

ATTN: Agriculture/Antitrust Leg. Staff

United States Senate
Washington, DC 20510

U.S. House of Representatives
Washington, DC 20515

November 1, 2018

Re: Food and Agribusiness Merger Moratorium and Antitrust Review Act of 2018

Dear Senators and Representatives:

The undersigned 213 farm, food, rural, community, consumer, faith and other advocacy organizations wholeheartedly endorse the Food and Agribusiness Merger Moratorium and Antitrust Review Act of 2018 (Sen. Booker S. 3404/Rep. Pocan H.R. 6800) and urge you to co-sponsor this landmark legislation.

Since the end of the recession, there has been a wave of food and agribusiness mega-mergers that have further consolidated one of the most concentrated sectors in the U.S. economy. These mergers have included farm inputs (seeds and fertilizer), agricultural commodity processors (pork packers, flour millers and more), food manufacturing and supermarkets and retailers. This hyper-consolidation has contributed to declining farm incomes, loss of choice of inputs for farmers, stagnant wages and increased layoffs for workers, higher grocery prices and fewer choices for consumers, the erosion of rural economic vitality and a less resilient food system overall.

The Booker-Pocan Food and Agribusiness Merger Moratorium and Antitrust Review Act of 2018 (S.3404/H.R. 6800) would offer a much needed strategic pause in food and agribusiness merger-mania in order to assess the impact corporate consolidation has on farmers, workers, consumers and communities and recommend improvements to antitrust enforcement.

Corporate consolidation throughout the food chain has already had substantial and growing negative economic impacts. These trends would only worsen as the corporate tax cuts spur even more mega-mergers.

Few firms dominate farm business landscape: Only a few firms control almost all the supplies farmers buy such as seeds, fertilizer and farm equipment, raising prices and reducing farmers' choices. Recent seed and fertilizer company mergers threaten to further raise operating costs for farmers. At the same time, farmers sell into very concentrated markets where four firms control almost the entire market and can push down the prices farmers receive for their crops and livestock. For example, the top four firms control 86 percent of corn processing, 85 percent of cattle slaughter, 71 percent of pork packing and 79 percent of soybean crushing.

Independent farm income harmed by growing consolidation: Consolidation has contributed to the rising prices farmers pay for supplies and the declining prices farmers receive for their crops and livestock. Farmers now only receive about 14 cents for every dollar spent at the grocery store. Net farm income has declined by half since 2013 and now half of all farmers have negative on-farm income — which means that costs of production now exceeds farm earnings.

Corporate domination of farming through unfair contracts: The newer model of vertical integration — where companies own multiple, successive links in the food chain — coerces farmers to surrender their independence to large companies through contracts that direct how farmers run their operations. Companies can and have used these increasingly common contracts to impose unfair, deceptive or even abusive practices on farmers.

Food prices are rising faster than typical wages and families have fewer meaningful food choices: Food prices at the supermarket have risen faster than earnings for typical workers. Since 2008, the annual increase in real prices have jumped nearly three times faster than typical earnings. At the same time, merger-mania has left fewer firms in control of more supermarket shelves. Consumers have the illusion of choice at the grocery store, with many products and varieties sold by a dwindling number of companies that can more easily raise prices.

Consolidation across the food chain is harming workers and exacerbating income inequality: There is growing consensus that economic concentration is contributing to widening economic inequality as bigger monopolistic firms fail to raise wages and benefits for their workers. Larger food and agribusiness companies can extract economic value from the food system by pushing down on wages, benefits and working conditions. Mergers often involve substantial layoffs as partnering companies shutter factories and facilities to generate cost savings to be passed onto investors.

Food and agribusiness consolidation erodes rural economic vitality: Fewer, larger food and agribusiness companies have sapped economic activity in rural areas, contributing to the declining number of independent farmers and main street businesses. These farms and small businesses are the economic engine of rural America. The loss of this local economic activity ripples across communities, eroding the stability and sustainability of religious congregations, schools, hospitals and other community institutions.

The unabated consolidation in the food and agribusiness industries has only accelerated in recent years. We urge you to co-sponsor the Food and Agribusiness Merger Moratorium and Antitrust Review Act of 2018 to give America's farmers, workers, consumers and communities a needed break from the merger-mania that has undermined economic security for so many families.

