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To: ATR-Agricultural Workshops <agriculturalworkshops@usdoj.gov>
Subject: Ag concentration comments
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Legal Policy Section
Antitrust Division
U.S. Depart. of Justice

December 30, 2009

Dear Good People,

Thank you for this opportunity to provide comments for next year's Department of Justice and USDA hearings, which are a sorely-needed first step to address concentration of ownership in American agriculture.

These hearings should address the broad implications of anti-competitive practices. A combination of vigorous enforcement, regulation, and legislation will be needed to restore competition and level the playing field.

I farm in the Skagit Valley in NW Washington State and have been watching the failure of farms to thrive for these 35 years. When I graduated from Washington State University in Animal Science and went to work for a local dairy farmer, he recognized in me a serious young farmer who loved cows. He urged me to buy some cows and get my own small herd growing, as he was doing for one of his milkers and his son, some 15 miles away. It's a good thing I didn't, as for the past 35 years I've watched over 100 dairy families fail and sell their herds and many to sell their farms; we've lost over 75% of the dairy farms in this valley. The impact to our agriculture here is terrible. Growers in the valley do a lot of land trading; those cows needed grass for pasture and silage and this grass formed the foundation for good crop rotations for many of the potato, berry and seed crops that are grown in this very unique region known for crop diversity and quality. We've lost the grassland base that was a key component for reducing insect, disease and weed problems for growers through out the region. Consequently the fields are fumigated much more often, more pesticides are applied and now we find dairies locating in the desert in the central part of Washington, with multiple thousands of cows, no family farmers in sight, just miserable animals and farmworkers really caught in the drudgery of modern day dairy farming.

Since 1975, we've also watched the number of vegetable and berry processing plants disappear from over 35 in Western Washington to 0. The last remaining processor, Twin City Foods, announced this year it would close it's Stanwood facility and transfer all of it's production to it's single remaining plant in the Columbia Basin where subsidized water has helped to concentrate vegetable production into thousands of acres of poor, sandy, desert soils. This type of production requires ever more fertilizer and pesticides to grow these crops and most years the erosion losses from wind further demonstrate that this type of agriculture is not sustainable. This loss of regional food processing has also robbed the strong competitive markets away from family farmers throughout Western Washington. The land no longer supports the farming family, and as the American Farmland Trust has studied and published; first the family can no longer make long term investments into the land and community, which starts the long downward spiral of the entire community. Then the land is vacated, left to grow to weeds and garbage until finally some developer buys it and sets up yet another big box corporate and distant entity that invests little into the local community or local businesses. Theoretically, we are lucky in Western Washington because so many people want to live here and until the recession, builders couldn't build fast enough the 3-4000 square foot houses that no-one can afford anymore. But by then, we've lost our independent, family based businesses that support people and community, our capacity to absorb floodwater, land corridors for wildlife, open space for people to enjoy the outdoors, and all the positive features too numerous to name here that came as a result from a diverse economy.

The loss of these critical markets for farm products and subsequent loss of farmers, also means that the ag

supply businesses that served these farms are greatly reduced. This means that the remaining farmers have to travel longer distances for supplies and services, which all take a toll on their productivity and profitability. I have friends that farm on the Olympic Peninsula and in Pierce County. They have to truck lime and fertilizer in from Mt. Vernon because there are no other distributors in their region. (their farms are hours away from Mt. Vernon)

When I first came to the valley it was common place for local kids to work in the fields. This provided many positive features for our community. Kids growing up knew where their food came from, understood seasonality, worked along side adults and learned respect and responsibility for our land and people. That is rare anymore, people don't know and don't care what is going on around them, area farmers are ever more dependant on migrant labor, and the whole issue of immigration reform is a big mess, made worse by corporate concentration and specialization. Tax policies that give incentives and exemptions for mechanizing, while continuing to impose high taxes on employment also steer local businesses away from investing into local employment and instead to invest in equipment solutions, and larger operations to amortize and justify more equipment investments.

There are a growing number of organizations, citizen activists, writers and eaters trying to create a new and vibrant culture around healthy, sustainably grown, local food. Though this is still a minority, there is great passion and new vision for how we might eat and produce our food. However there is no level playing field. Every aspect of our lives from how we are educated to consumable goods to health care to food and fiber production is all moving into fewer and fewer hands because so many aspects of our economic, banking, media and justice systems favor corporate management and concentrate wealth. We are losing our Democratic capacity because so many of our citizens are uninvolved, disenfranchised and now incredibly ignorant. I believe these trends fuel international polarization, and increase terrorism and destitute poverty.

Our food supply, from seed to grocery store shelf, essentially belongs to a handful of companies. As a result, prices are rising, research and innovation are restricted, fair contracts are difficult to negotiate, and farmers' and consumers' choices are limited. The problem is worsening. The effects of concentration are widespread, from seed research to meat processing.

- 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. But there are others who say it better than I, and the Dept of Justice is hearing from these groups that are working to support decentralized production and rebuild local economies.

The other groups whose efforts we support include:

Rural Advancement Fund International
Center for Rural Affairs
National Coalition for Sustainable Agriculture
National Organic Coalition
Organic Farming Research Foundation

Thank you for providing this critical opportunity to receive comments on concentration and control of agriculture. Please keep us informed of the process.

Sincerely,

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