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HEADLINE: VOICE OF THE FARMER; FARM BUREAU, A NON-PROFIT, TAX-EXEMPT AGENCY, NOT SO LIKELY TO SUPPORT FAMILY FARMERS AS IT IS LARGE AGRIBUSINESSES AS ITS OWN REVENUES AND MEMBERSHIP CONTINUE TO CLIMB

ANCHORS: MIKE WALLACE

BODY: VOICE OF THE FARMER

MIKE WALLACE, co-host:

The Farm Bureau is a rural institution--in effect, the voice of the farmer--as much a fixture in small-town America as the local church or post office. And since its founding in the early 1900s, farmers have been supporting this non-profit association with their annual dues because, over the years, the bureau sold them insurance when other companies would not and lobbied effectively for government subsidies, federal crop insurance, a stable income for family farmers.

But today, with thousands of farmers facing financial ruin, a lot of family farmers say the Farm Bureau has done little to help them. While they're sinking in debt, we found that people at the top of the Farm Bureau have been building a financial empire worth billions, some of it invested in the very agribusiness giants that many family farmers say are running them out of business.

(Footage of convention)

WALLACE: (Voiceover) Last January, the American Farm Bureau Federation and its 50 state chapters held their annual convention in Houston, Texas.

Unidentified Man #1: Times are hard in farm country. In times like this, we farmers look to Farm Bureau for--for answers...

(Footage of convention; Farm Bureau poster; vintage footage of men looking at chalkboard; convention)

WALLACE: (Voiceover) And no one doubts that the American Farm Bureau, founded some 80 years ago, has the political muscle, as the self-proclaimed voice of agriculture, to help farmers in need. It's the kind of power that politicians respect.

Governor GEORGE W. BUSH (Republican, Texas): I am George W. Bush, and I want to welcome you all to the great state...

(Footage of large-screen televisions showing Bush at convention)

WALLACE: (Voiceover) And George W. Bush has five million reasons to welcome the Farm

Bureau because that's how many members it has nationwide. With that kind of support, Fortune magazine ranks the Farm Bureau as one of the most potent lobbying forces in Washington.

Dean Kleckner - Farm Bureau President: More people than ever before belong to the world's greatest farm organization.

(Footage of Farm Bureau sign; building; Wiederstein and Wallace)

WALLACE: (Voiceover) To learn more about what the Farm Bureau does, we took a close-up look at the Iowa chapter, whose president is Ed Wiederstein. He also serves on the Farm Bureau's national board.

Mr. ED WIEDERSTEIN (President, Iowa Chapter, Farm Bureau): Our mission statement for Farm Bureau is to help family farms prosper and increase their quality of life.

(Footage of Wiederstein and Wallace; farm; promotional video)

WALLACE: (Voiceover) Wiederstein's family raises livestock and grows corn and soybeans in Audubon, Iowa.

The Iowa Farm Bureau has about 150,000 members, each of whom pays on average about \$ 40 in annual dues. And many of them seem happy with their association, a fact that the Farm Bureau is eager to publicize in promotional videos like this one.

(Excerpt from Farm Bureau promotional video; footage of Wiederstein and Wallace; Cook)

WALLACE: (Voiceover) You wouldn't necessarily know it from this video or from Mr. Wiederstein, but the Farm Bureau's political agenda goes far beyond farming. Ken Cook runs the Environmental Working Group, which has battled the Farm Bureau over environmental issues.

Mr. KEN COOK (Environmental Working Program): Well, I guess when you hear 'Farm Bureau,' you probably have some pretty romantic thoughts about rural areas, and you think about the front porch and the rockers and the farmhouse. But the fact of the matter is that's not what the Farm Bureau's about.

(Footage of Cook)

WALLACE: (Voiceover) He says what the Farm Bureau does should concern all Americans, even those who have nothing to do with farming.

Mr. COOK: If you're concerned about civil rights, they oppose the Voting Rights Act of 1965. They want to repeal it--cornerstone of civil rights law. If you think that the minimum wage is too low, they oppose raising it. If you think that we shouldn't be drilling off shore for oil, they want to drill off shore for oil. In most of these instances...

