

ATTN: Agriculture/Antitrust Leg. Staff

United States Senate
Washington, DC 20510

United States House of Representatives
Washington, DC 20515

May 22, 2019

Re: Food and Agribusiness Merger Moratorium and Antitrust Review Act of 2019

Dear Senators and Representatives:

The undersigned 219 farm, food, rural, community, consumer, faith and other advocacy organizations wholeheartedly endorse the Food and Agribusiness Merger Moratorium and Antitrust Review Act of 2019, introduced by Sen. Booker and Rep. Pocan, 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 2019 would initiate 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.

Few firms dominate the 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 their 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 incomes 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 exceed 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 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 organizations.

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 2019 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.

If you need more information or have questions, please contact Patty Lovera at Food & Water Watch, plovera@fwwatch.org.

Sincerely,

National Organizations

ActionAid USA
Alianza Nacional de Campesinas
American Agriculture Movement
American Grassfed Association
Campaign for Contract Agriculture Reform
Campaign for Family Farms and the Environment
Center for Media and Democracy's Food Rights Network
Center for Rural Affairs
Consumer Action
Consumer Federation of America
Cornucopia Institute
Dr. Bronner's
Equal Exchange
Family Farm Action
Family Farm Defenders
Farm Aid
Farm and Ranch Freedom Alliance
Farm Forward
Farm Women United
Food & Water Watch
Food Chain Workers Alliance
Franciscan Action Network
Friends of the Earth U.S.
GMO Free USA
Government Accountability Project
Grassroots International
Greenpeace US
HEAL Food Alliance
Health Care Without Harm
Hmong National Development, Inc.
Institute for Agriculture and Trade Policy
Institute for Local Self-Reliance
Main Street Alliance

Maryknoll Office for Global Concerns
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
Open Markets Institute
Organic Consumers Association
Organic Farmers Association
Organic Farmers' Agency for Relationship Marketing
Organic Seed Alliance
Organization for Competitive Markets
Oxfam
Pesticide Action Network North America
Pollinator Stewardship Council
Provender Alliance
Public Citizen
R-CALF USA
Real Food Generation
Rural Advancement Foundation International - USA
Rural Coalition/Coalición Rural
Small Planet Institute
Socially Responsible Agricultural Project
Union of Concerned Scientists
UNITE HERE!
Waterkeeper Alliance
WhyHunger

State/Regional Organizations

Advocates for Urban Agriculture (IL)
Agriculture & Land Based Training Association (CA)
Alabama Contract Poultry Growers Association (AL)
Alabama State Association of Cooperatives (AL)

Alaska Farmers Union (AK)
American Raw Milk Producers Pricing Association (WI)
Angelica Organics Learning Center and Farm (IL)
Arizona Consumers Council Foundation (AZ)
Arkansas Farmers Union (AR)
Ashtabula, Geauga, Lake County Farmers' Union (OH)
Berks Gas Truth (PA)
Bioregional Strategies (NM)
Black Farmers & Agriculturalists Association (NC)
Black Farmers and Ranchers of New Mexico (NM)
Bull Mountain Land Alliance (MT)
California Dairy Campaign (CA)
California Farmers Union (CA)
California Institute for Rural Studies (CA)
Carbon County Resource Council (MT)
Cattle Producers of Louisiana (LA)
Cattle Producers of Washington (WA)
Central Maryland Beekeepers Association (MD)
Central Montana Resource Council (MT)
Central Plains Organic Farmers Association
Church Women United in New York State (NY)
Citizens for Sanity.Com, Inc. (FL)
Community Alliance for Global Justice (WA)
Community Alliance with Family Farmers (CA)
Community Farm Alliance (KY)
Community Food & Agriculture Coalition (MT)
Community Food and Justice Coalition (CA)
Community Food Co-op (WA)
Community Involved in Sustaining Agriculture (MA)
Contract Poultry Growers Association of the Virginias
Cottage House Inc. (AL)
Cuatro Puertas (NM)
Dakota Resource Council (ND)
Dakota Rural Action (SD)
Dawson Resource Council (MT)
DC Greens (DC)
Endangered Habitats League (CA)
Fair World Project (OR)
Farms Not Factories (WI)
Farmworker Association of Florida (FL)

