



Competitive Markets

Fair competition in competitive markets is central to our economy. Unchecked corporate consolidation in the food and agricultural sectors threatens competitive markets and decreases prices farmers receive for their products and increases their input costs. Not only that, but a lack of competition also makes consumers pay more and leaves workers with fewer options. MFU members passed resolutions to fight for fair markets and against corporate monopolies.

These resolutions were passed at county conventions and adopted as a special order of business at the MFU's state convention 2021. Special orders of business signal MFU members' top priorities for policymakers in St. Paul and Washington, D.C.

What's the issue?

The U.S. food and agricultural sector has become increasingly consolidated with the four largest meat packers controlling 54 percent of the nation's poultry processing, 65 percent of pork processing, and 85 percent of beef packing. Similarly, four companies control 82 percent of soybean crushing and 84 percent of wet corn milling. While the companies have consolidated, the farmer's share of every food dollar has declined from 50 percent in 1952 to less than 16 percent today.

Consumers are impacted by consolidation as they are met with limited options and higher prices at the grocery store. For one out of three common grocery items, four corporations account for at least 75 percent of sales. Items are not always priced fairly, and in times of crisis, such as the COVID-19

pandemic, the food supply chain is prone to disruption. Competition in industry keeps the supply chains resilient and maintains fair prices for farmers and consumers.

Unchecked corporate consolidation pulls wealth out of rural communities and makes it harder for families to make a living on the farm. And when family farmers and ranchers can no longer stay in business, the loss is felt throughout their communities.

"You only have to drive around the countryside, whether it's Minnesota or Colorado or Montana or Iowa, you see numerous empty farm sites. All of those empty farm sites have empty buildings that were at one time not only used to raise livestock, but also used to support families that were part of their local community. Those families sent their children to the local school, picked up groceries at the local store and shopped at the local hardware store. That's the part we're missing."

– Gary Wertish, Renville, MFU President



What is MFU doing to address the lack of competition?

Minnesota Farmers Union is advocating at the state and federal level for action to restore market competition, including:

- Strengthening federal and state antitrust enforcement, including the Packers and Stockyards Act.
- Funding capacity at the Department of Justice and State Attorney General's Office to bring cases against companies who use their power to abuse farmers, consumers and workers.
- Strengthening prohibitions against mergers.
- Advocating for Right to Repair legislation to fight the monopolization of repair.
- Improving price discovery and ensuring accurate market information.
- Supporting diverse, alternative opportunities for marketing products, including through farmer-owned cooperatives.
- Support reauthorizing cooperative development grants to help farmers access the capital need to start new cooperatives.

What has MFU accomplished to address the lack of competition in the marketplace?

Minnesota Farmers Union supports and advocates for policy and programs to address the consolidation happening across the agricultural sector by:

- Supporting a Minnesota Farmers Union Legal Fellowship in the Minnesota Attorney General's office. The fellowship is a 12- to 14-week part-time school year clerkship focused on projects related to antitrust, food and agricultural law.
- Joined the National Farmers Union Fairness for Farmers campaign, which is designed to encourage Americans to contact their senators and representatives in Congress as well as the Biden administration to call for concrete steps to curtail consolidation in agriculture.

- Advocated for Right to Repair, which would compel manufacturers and dealers to provide equipment owners and independent repair technicians with the means to fix equipment.

What are next steps?

Minnesota Farmers Union will continue to support and advocate for the Biden administration's Executive Order on Promoting Competition in the American Economy. MFU will also continue to support the Fairness for Farmers campaign by:

- Encouraging farmers and ranchers to share videos of their stories online.
- Building coalitions to support lawmakers and regulators in the anti-trust space to fight for strengthening pro-competition laws and regulations.
- Educating lawmakers, the media and the American people about our broken food system that allows monopolies to cheat farmers and ranchers and charge consumers higher prices at the grocery store.

Are you interested in joining Minnesota Farmers Union members as they work on this issue?

Go to www.MFU.org to click and join.



Standing for Agriculture, Working for Farmers



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