



## **FAMILY FARMING AND MARKET CONCENTRATION 2019 SPECIAL ORDER OF BUSINESS**

Consolidation and anti-competitive action throughout every industry sets precedent that opens the door for continuing consolidation in agriculture. By nearly every metric, corporate consolidation has reached unprecedented levels in the industries that supply farmers and buy from their operations. The four largest companies control 66 percent of pork packing, 85 percent of beef packing, 85 percent of corn seeds, and 80 percent of soybean seeds. The organic and natural food sector also continues to consolidate at a rapid pace.

Consolidation at these levels leads to increased costs for farmers, reduced revenue, reduced choice, less innovation, and increased prices for consumers. In addition, consolidation among buyers has caused the farmer's share of the retail dollar to drop to just 14 cents. As a result, family farmers and ranchers are forced to operate on razor thin margins. The decline of family farm agriculture, in turn, undermines the economics of rural communities and contributes to rural depopulation.

The rate of consolidation in agricultural inputs and outputs is largely due to lack of sufficient antitrust enforcement. The Department of Justice (DOJ) and the Federal Trade Commission (FTC) have ignored the effects of oligopsony. The use of divestitures as a tool to create a pathway for allowing mergers has essentially led to a game of musical chairs among the largest consolidated corporations. After years of inadequate enforcement, the United States Department of Agriculture has now eliminated the Grain, Inspection, Packers and Stockyards Administration as a standalone agency.

National Farmers Union urges Congress to mandate a strict rule blocking every merger where the four largest firms would possess more than 40% of market share. We urge the DOJ and FTC to take action to address oligopsony. Furthermore, we call on the DOJ to support structural antitrust enforcement actions, including breaking up major companies and revising non-horizontal merger guidelines to be more critical of the impacts of vertical consolidation and integration.

We also call on Congress and the U.S. Department of Agriculture to grant full funding and enforcement powers under the Packers and Stockyards Act and the Agricultural Fair Practices Act and to reinstate GIPSA as a standalone agency.