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To: ATR-Agricultural Workshops <agriculturalworkshops@usdoj.gov>; Hilde Steffey <hilde@farmaid.org>
Subject: Farm Aid General Comment, DOJ/USDA competition workshops
Attach: Farm Aid General DOJ-USDA comment.doc

(submitted electronically to: agriculturalworkshops@usdoj.gov)

December 31, 2009

The Honorable Eric Holder
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Farm Aid is a national non-profit organization that has worked over the past 25 years to build a vibrant, family farm-centered system of agriculture in America. We are writing to provide general comments and suggestions with regard to the upcoming Department of Justice/U.S. Department of Agriculture workshops to be held in 2010.

Farm Aid artists and board members Willie Nelson, Neil Young, John Mellencamp and Dave Matthews host an annual concert to raise funds to support Farm Aid's work with family farmers and to inspire people to choose family-farmed food. Since 1985, Farm Aid has raised more than \$36 million to support programs that help farmers thrive, expand the reach of the Good Food Movement, take political action to challenge the dominant system of industrial agriculture and promote food from family farms.

As Farm Aid President Willie Nelson often reminds us, American family farmers are the backbone of the nation and the first rung on the economic ladder. When family farms fail, Main Street businesses fail. Yet, the opposite is also true < when family farms thrive, Main Street businesses and local communities thrive.

Far away from Wall Street, family farmers are creating real wealth and producing real value, growing from seeds and sunlight products that nourish us physically and economically. Supporting family farms is essential to the stability and vitality of our country. More specifically, strengthening diverse and decentralized family farm systems that are rooted in local and regional communities provides a powerful strategy for jumpstarting our fragile economy now and sustaining it into the future.

Across the nation, family farmers are on the cutting edge of thriving local food systems and farm economies. Instead of growing crops to be sold on the global market, many family farms are marketing the fruits of their labor close to home at farm stands, farmers markets and through Community Supported Agriculture programs. These initiatives help local money circulate within local communities, where it can do the most good.

Several challenges lie before us in scaling up these efforts and their economic benefits to reach more Americans. In 2007, US direct market sales rose 49%, reaching \$1.2 billion from their 2002 level of \$812 million. While this trend is promising, direct markets account for just 0.4% of total US agricultural sales, making a relatively small impact on the food system at large. Further, the growth of these direct markets fails to challenge the overwhelming power of an increasingly consolidated and industrial food system a system that has been shown time and again to contribute to poverty, income inequality, population fluctuations and lower community employment.

Meanwhile, midsized family farms are disappearing at an alarming rate. These farms are too small to compete within our highly consolidated agricultural markets and too large to rely on direct marketing arrangements alone. Yet, these are the very farms with the best capacity to transform our food and farm system into one that is viable, sustainable and secure.

Taken together, small and midsized farms manage 80% of farmland in the United States. These operations contribute to local tax bases, provide jobs, support local businesses and increase property values, among a slew of additional environmental and social contributions. It is no wonder, then, that family farms of this scale have immense potential to stimulate local markets and provide a strong foundation for the national economy. [1]

The first step in realizing the numerous contributions of family farmers is in tackling the unchecked imbalance of power that typifies agricultural markets in the United States today. Despite the innovation and tenacity that characterize America's family farmers, if they are not operating within a pricing system that is fair and transparent, they haven't a chance.

The lack of anti-trust enforcement in recent decades has been responsible for the misguided trajectory and limited bounds of our current food system. The result has been a severely concentrated marketplace, in which power and profit are limited to a few at the expense of countless hardworking family farmers who ask nothing more than a level playing field. We regret that recent administrations have turned a blind eye to the very real threat of corporate concentration to family farm livelihoods, rural economies and national food security. We applaud this administration's historic commitment to address issues of competition and concentration in agriculture, and urge you to make full use of the experience and wisdom of family farmers during every step of the process.

Thank you for the opportunity to submit comments for consideration.

Signed,

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[1] Research by T. Kautza (Impact of industrial farm animal production on rural communities. Industrial Farm Animal Production. Pew Commission. September 24, 2008) demonstrates that farms with a gross income of \$100,000 made nearly 95% of their expenditures locally while industrial farms with gross incomes exceeding \$900,000, in comparison, spent less than 20% locally.