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Sent: Wednesday, December 30, 2009 4:14 PM
To: ATR-Agricultural Workshops <agriculturalworkshops@usdoj.gov>
Subject: Comment re: Competition and Regulatory Issues in the Agricultural Industry

Legal Policy Section
Antitrust Division
U.S. Dept. of Justice

This letter is a comment regarding next year's Department of Justice and USDA hearings on concentration of ownership in American agriculture.

I have a law degree from the University of Minnesota and am currently pursuing a graduate degree in Agricultural and Resource Economics at Oregon State University. I teach Agricultural Law at Oregon State University, where I spend a class period lecturing on concentration in agricultural markets. Anti-competitive practices in US agriculture have broad and wide implications for our entire food chain. The problem could be addressed by enforcement of current laws such as the Packers and Stockyards Act, further regulation, and possibly new legislation.

Currently, a few companies control every step in the food supply. Some argue that the free market should determine the state of our food supply, but both producers and consumers are harmed when a few companies control the middle of the chain. Anti-trust law in particular has been misapplied to PSA litigation intended to protect producers. The PSA must be enforced and, if necessary, amended to protect producers from anti-competitive actions by food industries.

Concentration in agriculture results in rising prices, restricted research and innovation, and limited farmers' and consumers' choices. Fair production contracts are non-existent, with no competition in contract terms. The problem is worsening. The effects of concentration are widespread, from seed research to meat processing. To name a few:

- Costs of seed and other inputs are rising to historic highs while the prices farmers receive are falling.
- Farmers are losing their right to save seed, and independent seed companies are disappearing. More than 200 have disappeared since 1996.
- Farmers do not have the explicit right to bargain collectively, which they need in order to level the playing field and negotiate fair contracts.
- Patents and licensing agreements severely restrict plant breeders' and researchers' access to genetic material and prevent researchers from testing existing varieties.
- Programs at public universities are increasingly dependent on funding from private companies instead of public funds. As a result, publicly-owned seeds and breeds are dwindling, and innovation is declining.
- Manufacturers of GE crops are not held liable for contamination of farmers' crops. In fact, farmers are held liable, even when the GE content provides no economic benefit.
- Contracts often leave farmers with little financial or legal control over their situations and take away their right to privacy.
- The Packers and Stockyards Act prohibits unfair practices in the poultry industry, but it is rarely enforced because enforcement authority is split between the USDA and the Justice Department.
- Lack of regional competition and tacit collusion between poultry companies restrict contract farmers' options.
- The ranking system for contract poultry farmers is not based on true competition, and farmers who lose poultry contracts are not able to recapture their initial investments.

Farmers and consumers deserve an open and fair marketplace. Family farmers, independent companies, and public research are vital to the future of agriculture. These hearings can be an important step as the Justice

Department and the USDA work to restore fairness and competition. Please accept these comments and additionally, use them for establishing the scope of your upcoming hearings.

Sincerely,
Christy Anderson Brekken