Federation of Southern Cooperatives/Land Assistance Fund
Food for Maine's Future (ME)
Food Works (IL)
GMO-Free Florida (FL)
Good Food Brigade (CA)
Green Gate Farms (TX)
GROW North Texas (TX)
Hanover Co-op Food Stores (NH)
Hawaii Farmers Union (HI)
Hempstead Project Heart (WI)
Idaho Organization of Resource Councils (ID)
Illinois Farmers Union (IL)
Illinois Stewardship Alliance (IL)
Independent Cattlemen of Wyoming (WY)
Indian Nations Conservation Alliance
Indiana Farmers Union (IN)
Institute for Rural America (IA)
Iowa Citizens for Community Improvement (IA)
Iowa Farmers Union (IA)
Island Grown Initiative (MA)
Johns Hopkins Center for a Livable Future (MD)
Kansas Farmers Union (KS)
Kansas Rural Center (KS)
Land Connection (IL)
Land Stewardship Project (MN)
Main Street Cheese, LLC (NH)
Main Street Project (MN)
Maine Organic Farmers and Gardeners Association (ME)
Michael Fields Agricultural Institute (WI)
Michigan Farmers Union (MI)
Michigan Organic Food and Farm Alliance (MI)
Midwest Environmental Advocates (WI)
Midwest Organic Dairy Producers Association
Migrant Justice/Justicia Migrante (VT)
Minnesota Farmers Union (MN)
Minnesota National Farmers Organization (MN)
Mississippi Assoc. of Cooperatives (MS)
Missouri Best Beef Coop (MO)
Missouri Farmers Union (MO)
Missouri National Association for the Advancement of Colored People (MO)

Missouri Rural Crisis Center (MO)
Monadnock Farm & Community Coalition (NH)
Montana Farmers Union (MT)
Murray County Independent Cattlemen's Association (OK)
Nebraska Farmers Union (NE)
Nebraska Women Involved in Farm Economics (NE)
New England Farmers Union
New Entry Sustainable Farming Project (MA)
New York Women Involved in Farm Economics (NY)
New Hampshire Right to Know GMO (NH)
Next 7 (CO)
North Carolina Association of Black Lawyers Land Loss Prevention Project (NC)
North Dakota Farmers Union (ND)
Northeast Organic Dairy Producers Alliance
Northeast Organic Farming Association - CT
Northeast Organic Farming Association - MA
Northeast Organic Farming Association - NH
Northeast Organic Farming Association - NJ
Northeast Organic Farming Association - NY
Northeast Organic Farming Association - VT
Northeast Organic Farming Association - Interstate Council
Northeast Sustainable Agriculture Working Group
Northern Plains Resource Council (MT)
Northern Wisconsin Beef Producers Assoc. (WI)
Northwest Atlantic Marine Alliance (MA)
Northwest Forest Worker Alliance
Ohio Conference on Fair Trade (OH)
Ohio Ecological Food and Farm Association (OH)
Ohio Farmers Union (OH)
Oklahoma Black Historical Research Project (OK)
Oklahoma Farmers Union (OK)
Oklahoma Independent Stockgrowers Association (OK)
Oklahoma Stewardship Council (OK)
Operation Spring Plant
Oregon Rural Action (OR)
Organic Producers Iowa, Nebraska and South Dakota (OPINS) Co-op
Organic Seed Growers & Trade Association (ME)
PCC Community Markets (WA)
Pennsylvania Farmers Union (PA)
Pesticide Free Zone (CA)

Philadelphia Area Cooperative Alliance
PLBA Housing Development Corporation (AL)
Powder River Basin Resource Council (WY)
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 Fund of the National Sharecroppers Fund (SC)
Rural Development Leadership Network (NY)
Rural Vermont (VT)
Save New Mexico Seeds (NM)
South Dakota Farmers Union (SD)
Southern Sustainable Agriculture Working Group
Stevens County Cattlemen's Association (WA)
Sustain Rural Wisconsin Network (WI)
Sustainable Agriculture of Louisville (KY)
Sustainable Food Center (TX)
Texas Organic Farmers and Gardeners Association (TX)
Toxic Free NC (NC)
Toxics Information Project (RI)
Utah Farmers Union (UT)
Virginia Association for Biological Farming (VA)
Virginia Citizens Consumer Council (VA)
Waller County Farmers and Ranchers Cooperative (TX)
Weiser River Resource Council (ID)
Western Colorado Alliance (CO)
Western Organization of Resource Councils
Winston County Self Help Cooperative (MS)
Wisconsin Farmers Union (WI)
Wisconsin Organic Marketing Alliance (WI)