



CONSOLIDATION IN AGRICULTURE

Lack of Antitrust Enforcement: Putting Family Farms Out of Business

What happens when multinational corporations in the agricultural industry use their size, wealth and power to determine the price and selection on our grocery shelves?

Farmers, ranchers, consumers and rural communities *suffer*.



Enforcement of federal anti-trust laws have slackened in recent years, with few meaningful investigations into mergers and acquisitions of large-scale agricultural producers, suppliers and processors. Farmers face the detrimental effects in numerous markets, including seed, dairy, livestock processing, grain, fertilizer, and transportation. The lack of competition in these markets and in the retail food sector has coincided with a decline in the vitality of rural communities.

Wisconsin Farmers Union supports policies to limit vertical integration and to protect family farms from unfair competition and monopolistic (only one seller) oligopolistic (only a few sellers), monopsonistic (only one buyer), and oligopsonistic (only a few buyers) business practices. Federal regulators should revise and reform legislation to ensure fair market pricing and the avoidance of non-competitive market control.

DID YOU KNOW?

- 1** The four largest meatpackers control **54% of U.S. poultry processing, 65% of U.S. pork processing and 85% of beef packing.**
- 2** The farmer's share of every dollar consumers spend on food has fallen from **50% in 1952 to less than 16% today.**
- 3** Four corporations account for at least **75% of sales of most common grocery items.**
- 4** **70 % of our nation's produce is grown in just three states.**
- 5** **50% of agriculture equipment is made by only two manufacturers.**

WFU supports the break-up of existing monopolies and blocking new mergers.

Doing so would spur innovation, restore competition to the marketplace, and rein in political corruption.

Corporate accountability is fundamental to fair markets, and we need continued safeguards against unfair, anticompetitive, and abusive business practices.

We urge that pricing, marketing, and labeling be honest and transparent.

STOPPING THE GROWTH OF CONSOLIDATION IN AG

What can we do?

Better Antitrust Enforcement

Wisconsin Farmers Union calls for improved enforcement of antitrust laws and a congressional investigation of monopolistic business practices and growing concentration of ownership in the agricultural sector. Farmers Union applauds efforts by the U.S. Department of Justice to increase awareness of non-competitive practices in agriculture. We call on the DOJ to follow through on the antitrust investigations it has already commenced, and to prosecute violators of antitrust laws.

President Biden's Executive Order on Competition

In July of 2021, President Biden signed a far-reaching Executive Order towards addressing the long-standing problem of lacking enforcement of a competitive marketplace. This order encompasses 72 initiatives involving more than a dozen federal agencies, and reaching far beyond agriculture — also to address anticompetitive practices in many other sectors, including healthcare and financial services.

Support Merger Moratorium Bill

In August 2018, U.S. Senator Cory Booker (D-NJ) and Representative Mark Pocan (D-WI) introduced the Food and Agribusiness Merger Moratorium and Antitrust Review Act of 2018. If passed, the bill would enact an 18-month merger moratorium in the U.S. food and beverage manufacturing, grocery retail, and agribusiness sectors. It would also establish a federal commission to study impacts of concentration on America's food and agricultural economy. Notably, the commission would be tasked with reviewing current antitrust laws.

Ban on Packer Ownership

Wisconsin Farmers Union supports captive supply reform.

Livestock Price Reporting

We support efforts to review and prevent livestock market price manipulation.



**FAIRNESS FOR
FARMERS**

*Fighting for a Fair
Market and against
Corporate Monopolies*

Packers and Stockyards Act Reform (PSA)

We have seen the erosion of protections for farmers with the loss of the Grain Inspection Packers and Stockyards Act (GIPSA) that was meant to enforce anticompetitive/antitrust laws. WFU supported the GIPSA rules as proposed in 2010. We also support President Biden's executive order on competition that directs the USDA to write new rules under the Packers and Stockyard Act. For the last few decades, under both Democratic and Republican administrations, the USDA has not fully enforced protections under PSA for farmers and ranchers. The new rules proposed by the USDA will offer more fair wages to poultry growers, make it easier for farmers to challenge unfair practices, and clarify which practices are unfair, discriminatory, or deceptive under PSA.

Fairness for Farmers (NFU)

Fairness for Farmers is a new, national educational campaign run by National Farmers Union, and focusing on promoting fair markets and fighting corporate monopolies. WFU will work closely with NFU to support this campaign over the next year. Learn more: <https://nfu.org/fairness-for-farmers>