Stranglehold on Pricing Autonomy In addition to this stranglehold on pricing autonomy, the 2006 Postal Accountability and Enhancement Act severely restricts the USPS from expanding its services. Many other national postal services have become much more viable through innovation. For instance, Germany's Deutsche Poste in 2010 began to offer hybrid mail services that give customers a choice between electronic or physical letters. The USPS now provides money orders, but many other countries - like Japan, New Zealand, and India - offer a much wider range of services such as public checking/savings accounts and low interest loans, through their post offices. One recent study suggested that the USPS could earn an extra \$8.9 billion per year just by providing basic banking options to the 68 million Americans who now subsist on the fringes of the financial system. Since the 2007 - 2008 Financial Meltdown over a third of the zipcodes in the U.S. don't have a func-

## Senator Sanders Supports Stronger USPS

more.

tioning private banking option any-

VT Sen. Bernie Sanders has been a strong proponent of this new USPS role, stating "If you are a low-income person, it is, depending upon where you live, very difficult to find normal banking. Banks don't want you. And what people are forced to do is go to payday lenders who charge outrageously high interest rates. You go to check-cashing places, which rip you off. And, yes, I think that the postal service, in fact, can play an important role in providing modest types of banking service to folks who need it." Other Senators such as Kristen Gillibrand (NY) and Elizabeth Warren (MA) support such efforts to expand postal services into banking - as well as notarization and early voting!

### **Privatization Pundits**

The mass media often parrots the claim of privatization pundits that the



2018 Solidarity Rallies "US Mail is not for Sale"

USPS is in some deficit death spiral. but that is simply not true. Even former Postal Regulation Commission Chair, Ruth Goldway, admitted that: "The Postal Service has been a kind of cash cow for the federal government for the last 40 years." The current fiscal crisis is artificially contrived in that the USPS is the only government entity that is now required to pay upfront for 75 years worth of projected retiree's benefits. This is all due to an error discovered in 2002 that the USPS had overpaid up to \$70 billion into one of its pension funds, and the federal government in 2006 mandated the USPS make payments of \$5.4 billion for ten years straight out of its current revenue into a Retiree Health Benefits Fund (RHBF) to offset this surplus. As the USPS Office of Inspector General once explained, this is like a credit card company saying, "You will charge a million dollars on your credit card during your life; please include the million dollars in your next payment."

#### **Punitive Campaign = Job Loss**

The cumulative impact of this punitive campaign has been the loss of over 200,000 good paying civil service jobs. In response in Feb. 2015 a Grand Alliance was formed to save the USPS, bringing together 90+ organizations - labor unions, religious groups, consumer advocates, and farm organizations including Family Farm Defenders, Farm Aid, and the National Farmers Union. One of the latest tac-

tics has been to outsource USPS functions to non-union "Big Box" retail chains like Staples, leading in 2017 to a nationwide series of coordinated protests in 50+ cities. The American Federation of Teachers (AFT) on July 12th endorsed the Grand Alliance boycott against Staples - school supplies are a key market for Staples, accounting for up to one-third of its sales. Given this massive grassroots pressure, by Jan. 2018 the USPS terminated its deal with Staples, closing down the 540 "mini-post offices" already inside stores and nixing plans to expand them to all 1,600 locations.

#### Solidarity Rallies in Oct. 2018

In early Oct. 2018, there was another wave of pre-election solidarity rallies outside post offices in 100+ cities, proclaiming that the "US. Mail is Not for Sale." When asked what her reaction was to the White House of Office Management and Budget (OMB)'s continued push to sell off the postal service, Janice Kelble, Legislative Grassroots Coordinator for the American Postal Workers Union (APWU) simply stated: "We won't let the postal eagle be replaced by the vulture." House Resolution 993 opposing USPS privatization has been cosponsored by 230+ Congressional representatives (both Democrats and Republicans) - and will no doubt gain more support among new incoming members. A viable robust postal service is not only critical to our nation's economic health but also serves an important role in insuring equality and underpinning democracy. "Neither snow nor rain nor heat nor gloom of night stays these couriers from the swift completion of their appointed rounds" - such is Herodotus' description of the ancient Persian mail service from 500 BC that has become the unofficial creed of the USPS today. This holiday season we should all take a moment to thank those tireless public servants who help tie our community together and resolve to protect and support their vital work into the future.

