



FAIRNESS FOR FARMERS 2022 SPECIAL ORDER OF BUSINESS

A fair, open, and competitive marketplace is central to the health and wellbeing of the American economy and our democracy. Excessive market concentration in agriculture and the broader economy, threatens family farmers and ranchers, as well as national food security and sovereignty. In highly consolidated, uncompetitive markets, multinational corporations limit farmers' and ranchers' choices, pay them less, and charge them more. Markets dominated by monopolies lack resilience and are susceptible to disruptions that harm farmers and consumers.

For decades, the markets that farmers buy from and sell to have become increasingly consolidated. Concentration in many other industries has also decimated small businesses, especially in rural areas.

The four-firm concentration ratios (CR4), a commonly used metric for illustrating market concentration that specifies the market share for the top four firms in an industry, is high in nearly all sectors that touch the food supply chain. In 2018, the CR4 for companies slaughtering and processing beef, pork, and chicken was 85, 70, and 54 percent, respectively. As of 2015, the CR4 for corn and soybean seeds was 85 percent and 76 percent, respectively; this compares to 59 percent for corn seed in 1975, and 42 percent for soybean seed in 1988. Four firms account for 84 percent of the global herbicide and pesticide market, and just two companies manufacture about half of the tractors and other essential farm machinery used by farmers. The top four grocery retailers controlled approximately 65 percent of sales in 2018.

Additionally, the farmer's share of every dollar consumers spend on food has fallen from 50 percent in 1952 to less than 16 percent today.

Considering the significant disadvantages farmers and ranchers face in the agricultural marketplace, NFU launched the *Fairness for Farmers* campaign. The campaign is a nationwide effort to give voice to farmers, ranchers, and communities being harmed by economic concentration, and to advocate for the revival of strong antitrust and competition law enforcement and the breakup of corporate monopolies.

To address the challenges outlined above, we support:

- Legislation that would strengthen antitrust laws, reverse the trend of consolidation, and protect family farmers and ranchers from anticompetitive practices;
- Fulfilling the goals and plans laid out by President Biden's executive order on competition in the American economy, which emphasizes a whole-of-government approach to competition policy;
- Legislation to bring greater transparency and price discovery to cattle markets, such as the *Cattle Price Discovery and Transparency Act*, including its provisions regarding mandatory minimum cash trade in cattle;
- Requiring Livestock Mandatory Reporting (LMR) Act data to be consistently available;
- Emphasis being placed across all agencies at USDA on combatting the abuse of market power in the agricultural and rural economies to encourage a more competitive, diverse food supply;
- Robust enforcement of the Packers and Stockyards Act (P&SA);
- Reinstatement of the Grain Inspection, Packers, and Stockyards Administration (GIPSA) as an independent agency to ensure strong P&SA enforcement, or the establishment of a new USDA antitrust and competition office if GIPSA is not reinstated;
- Disallowing out-of-court settlements between federal antitrust agencies and companies in violation of federal antitrust laws;
- Spurring development and expansion of local and regional markets and processing opportunities;
- Supporting the expansion of local and regional markets by ensuring regulations are size- and risk-appropriate; and
- Truthful and transparent labeling of agricultural products, including reauthorization and full implementation of mandatory country-of-origin (COOL) labeling.