



Competition

Over the past several decades, American family farmers and ranchers have been dealing with rapid consolidation in the industries that both supply and buy from their operations. This consolidation has led to increased costs for farmers, less choice and competition in the marketplace, less innovation, and increased prices for consumers. In order to stem this disturbing trend, National Farmers Union is calling on Congress for a fairer Farm Bill that addresses the lack of competition in every link in the food chain.

The State of Consolidation in Food and Agriculture

~ A handful of firms dominate the inputs for and processing of most major commodities. In the United States, the four largest companies control 66 percent of pork packing, 85 percent of beef packing, 88 percent of corn seeds, and 80 percent of soybean seeds.

~ Many of these companies are vertically integrated, which means that they essentially control every stage of the food chain, from inputs to production to processing to packaging to distribution.

Effects on Farmers and Rural Communities

Consolidation has virtually eliminated competition in many agricultural markets, leaving family farmers and ranchers with little to no control over the prices they pay for inputs or the prices they receive for their products. As a result, the farmer's share of every retail dollar has fallen from 50 percent in 1952 to less than 16 percent today. These dire economic conditions are driving family farmers out of business. This, in turn, undermines the economies of rural communities across America, as stores lose customers, churches lose congregants, and job opportunities dry up.

Competition in the Farm Bill

The 2018 Farm Bill must restore competition in the agricultural economy, increase the bargaining power of and enhance economic prospects for family farmers, and reverse the trend toward concentration. Congress can do this if they:

- ✓ **Establish a new title** in the Farm Bill that focuses on creating robust competition in the marketplace.
- ✓ **Enhance antitrust enforcement** in the food and agriculture sectors.
- ✓ **Establish protections** for farmers and ranchers from the worst abuses in the contract poultry and livestock sector, including unfair and deceptive practices.