WALLACE: But what--what does this have to do with farming?

Mr. COOK: Well, that's a very good question. It really doesn't have anything to do, in many cases, with farming whatsoever.

(Footage of farm; floor activity of stock exchange)

WALLACE: (Voiceover) And some family farmers say that shows the Farm Bureau cares less about them and more about its vast network of for-profit companies, including insurance, mutual funds and banking.

Mr. COOK: If you take off the feed cap, and you take off the overalls, it's a big-business agenda.

WALLACE: That is the headquarters of the Iowa Farm Bureau, a tax-exempt, non-profit organization that, nonetheless, owns and operates a for-profit, \$ 3 1/2 billion financial services company that's listed on the New York Stock Exchange.

(Footage of FBL Financial Group, Inc. Web page; ConAgra sign; pigs; Peterson on tractor)

WALLACE: (Voiceover) That company, FBL Financial Group, through its various holdings, invests millions in corporate America, including such diversified food giants as ConAgra, a so-called agribusiness. And while the Iowa Farm Bureau prospers, Iowa's family farmers, like Chris Peterson, are facing financial ruin because, they say, agribusinesses are squeezing them out.

Mr. CHRIS PETERSON (Iowa Farmer): Well, last year I had to take and remortgage everything I own, all my machinery, my farm, everything. Remortgage it and I'm paying for it all over again. I already paid for it once.

(Footage of Peterson and family working on the farm)

WALLACE: (Voiceover) Only a few years ago Peterson was debt-free, but after 26 years of farming, he is now \$ 200,000 in the hole and driving a school bus. His wife and kids also work jobs off the farm, and yet they're still falling behind.

Now are other family farmers suffering the way that you are?

Mr. PETERSON: Oh, you bet. There's thousands of us.

(Footage of letter)

WALLACE: (Voiceover) Peterson recalls the recent suicide of an Iowa farmer, who left this note for his widow and children.

Mr. PETERSON: 'Everything is gone, wore out or shot, just like me. All I ever wanted was to farm, since I was a little kid, and especially this place. I know now that it's never going to happen. They finally won.' This was left by a guy in southern Iowa that took his life last summer.

WALLACE: You know Chris Peterson?

Mr. WIEDERSTEIN: I know who he is, yes.

WALLACE: He's about \$ 200,000 in debt. He's just bust. What'll you tell Chris Peterson?

Mr. WIEDERSTEIN: Well, I--I can tell him I--I'm--I'm going through the same thing, too.

(Footage of Wiederstein and Wallace; FBL Financial Group Web page)

WALLACE: (Voiceover) But unlike Peterson, Ed Wiederstein got help from stock options he received as a director and chairman of the Iowa Farm Bureau's for-profit business, FBL Financial.

Well, come on, a couple of hundred thousand bucks from stock options that you cashed in.

Mr. WIEDERSTEIN: Yeah, that--that's right. And that--that not--no doubt, that helped me out. But I've also--I--I've got four kids in school, and that--that's part of it. I mean, that's the way it is.

(Footage of document listing 'shares beneficially owned')

WALLACE: (Voiceover) Other directors of FBL Financial also got stock options, including the presidents of 13 state Farm Bureaus, options that were not available to the average family farmer.

You're a Farm Bureau member. You're a member of the--of the board in this county. What has the Farm Bureau done to help you and your family?

Mr. PETERSON: Basically nothing.

(Footage of farmers)

WALLACE: (Voiceover) Like Peterson, these farmers say they, too, are struggling to make it, with little help from the Farm Bureau.

Mr. JIM BROWN: The markets that we are forced to sell into have all been consolidated. Just play the game of Monopoly, and watch how the money flows in to you when you get to the place where you control the game board. Well, the same thing is happening in agriculture today.

WALLACE: Agribusiness? Mr. BROWN: Agribusinesses.

