

# Marketing Issues

## Reversing the Loss of Agricultural Markets

One of the Kerr Center's goals is to promote policies that work for small, moderate-sized, and diversified family farming operations and to help farmers move toward more sustainable practices. We believe in fair competition and support investigation into the continuing concentration in the agricultural sector and its implications for food security. Agricultural research and extension programs that promote the creation of new markets and promote sustainable family farming systems are the least we can expect from our publicly supported institutions.

Oklahoma must clearly and unequivocally adopt an agricultural policy that explicitly supports small, diversified farms. We must focus resources, research, technical assistance, credit, and other state funding and policy tools toward supporting diversified, sustainable farms and the businesses that support those farms.

The Kerr Center supports state enforcement and investigation of packers and stockyards and adoption of comprehensive price discrimination legislation. Along with the adoption of comprehensive agricultural contract protections for producers, we need state policy tools that proactively support creation of new agricultural markets. The Oklahoma Department of Agriculture, Food, and Forestry's granting program for farmers' markets is an excellent example.

We must also promote alternative marketing channels and new agricultural marketing cooperatives. Oklahoma already has put in place the tools for promoting new agricultural value-added products, but we must ensure that those programs continue to be focused on those they were designed to assist. We must continue assisting farmers' markets and help develop and promote new direct marketing efforts for producers. Lawmakers should become vocal supporters of Oklahoma farms and farm products and lead by example. State institutions and agencies should be encouraged or required to support the state's economy by purchasing Oklahoma products first.

Finally, we must address the fact that smaller producers and direct marketers are at a market disadvantage. We must carefully analyze all Oklahoma statutes with an eye toward their impact on these producers. Public forums should be conducted around the state to solicit recommendations for improving market access and to new market opportunities. We must pass initiatives to bolster the family farm, protect niche and cooperative marketing efforts, and provide incentives to move away from corporately controlled marketplaces on the farm and in the retail sector. Existing markets must be transparent in price reporting and volume so that all producers will be able to determine the value of their products, thus ensuring fair pricing for all.



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## Cooperative Development & Direct Marketing Incentives

Cooperative marketing education is vital to enhancing new agricultural markets. Farmers should be educated on the proper methods and means for associating with other producers, creating a cooperative, structuring the cooperative for maximum efficiency and fairness, marketing new products, and properly managing cooperatives. We must also strengthen the infrastructure, education needs, and management of farmers' markets.

Cooperative marketing allows farmers and ranchers to band together with their neighbors to accomplish together what none could do alone. For example, groups of farmers could form a farmers' market to display and sell their produce. A group of wheat farmers could form a cooperative to mill their own wheat, adding value to their crops by make a product that would be sold at a higher price than the individual farmers would have earned if they had simply sold their wheat at a grain elevator. The possibilities are endless. However, there are laws that govern how a cooperative acts as a business and its formation. Most farmers and ranchers do not know how to begin such a process.

The Kerr Center strongly supports the creation of a new educational training initiative to create an entrepreneurial training program for farmers and ranchers. While success stories are told around the nation of farmers and ranchers creating new value-added products and markets, thereby increasing the income and viability of their



Jerome Kerasek, Vine and Branch Vineyard, Haskell, OK. at Muskogee Farmer's Market

farming and ranching enterprises, in Oklahoma much could still be done to provide support, technical expertise, and infrastructure development to these efforts.

Oklahoma has a program stemming from the Oklahoma Agriculture Enhancement and Diversification Act, which assists farmers in forming cooperatives and provides some loans as seed money. The Kerr Center would not only like to see that program continue but be expanded. Furthermore, we urge all interested farmers to utilize the assistance currently available.

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## Food Labeling & Food Safety

While issues of soil and water quality, access to credit, and creation of markets are vitally important, we cannot overlook food safety and the related issue of food labeling in a discussion of agricultural policy. American consumers generally enjoy a relatively safe, abundant, and varied food supply at a very low relative cost. Over time, and to address problems related to food nutritional content and food-borne illnesses, this country has developed a complex, multi-level system for food labeling and food safety. Numerous agencies of the federal government have jurisdiction over food safety and labeling. Many states have incorporated similar food laws into their statutes. The goals of these various federal and state food laws are:

- To ensure a pure and wholesome food product
- To ensure that food products are safe to eat
- To ensure that food products are processed and produced under sanitary conditions
- To ensure that all labeling and packaging is truthful and informative, not deceptive
- To ensure that the consumer has sufficient information concerning the nutrition and content of food products

There are, however, problems within the food labeling and food safety regulatory system. Uneven enforcement of existing laws, inadequate numbers of inspectors, and insufficient information on required labels, are but a few of the familiar complaints. We must continue to address these problems and refine the system.

When examining food safety issues, we should take special care to ensure that in striving to create a safe food supply, we do not adopt policy measures that will further destroy the capacity of small to medium-sized producers and processors to participate in the marketplace. We must continually examine and reexamine the effect of our food safety policies on smaller producers and diligently support their capacity to exist, particularly as those producers relate to a coordinated response to food security issues.



Among the most pressing of concerns is the lack of requirements that, within the U.S. food regulatory system, genetically engineered foods be clearly labeled as such. The use of genetically modified crops has grown rapidly within the United States. Consumers from around the world are rejecting our exports due to our reluctance to regulate in this area. Consumers within the United States are becoming equally concerned, and there is a rise in the call for enhanced regulations concerning genetically engineered foods, both in labeling requirements and research initiatives.

While the bulk of labeling regulation is driven at the federal level, Oklahoma can take steps to ensure that labeling of genetically modified food and country of origin labeling are incorporated into state policy wherever possible. Indeed, the Oklahoma Food Policy Council issued a resolution calling for country of origin labeling, which was later included in the 2002 federal farm bill. State policymakers must assume responsibility for directing research at our public institutions. Our state legislature should require our public institutions to address the research voids in this arena from a public viewpoint. The potential

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Oklahoma Food Policy Advisory Council Meeting

risks and benefits to the public of this technology, as opposed to private interest, profit-driven research, must be the cornerstone.

Policies at the state and local level can support the restriction of food purchases to nongenetically modified food products. The legislature should pass laws requiring that all biotechnology firms doing business within the state be held strictly liable for any harms their products may cause and that such firms carry appropriate levels of insurance if they do business within the state.

We can also reexamine state laws concerning gene flow, pollen drift, allergen testing, and damages for crop failures to ensure that such statutes will adequately address potential risks and harms of the use of biotechnological crops. In addition, we can require growers of biotech crops to institute buffer zones to protect their neighbors from contamination, an excellent use of the "good neighbor policy" defined earlier in this document.

Organic labeling allows producers of organic foods to receive higher premiums for their products. Niche markets have been developed for consumers who wish to buy food not grown with commercial fertilizers or pesticides. We must insist that large corporations interested in capturing a part of the organic market be held to the same standards as smaller producers.

Finally, in order to assure a continued safe food supply in the wake of terrorist threats to the United States, each state must seriously examine its capacity to provide locally produced food to its citizens if our food system is attacked. To that end, food policy within Oklahoma should be examined with that special emphasis in mind.