Sincerely,

ActionAid USA
Advocates for Urban Agriculture (IL)
Agriculture & Land Based Training Association (CA)
Alabama Contract Poultry Growers Association
Alabama State Association of Cooperatives
Alaska Farmers Union
Alianza Nacional de Campesinas
American Agriculture Movement
American Grassfed Association
American Raw Milk Producers Pricing Assoc. (WI)
Angelic Organics Learning Center and Farm (IL)
Arizona Consumers Council Foundation
Arkansas Farmers Union
Ashtabula, Geauga, Lake County Farmers' Union (OH)
Berks Gas Truth (PA)
Bioregional Strategies
Black Farmers & Agriculturalists Association (NC)

Black Farmers and Ranchers of New Mexico
Buckeye Quality Beef Association (OH)
Bull Mountain Land Alliance (MT)
California Dairy Campaign
California Farmers Union
California Institute for Rural Studies
Campaign for Contract Agriculture Reform
Campaign for Family Farms and the Environment
Carbon County Resource Council (MT)
Cattle Producers of Louisiana
Cattle Producers of Washington
Center for Media and Democracy's Food Rights
Network
Center for Rural Affairs
Central Maryland Beekeepers Assoc.
Central Montana Resource Council
Central Plains Organic Farmers Association

Church Women United in New York State
 Citizens for Sanity.Com, Inc. (FL)
 Colorado Independent Cattle Growers Association
 Community Alliance for Global Justice (WA)
 Community Alliance with Family Farmers
 Community Farm Alliance (KY)
 Community Food & Agriculture Coalition (MT)
 Community Food and Justice Coalition (CA)
 Consumer Action
 Consumer Federation of America
 Contract Poultry Growers Association of the Virginias
 The Cornucopia Institute
 Cottage House Inc. (AL)
 Cuatro Puertas (NM)
 Dakota Resource Council (ND)
 Dakota Rural Action (SD)
 Dawson Resource Council (MT)
 DC Greens
 Dr. Bronner's
 Endangered Habitats League (CA)
 Equal Exchange
 Fair World Project (OR)
 Family Farm Action
 Family Farm Defenders
 Farm Aid
 Farm and Ranch Freedom Alliance
 Farm Women United
 Farms Not Factories (WI)
 Farmworker Association of Florida
 Federation of Southern Cooperatives/Land Assistance
 Fund
 Food & Water Watch
 Food Chain Workers Alliance
 Food for Maine's Future
 Food Works (IL)
 Franciscan Action Network
 Friends of the Earth U.S.
 GMO-Free Florida
 The Good Food Brigade
 Government Accountability Project
 Grassroots International
 Green Gate Farms (TX)
 GROW North Texas
 Hanover Co-op Food Stores (NH)
 Hawaii Farmers Union
 HEAL Food Alliance
 Health Care Without Harm
 Hempstead Project Heart (WI)
 Hmong National Development, Inc.
 Idaho Organization of Resource Councils
 Illinois Farmers Union
 Illinois Stewardship Alliance
 Independent Cattlemen of Nebraska
 Independent Cattlemen of Wyoming
 Indian Nations Conservation Alliance
 Indiana Farmers Union
 Institute for Agriculture and Trade Policy
 The Institute for Rural America (IA)
 Iowa Citizens for Community Improvement
 Iowa Farmers Union
 Island Grown Initiative
 Johns Hopkins Center for a Livable Future (MD)
 Kansas Cattlemen's Association
 Kansas Farmers Union
 Kansas Rural Center
 The Land Connection (IL)
 Land Stewardship Project (MN)
 Main Street Alliance
 Main Street Cheese, LLC (NH)
 Maine Organic Farmers and Gardeners Association
 Mainstreet Project (MN)
 Maryknoll Office for Global Concerns
 Michael Fields Agricultural Institute (WI)
 Michigan Farmers Union
 Michigan Organic Food and Farm Alliance
 Midwest Environmental Advocates (WI)
 Midwest Organic Dairy Producers Association
 Minnesota Farmers Union
 Minnesota National Farmers Organization
 Mississippi Assoc. of Cooperatives
 Missouri Farmers Union
 Missouri National Association for the Advancement of
 Colored People
 Missouri Rural Crisis Center
 Missouri's Best Beef Cooperative
 Montana Farmers Union
 Murray County Independent Cattlemen's
 Association (OK)
 National Consumers League
 National Family Farm Coalition
 National Farmers Organization
 National Farmers Union
 National Hmong American Farmers, Inc.
 National Latino Farmers & Ranchers Trade Association
 National Organic Coalition
 National Sustainable Agriculture Coalition
 National Women Involved in Farm Economics
 National Young Farmers Coalition
 Nature Abounds
 Nebraska Farmers Union
 Nebraska Women Involved in Farm Economics
 Nevada Live Stock Association
 New England Farmers Union
 New Entry Sustainable Farming Project
 New Hampshire Right to Know GMO
 New York Women Involved in Farm Economics
 Next 7 (CO)