(Footage of large farm; ConAgra building)

WALLACE: (Voiceover) Agribusiness mergers are continuing, they say, because the Farm Bureau recently helped defeat national legislation that would have imposed an 18-month moratorium on such mergers.

Unidentified Man #2: All their decisions is made for corporate America.

WALLACE: Why?

Unidentified Man #2: Because they own part of it.

(Aerial view of farm; Premium Standard Farms truck; farm)

WALLACE: (Voiceover) Including the 18,000 shares that one Farm Bureau company in Mississippi owns in Premium Standard Farms, a corporate hog processor that family farmers say is driving them out of business. How much do average Iowa farmers know about their Farm Bureau's for-profit companies?

Mr. GARY BIERSCHEK: Very little. Absolutely nothing.

Unidentified Man #2: I don't think they are w--aware of it either.

(Footage of stock ticker running outside city building; Farm Bureau Insurance sign; Peterson; Farm Bureau state office sign)

WALLACE: (Voiceover) The Farm Bureau defends its investments, saying they make it possible to fund education programs and to sell farmers things they need, like insurance. Still, Chris Peterson says he can't afford Farm Bureau insurance, much less invest in its mutual funds. And then there are the Farm Bureau's own questionable investments, says Gary Bierschenk, who ran unsuccessfully for the presidency of the Iowa Farm Bureau.

Mr. BIERSCHEK: They're using farmers' money to invest outside agriculture while farmers are struggling.

That--that just burns me up. (Footage of Access Air plane landing)

WALLACE: Case in point: a start-up airline in Des Moines called Access Air. The Farm Bureau and two of its affiliated companies together sank at least \$ 1 million in it.

What about Access Air? It doesn't have anything to do with farmers.

Mr. WIEDERSTEIN: It doesn't have anything to do with the farm, that's right. It's just strictly one of the investments that we had.

WALLACE: And it's bankrupt?

Mr. WIEDERSTEIN: Well, it appears that way.

(Footage of Access Air ticket counter at airport; Des Moines street and capital building)

WALLACE: (Voiceover) Not all of their investments have been so bad, but the Access Air fiasco still angers Jim Brown. Late last year he was in Des Moines lobbying the Legislature to give

struggling farmers low-interest loans.

Mr. BROWN: A state legislator came out to me furious because he said Farm Bureau was spending more time lobbying to get a financial bailout from the state for Access Air than they were spending to get this legislation through.

WALLACE: The Farm Bureau disputes that account, although one legislator confirmed to us much of what Jim Brown said. That legislator declined to appear on camera, citing the Farm Bureau's political muscle...

Mr. RON THORSON: And like another voice rising from the land, it's the spirit of the valley here today.

(Footage Thorson hosting radio show)

WALLACE: (Voiceover) ...muscle that the Farm Bureau is not afraid to flex against critics like Ron Thorson, son of a family farmer and a popular radio talk show host in rural Illinois.

Mr. THORSON: For six years, had a radio program on twice a day where we made sure, on a daily basis, we were an advocate for the family farmer. Highly rated, revenue coming in, everybody seemed to be happy.

(Footage of pigs; empty farm stalls)

WALLACE: (Voiceover) Everyone, it seemed, except the Farm Bureau, which apparently didn't appreciate his comments on big corporate hog farms, which he says are driving thousands of family hog farmers out of business.

Mr. THORSON: I came in 5:30 in the morning. General manager met me. He said, 'After reviewing tapes of your show provided me by the Farm Bureau, we've decided to terminate your employment, effective immediately. We need your key, and you get 15 minutes to go.'

WALLACE: The Farm Bureau plays hardball.

Mr. THORSON: Oh, indeed. Yes. I play hardball, too, though. We're back on the air.

(Footage of WLPO 1220 Radio sign; Paul and Linda Shutt)

WALLACE: (Voiceover) And at a bigger and better station, he says. Paul and Linda Shutt have nothing to do with farming, but they say they, too, experienced the Farm Bureau's hardball tactics.

Mrs. LINDA SHUTT: (Voiceover) We have a bread store in downtown Chicago.

And it's just a very small bread store. We do about 28 different kinds of hearth breads.