# It is Time to Investigate Corporate Concentration in Agriculture

By: Anthony Pahnke
Vice President of Family Farm Defenders
Assistant Professor of International Relations at San Francisco State University

the price tags at the grocery store, particularly for food items, hide a lot. Over the past couple decades, they have hidden from consumers the increasing concentration in nearly every facet of the food industry. It's the least our current government can do, especially as President Trump claims to want to fix trade, to investigate and perhaps punish food-industry monopolists who negatively affect farmers who receive unfair prices for what they sell and consumers who pay too much for what they buy.

Farmers and consumers don't have to go to China to get "ripped off." No, unfair trade deals regularly occur within the United States. Consider the dairy industry. For instance, in 2007 Dean Foods settled out of court with a group of dairy farmers who argued that the agribusiness processor sought to eliminate competition in the Southeast. In 2011, Dean was ordered by the Department of Justice to divest of a plant and other assets associated with its acquisition of the Golden Guernsey processing plant in Waukesha. The claim was that Dean's share of the school milk market had become too large.

Meanwhile, the largest dairy cooperative in terms of sales, Dairy Farmers of America, has settled out of court with farmers and consumers on numerous occasions. DFA's history of monopolistic behavior is long, including an agreement to pay \$50 million in a 2009 lawsuit for alleged price-fixing in the Northeast; a 2013 agreement to pay \$158.6 million to settle a class action lawsuit for the same issue in a 14-state region stretching from the Midwest to the South; and, also in 2013, an agreement to pay \$46 mil-

Now, during a time of record farm bankruptcies, is the time for the government to launch a serious, concerted investigation on food monopolies.

lion for manipulating prices at the Chicago Mercantile Exchange, the financial market company that specializes in derivatives and options trading.

More recently, in 2016, Land O'Lakes acquiesced after five years of litigation to pay part of a \$50 million lawsuit that also involved Dairy Farmers of America, Dairylea, and Agri-Mark for their collective attempt to control milk prices.

Why would a cooperative hurt its members? The answer: profits. How do some cooperatives and processors make money? Through gaining market share, which can grow by exploiting the difference between what is bought from farmers and then sold to retailers.

How could this happen in the dairy industry? Just look at many of these big corporate cooperatives, and you will find that they are not run by farmers. Yes, farmers are on the boards of both Land O'Lakes and DFA. But who are the CEOs? Who are the managers in charge of research, mergers and strategy? These people are not farmers, but individuals who are lawyers and corporate executives with decades of experience, not milking cows, but working with pharmaceutical companies like Novartis and food and drink companies such as Nestle.

Do consumers gain from the expansion of corporate control of the food chain? No. In 2012, Food and Water Watch issued a study noting how concentration in the pork, dairy, poultry and vegetable industries not only drives prices down for farmers, but also forces consumers to pay more than what they should for what they find on supermarket shelves. According to the National Farmers Union, farmers receive just \$0.14 of every food dollar, with the vast majority of sales heading to marketing firms, retailers and processors.

Concentration in agriculture — not just in dairy, but also in seeds, poultry and beef — prompted a series of workshops in 2010 between the Department of Justice and the United States Department of Agriculture to discuss the nature of competition or rather, the lack thereof — in agriculture. From Wisconsin and Colorado, to Alabama and Washington, D.C., government officials heard stories and collected testimony from farmers and consumers on the lack of market transparency, anticompetitive mergers, and bid-rigging (when buyers of agricultural commodities agree to limit competition by agreeing on prices). The report issued after the workshops helped clarify central elements in antitrust law, yet failed to provide a strategy for moving forward.

Now, during a time of record farm bankruptcies, is the time for the government to launch a serious, concerted investigation on food monopolies. Farmers and consumers are losing trade deals — not with the Chinese, but with the agribusiness industries that have become too powerful and too large.

pg. 6 Family Farm Defenders WINTER 2019 WINTER 2019 Family Farm Defenders pg. 7