



March 6, 2024

Dear members of the Minnesota congressional delegation:

On behalf of Minnesota Farmers Union (MFU), I urge you to take immediate and decisive action to protect funding for the Antitrust Division at the Department of Justice so the division can adequately fulfill its critical mission of promoting competition and protecting farmers, workers, small businesses, and Minnesotans from the harms of corporate monopolies. To that end I ask that you work to eliminate language in the recently unveiled federal budget agreement that would undermine the antitrust division's funding and reverse the intent of recent bipartisan legislation.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers, and rural communities since 1918. At our most recent annual convention in November our members voted to make Curbing Monopoly Power and Protecting Competition a key priority.ⁱ Consolidation has left a small handful of companies with control of the inputs farmers rely on to do their work and the markets they need to access to sell their products. This is one part of why the farmer's share of each dollar spent on food has dropped from 50 cents in 1952 to just 14.3 cents today, the lowest on record.ⁱⁱ Over the years, consolidation and market power concentration has caused many family farmers to quit farming, which has been felt on small town Main Streets across Minnesota.

One key reason for this rise in consolidation has been a lax approach to the enforcement of the nation's antitrust laws. This trend has started to change under the Biden Administration with the appointment of key antitrust enforcers like Assistant Attorney General (AAG) for Antitrust Jonathan Kanter. In October MFU was fortunate enough to welcome AAG Kanter to Minnesota where he participated in an antitrust symposium at the Mitchell Hamline School of Law, met with state legislators and the Minnesota Attorney General's Office to discuss antitrust enforcement, and visited a farm in Cannon Falls where he also held a roundtable with farmers, workers, and small business owners to hear about the challenges corporate monopolies create.ⁱⁱⁱ

Under Kanter's leadership the DOJ has been working hard to address anticompetitive harms in the economy. This includes an important antitrust lawsuit filed in Minnesota last year against the data firm Agri Stats.^{iv} The lawsuit alleges that Agri Stats – which runs extensive data exchanges that collect massive amounts of data on producers – has enabled price-fixing among the major meat processors that are given access to that detailed data. Meat processing has become highly consolidated with just four companies controlling 85 percent of beef, 67 percent of pork and 54 percent of poultry processing.

In 2022 Congress recognized the important role antitrust enforcement plays in creating a vibrant economy that works for all Minnesotans with passage of the Merger Filing Fee Modernization Act. This legislation updated the fees companies pay when submitting a merger for review under the Hart-Scott Rodino (HSR) Act. This was the first time HSR fees had been adjusted since 2001, and the legislation lowered fees for smaller acquisitions and increased them for the largest mergers. The increased revenue created by the new law goes back to antitrust enforcement and will also reflect the deal environment in the economy. For example, if there is a wave of consolidation, revenue for enforcement will increase.

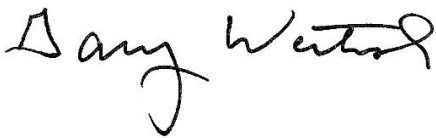
Unfortunately, in the budget deal that was unveiled this weekend, the progress that has been made towards reviving antitrust enforcement would be reversed. The deal appropriates \$233 million to the Antitrust Division for Fiscal Year 2024, which is \$45 million less than the \$278 million the Congressional Budget Office (CBO) estimates will be available to the DOJ in HSR fees in FY24 and is also significantly lower than the \$325 million total appropriation for the division in the Biden Administration's FY24 budget proposal. The text of this agreement would also restrict the division from receiving any HSR fees that exceed \$233 million and would instead require the division to go through the Congressional appropriations process to access that funding. This could result in the loss of hundreds of millions of dollars over the long term for the division, which still has fewer staff than it did in 1979 and is counter to what Congress intended by passing the Merger Filing Fee Modernization Act.

This change to the Antitrust Division's funding is not only the opposite of what was intended through passage of the Merger Filing Fee Modernization Act, but is also antithetical to President Biden's Executive Order on Promoting Competition in the American Economy, which has committed the executive branch to a whole-of-government approach to competition.^v The work of the Antitrust Division is not just important for farmers and the agricultural economy it is critical for rural communities and the health of Minnesota's economy and democracy more generally.

Corporate monopolies are not just present in agriculture or even tech or healthcare, they have become a pervasive issue throughout the economy. Since the 1990s three-fourths of industries have become more consolidated and since 2005 the economy as a whole has become 50 percent more consolidated.^{vi} As a result by one estimate, this rate of consolidation would leave each industry in the United States with just one company.^{vii} The rise of corporate monopolies across the economy has created a range of harms including higher prices, lower wages and less entrepreneurship and innovation while also posing a threat to our democracy.

Thank you for your continued work to address the challenges facing farmers and rural communities in Minnesota. We appreciate your attention to this urgent request. If you have any questions, please contact our Antimonopoly Director, Justin Stofferahn, at justin@mfu.org or (612) 594-1252 (C). I look forward to working with you to protect fair and open markets in Minnesota.

Sincerely,



Gary Wertish
President, Minnesota Farmers Union

CC:

- Senator Amy Klobuchar
- Senator Tina Smith
- Representative Brad Finstad
- Representative Angie Craig
- Representative Dean Phillips
- Representative Betty McCollum

- Representative Ilhan Omar
- Representative Tom Emmer
- Representative Michelle Fischbach
- Representative Pete Stauber

ⁱ https://mfu.org/wp-content/uploads/2023/11/MFU-Special-Orders-of-Business-for-2024_11.19.23.pdf

ⁱⁱ <https://nfu.org/farmers-share/>

ⁱⁱⁱ <https://mfu.org/doj-assistant-attorney-general-visits-minnesota-farm/>

^{iv} <https://www.justice.gov/opa/pr/justice-department-sues-agri-stats-operating-extensive-information-exchanges-among-meat>

^v <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/07/09/executive-order-on-promoting-competition-in-the-american-economy/>

^{vi} <https://www.axios.com/2022/05/26/new-paper-finds-monopolies-contribute-to-inflation>

^{vii} <https://economicsecurityproject.org/work/antimonopoly/>