve Monsanto's GE Alfalfa. Here are excerpts from comments OFARM filed on behalf of its members.

USDA has a responsibility to protect organic integrity. Consumers rely on USDA's "organic" label for its integrity. Accidental or incidental contamination by GE crops will severely impact the label's integrity in a negative way with consumers. USDA has a responsibility to protect all farmers, organic included, who choose to grow non-GE crops.

USDA has a responsibility to protect the growing organic industry, especially organic farmers. Relying solely on Monsanto's business as usual "best practices" ensures widespread contamination as we have already seen in canola, soybeans and is now appearing in corn. From practical experience of GE testing on sales of organic grain, there is indication's of significant GE contamination showing up in these crops costing organic farmers thousands of dollars in lost sales.

The harm to small and mid-sized organic farms in these hard economic times would be significant contrary to USDA's conclusion that conventional growers are not threatened by GE contamination. In fact the economic impacts will be significant.

OFARM and the organic grain farmers it represents across the U.S. is concerned about protecting the integrity of the forages and grains and markets our member organizations currently sell to in North America, Europe and Japan. Any incident of contamination would be disastrous to our farmers.

In these challenging times for organics, it takes planning to maximize your dollars from what you have to sell. Contact an OFARM Member Organization marketer to assist you.

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Find us on the web at www.ofarm.org

(Coming soon-a new updated OFARM Website)