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GREEN NEW DEAL POLICY SERIES:

**FOOD & AGRICULTURE**

 DATA FOR **PROGRESS**

# **RESTORING INDEPENDENCE AND FAIRNESS TO AGRICULTURE UNDER A GREEN NEW DEAL**

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**The Green New Deal** is a broad and ambitious agenda to invest in communities, infrastructure, technology, and good jobs to help the United States achieve environmental and economic justice. To secure a sustainable national food supply, food production must transform radically, but right now, unprecedented concentration in agricultural markets is preventing that transition by impelling practices that abuse the environment, workers, animals, and consumers.

From seeds to grocery stores, rampant consolidation has ceded historic levels of power to food and agriculture conglomerates. Sixty percent of the world's proprietary seeds are sold by four companies.<sup>1</sup> In the United States, 80 percent of corn and over 90 percent of soybean seeds are planted with genetic traits patented by Monsanto.<sup>2</sup> Two equipment manufacturers control nearly half of their market<sup>3</sup>; the top four pork processors control two-thirds of their market<sup>4</sup>; the handful of poultry companies who account for 90 percent of U.S. sales are embroiled in a price-fixing investigation<sup>5</sup>; four multinational firms control about 90 percent of the world's grain trade<sup>6</sup>; Walmart nets 25 percent of US grocery sales, but in 10 percent of cities and one third of "micropolitan" areas, that proportion is over 70 percent<sup>7</sup>.

The human and environmental impact of this level of concentration in market power is devastating. Prices per head on poultry, cattle, and hogs have tanked along with the farmer's share of the food dollar, wiping out populations of producers in favor of huge corporate farms. Because consolidation reduces options for producers and workers have no other options, abuse and intimidation are widespread and well-documented; contracts provide the legal framework for these buyers to impose debt and risk on producers while maintaining ownership and pricing of their product, enabling manipulation and collusion. While the CEO of one hog company made \$291 million in 2017, the average slaughterhouse worker has seen a \$3 wage increase in the last 30 years<sup>8</sup>.

Concentration in markets has allowed unprecedented concentration of animals in the form of CAFOs (Concentrated Animal Feeding Operations). 70% of pork producers have vanished in the past 25 years<sup>9</sup>, and feedlots housing 1,000 head of cattle or more comprise less than 5 percent of feeding operations but 80 to 90 percent of the market. Massive lots with capacity of 32,000 head or more market about 40 percent of finished cattle<sup>10</sup>. The environmental and social costs of these practices are massive, not only contributing to runoff that results in dead zones at the terminus of the Mississippi River, but antibiotic resistance, methane emissions, nutrient and chemical pollution, soil erosion, and rendering the communities they invade toxic and unlivable.

Horizontal and vertical concentration plague agricultural and food markets, nearing dystopian levels: Costco is beginning to own its product along the entire supply chain from hatching chicks to the rotisserie poultry in their store, reflecting the boldness of Big Business, the myth of free markets, and the landscape that suffocates independent enterprise.

Only by addressing anti-competitive practices and restoring fair markets in food and agriculture can we facilitate diverse food production and commerce by independent, local- and regionally-controlled farms and businesses necessary to secure a nourishing food supply able to withstand climate catastrophe.

# POLICY RECOMMENDATIONS

## Appoint Trustbusters to the Federal Trade Commission & the Department of Justice

- ▶ Regulators must be appointed who are committed to using the tools they have to ensure competitive markets, reviewing recent mergers in the agriculture sector for anti-competitive behavior, and breaking up companies where mergers have reduced competition. To reduce the influence of corporate lawyers, require that one of the FTC Commissioners be a farmer and another commissioner be a representative of a labor union.

## Reestablish and Reinvigorate USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA)

- ▶ For almost 100 years, GIPSA policed meatpackers for anti-competitive actions as an independent watchdog, but last year, it was put under the aegis of a notoriously compromised agency that exists to boost sales for American agricultural products. To ensure that packers will be held accountable for criminal monopolistic behavior, GIPSA's independent status must be returned, with the staffing and funding necessary to guarantee fair livestock and grain markets in every region of the country.

## Protect Workers by Enforcing Fair Labor Standards

- ▶ Provide a path to citizenship for undocumented workers and hold employers accountable to humane labor standards and enforcing laws against wage theft, fraud, and abuse. Workers in the food chain endure the most dangerous, demeaning, and difficult jobs in our labor force. A market that requires businesses to commit human rights abuses in order to be solvent warrants decisive intervention.

## End Contract Farming Abuse

- ▶ 90 percent of the poultry raised in the country is raised on contract. Major companies like Perdue and Tyson buy exclusively on contract, using the power of these binding agreements to make unfair demands and limit the ability for farmers to work with other companies. The result is competitive pyramids that pit growers against each other for the only buyer in town while 75 percent of poultry growers live below the poverty line, and collusion and price-fixing is rampant. USDA and GIPSA must ensure fair and transparent contracts for farmers.

## Give Farmers the Choice to Participate in Checkoff Programs, and Require Full Transparency

- ▶ Farmers are required to pay a portion of their sales into the federal checkoff program, which is used to fund national advertising campaigns. But there have been numerous instances where the boards that oversee the funds have mismanaged them and used them to fund lobbying campaigns that benefit large agribusinesses<sup>11</sup>.
- ▶ Require that funds from federal and state checkoff programs be paid directly to the appropriate federal or state treasury and then be audited by the corresponding federal or state auditing agency.
- ▶ Ban [checkoffs] from engaging with lobbying groups or groups with any lobbyist leadership or influence.
- ▶ Respect and protect the reservation lands and treaty rights of Indigenous nations by obtaining the free, prior, and informed consent of tribes for all decisions that affect their people and their traditional territories, honoring all treaties and agreements with Indigenous peoples, and protecting and enforcing the sovereignty and land rights of Indigenous peoples. The cabinet should create a position to implement this principle across all agencies. Farming is the second largest industry on Indian reservations behind gaming, and as a matter of practice and principal, tribes should be treated as major stakeholders in rural, agricultural and farming policy decisions.

## Establish New Country-of-Origin Rules

- ▶ Congress repealed mandatory country-of-origin labeling for some meat in 2015.<sup>12</sup> Furthermore, American consumers wanting to buy American-grown meat are being misled. Right now, corporations can label some meat as US origin if it is processed in the United States even if the animals are not raised here.<sup>13</sup>

## Enforce the Clean Air and Clean Water Acts on CAFOs

- ▶ Confined Animal Feeding Operations (CAFOs) confine livestock for 45 days or more in a given year and are massive sites of emissions and pollution. They need to be strictly regulated and held to emissions and pollution standards under the Clean Air and Clean Water Acts. The Federal government needs to require transparency and levy fines and sanctions.

## Enact a Strict and Immediate Moratorium on New and Expanded CAFOs

- ▶ Rural communities don't have time to wait for enforcement and regulation to take effect. In the meantime, Congress should guarantee that at the very least, factory farms stop expanding.

## Re-institute the "Line-of-Business" Survey

- ▶ Good information on market concentration is critical for substantive and responsive policymaking. Since 1985, the FTC has neglected to conduct the survey that provides the most important data with which to enforce antitrust in its Line-of-Business survey. This survey needs to be reinstated and conducted by the Bureau of Economic Analysis in the Commerce Department so that it is insulated from FTC motivations.

### ENDNOTES

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