

# Why Antitrust Laws Matter for Agriculture and Food

By: Food & Water Watch

Only a few companies dominate most links in America's food chain. These firms sell the equipment and supplies that farmers use every day, buy the crops and livestock from farms, and process and sell food to consumers. These companies are the bottleneck between 2 million farmers and more than 300 million consumers. They can raise costs and lower prices for farmers while reducing choices and raising prices for consumers, keeping more of the profits for themselves.

## Unfair Power

For more than a century, farmers have understood the unfair power that a handful of companies can wield over agriculture. In the 1800's, farmers fought railroad barons that controlled grain elevators, meatpacker monopolies and the Wall Street bankers that made most of the economic decisions. Antitrust laws were enacted to prevent a few firms from running roughshod over farmers, busting the trusts that colluded to squeeze profits out of farmers and consumers. Many of these laws are still on the books:

## Antitrust Laws Still on the Books:

- The Sherman Antitrust Act (1890) Prohibits price-fixing schemes by competitors, divvying up market turf, coordinating blacklists against suppliers or buyers, as well as using monopoly power to subvert business rivals.

- **The Clayton Antitrust Act (1914)**

Allows federal regulators to review proposed mergers to prevent deals that significantly reduce competition. Under this law, the U.S. Department of Justice has the authority to prevent or modify anticompetitive mergers.

- **The Packers & Stockyards Act**

(1921), Enforced by the U.S. Department of Agriculture (USDA), was designed to prevent meatpackers and processors from using unfair or

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deceptive practices against farmers and ranchers who sell them livestock.

**Every link in the food chain is controlled by just a handful of companies:**

- The top four largest pork packers control 71 percent of the market.
- The top four beef packers control 85 percent of the market.
- The top four flour millers control 64 percent of the market.
- The top four fluid milk processors control 50 percent of the market.
- A wave of mergers among global seed and crop-chemical firms has led to three companies controlling nearly two-thirds of the world's commodity crop seeds and nearly 70 percent of all agricultural chemicals and pesticides.
- In the United States, the four largest corn seed sellers accounted for 85 percent of the market in 2015, up from 60 percent in 2000. Over the past 20 years, the cost for an acre's worth of seeds for an average corn farmer has nearly quadrupled, and the cost of fertilizer has more than doubled. Yet corn yields increased only 36 percent over that time, and the

price received for the sale of a bushel of corn increased only 31 percent.

- The growing scale of cross-border agribusiness and food mergers have put foreign firms, often with considerable government backing, into dominant positions in the United States' beef, hog, poultry, seed, fertilizer and agrichemical sectors.
- The farmer's share of every retail dollar has plummeted from 41 percent in 1950 to approximately 15 percent today, while the share for farm input, marketing and processing companies has risen.

## Non-existent Enforcement

Non-existent enforcement by the USDA and the Justice Department has allowed abusive treatment of farmers to flourish. The federal government's unwillingness to challenge the growing consolidation in agricultural and food markets has allowed a corporate transformation in the structure of the food system.

## Restore Competition

To restore competition in the agricultural economy, and to increase the bargaining power and enhance economic prospects for family farmers, the trend toward concentration must be reversed. Farmers and consumers need real antitrust enforcement now. Congress and the administration must restore a more even playing field for farmers and consumers by vigorously enforcing laws on the books and enacting a moratorium on mergers in the food system.

**To learn more about how to restore competition in our food system, go to <https://www.foodandwater-watch.org/problems/corporate-control-food>.**

# The Caravan Humanitarian Crisis in Tijuana: Mirror of US Policy in Central America

by Stephen Bartlett

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**A total of approximately 10,000 migrants from Honduras and other Central American countries have reached Tijuana, Mexico.**

When just 500 of them approached the border, US border patrol forces shot tear gas into Mexico and closed the border for hours, enraging Mexicans and injuring families who have traveled overland from Honduras seeking asylum from violence and hunger.

Today with thousands camped in Tijuana and only 20 being interviewed daily for their "reasonable fear" asylum interviews with US immigration officials, the situation is increasingly tense.

Hondurans who are vocal about the proximate cause of their flight, the illegitimate President Juan Orlando Hernandez (JOH), who stole a second election that was unconstitutional to begin with (the Honduran constitution prohibits a second presidential term), are openly blaming JOH for the mass exodus from Honduras.

Now with the brother of JOH in jail in New York arrested by the DEA as a major narco boss who oversaw the smuggling of tons of cocaine through Honduras en route to the US accompanied by machine gun toting paramilitary forces and extensive bribery of officials at all levels, the Honduran administration is under pressure and various scandals.

The caravan could be the straw that broke JOH's back. Stay tuned for possible mobilizations at the border that could cause Trump to shut the border not just for hours, but for days.

If that happens, pressure might become unbearable for JOH, one of the architects of the 2009 coup d'etat that led Honduras to becoming the most violent country in the hemisphere.

The Honduran governments that followed the coup have been propped up by subsequent US administrations, and social movements are voting with their feet with mass exodus from the country. The plucked chickens of US policy are coming home to roost.