North Carolina Association of Black Lawyers Land Loss Prevention Project
 North Dakota Farmers Union
 Northeast Organic Dairy Producers Alliance
 Northeast Organic Farming Assoc. - CT
 Northeast Organic Farming Assoc. - MA
 Northeast Organic Farming Assoc. - NH
 Northeast Organic Farming Assoc. - NJ
 Northeast Organic Farming Assoc. - NY
 Northeast Organic Farming Assoc. - VT
 Northeast Organic Farming Association, Interstate Council
 Northeast Sustainable Agriculture Working Group
 Northern Plains Resource Council (MT)
 Northern Wisconsin Beef Producers Assoc.
 Northwest Atlantic Marine Alliance (MA)
 Northwest Forest Worker Alliance (CA, OR & WA)
 Ohio Conference on Fair Trade
 Ohio Ecological Food and Farm Association
 Ohio Farmers Union
 Oklahoma Black Historical Research Project
 Oklahoma Independent Stockgrowers Association
 Oklahoma Stewardship Council
 Open Markets Institute
 Oregon Rural Action
 Organic Consumers Association
 Organic Farmers Association
 Organic Farmers' Agency for Relationship Marketing
 Organic Producers Iowa, Nebraska and South Dakota (OPINS) Co-op
 Organic Seed Alliance
 Organic Seed Growers & Trade Association
 Organization for Competitive Markets
 PCC Community Markets (WA)
 Pesticide Action Network North America
 Pesticide Free Zone (CA)
 PLBA Housing Development Corporation (AL)
 Pollinator Stewardship Council
 Powder River Basin Resource Council (WY)
 Public Citizen
 R-CALF United Stockgrowers of America
 Ranch Foods Direct (CO)
 Raritan Headwaters Association (NJ)
 Renewing the Countryside (MN)
 Rocky Mountain Farmers Union
 Roots of Change (CA)
 Rosebud Protective Association (MT)
 Rural Advancement Foundation International - USA
 Rural Advancement Fund of the National Sharecroppers Fund (SC)
 Rural Coalition/Coalición Rural
 Rural Development Leadership Network (NY)
 Rural Vermont
 Save New Mexico Seeds
 Small Planet Institute
 Socially Responsible Agricultural Project
 South Dakota Farmers Union
 Southern Colorado Livestock Association
 Southern Sustainable Agriculture Working Group
 Spokane County Cattlemen (WA)
 Sustain Rural Wisconsin Network
 Sustainable Agriculture of Louisville
 Sustainable Food Center (TX)
 Texas Organic Farmers and Gardeners Assoc.
 Toxic Free NC
 Toxics Information Project
 UNITE HERE!
 Utah Farmers Union
 Virginia Association for Biological Farming
 Virginia Citizens Consumer Council
 Waller County Farmers and Ranchers Cooperative (TX)
 Waterkeeper Alliance
 Weiser River Resource Council (ID)
 Western Colorado Alliance
 Western Organization of Resource Councils (WORC)
 WhyHunger
 Winston County Self Help Cooperative (MS)
 Wisconsin Organic Marketing Alliance
 Wisconsin Farmers Union