(Footage inside Shutts' store)

WALLACE: (Voiceover) In their store they collected petitions for a group called Defenders of Wildlife, which was trying to stop the Farm Bureau's campaign to remove wolves from Yellowstone National Park. Linda brought the signatures to the Farm Bureau.

Mrs. SHUTT: And I thought that--that was the end of it.

WALLACE: Yeah. But it wasn't?

Mrs. SHUTT: The next week we got visited by the FBI at our little bread store. WALLACE: What are you talking about?

Mrs. SHUTT: We had FBI agent come to our bread store and--investigating us as though we were a threat to the Farm Bureau.

Mr. PAUL SHUTT: And we were sort of dumbfounded by the whole thing.

(Footage of Paul and Linda)

WALLACE: (Voiceover) Paul says the FBI also asked for the names of everyone attending an upcoming wildlife conference.

Mr. SHUTT: We laughed at them and said we weren't about to do that. I expressed my irritation that they were wasting public money and FBI time on behalf of the American Farm Bureau.

(Footage of Farm Bureau convention; farm; busy streets in Chicago)

WALLACE: (Voiceover) The Farm Bureau remains strong politically because its membership keeps growing, but there's a catch. Many, if not most, of its members are not farmers at all, and they know little or nothing about what the Farm Bureau stands for. And they live in urban areas like Chicago, Illinois.

You're the vice president of a Chicago bank, right?

Ms. SALLY ANN GARNER (Bank Vice President): Right.

(Footage of Garner and Wallace)

WALLACE: (Voiceover) Sally Ann Garner was surprised to discover that she, like so many others, had become Farm Bureau members simply by buying Farm Bureau car insurance.

You've raised no crops?

Ms. GARNER: No, I have nothing to do with farming.

WALLACE: You've never lived on a farm?

Ms. GARNER: Never lived on a farm.

WALLACE: Do you know that the Farm Bureau, of which you're a member, favors repealing the Voting Rights Act?

Ms. GARNER: No.

WALLACE: Eliminating the Department of Education?

Ms. GARNER: No.

WALLACE: Eliminating the Department of Energy? Opposed the Equal Rights Amendment, opposed gun control?

Ms. GARNER: I did not know that.

Mr. WIEDERSTEIN: We've taken a very commonsense approach to issues.

(Footage of Wiederstein; policy manual)

WALLACE: (Voiceover) Ed Wiederstein expressed disbelief when we told him that his association's updated policy manual says the Farm Bureau wants to repeal the Voting Rights Act.

Mr. WIEDERSTEIN: I guess I would be surprised if it's in there. I--I re--I really would be. I'd be surprised if it's in there.

WALLACE: It's in there. It is.

Mr. WIEDERSTEIN: I'd have to look at it.

(Footage of highlighted section in manual)

WALLACE: (Voiceover) So we showed him.

Mr. WIEDERSTEIN: Well, you're right. It's right there. In fact, I'm shocked.

(Footage of farm)

Mr. THORSON: (Voiceover) Why is it that when the cattle are fat and the crops are good, all the farmers are poor?

The skilled lobbyists in agriculture in Washington are Farm Bureau lobbyists, and they're sure happy to come to the aid of agribusiness when they need something. But when the American farmer needs some relief, where are they?

(Footage of man walking and children riding bikes on farm; promotional video)



WALLACE: (Voiceover) It's a question that more struggling farmers today are asking. Nonetheless, the billion-dollar Farm Bureau marches on, proud and bigger than ever, still selling itself as a friend of the family farmer.

(Excerpt from promotional video)

WALLACE: A footnote: You may wonder whether the IRS has ever questioned any part of the Farm Bureau's tax-exempt status. Well, they did, and in the early '90s the IRS said the Farm Bureau should have to pay taxes on dues collected from those members who are not farmers. But the Farm Bureau's supporters in Congress passed a law that stopped the IRS cold. And by the way, the Farm Bureau's policy manual also calls for the repeal of the Internal Revenue Code.

(Announcements)

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