

**From:** Francis Thicke <fthicke@iowatelecom.net>  
**Sent:** Thursday, December 31, 2009 6:47 PM  
**To:** ATR-Agricultural Workshops <agriculturalworkshops@usdoj.gov>  
**Subject:** Comments on Competition in Agriculture  
**Attach:** Competition hearing.doc

---

December 31, 2009

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

**These comments are in regard to the subject of the upcoming workshops to explore competition and regulatory issues in the agriculture industry:**

Concentration of agricultural markets has been increasing over the past several decades. I commend the Department of Justice for now being willing to examine this growing problem, and I urge you to take actions to correct it.

Economists tell us that when four firms control 40% or more of a market, that market loses its competitive nature. Currently, four firms control 83.5% of the beef packer market; four firms control 66% of the pork packer market; four firms control 58.5% of the broiler market. The turkey, flour milling, seed, and other agricultural markets are similarly concentrated.

The anticompetitive effects of market concentration is further compounded by the fact that some of the top four firms in each market category are also among the top four in other markets. For example, Tyson is number one in beef packing, number two in pork packing, and number two in broilers. This kind of horizontal integration encourages firms that dominate in several markets to manipulate prices in order to increase their market share. For example, when beef and broiler prices are profitable, a firm with dominant market share in beef, broilers, and pork can take measures to prolong the unprofitability of the pork market in order to force out firms that deal only in pork—while maintaining its own firm's overall profitability through the beef and broiler market sectors.

A good current example of the farm-level effects of market concentration is the milk market. Recently, dairy farmers have been experiencing record losses due to low farm-gate milk prices. At the same time, the largest dairy processor, Dean Foods—that is purported to control 40% of U.S. dairy processing—has posted record profits over the past two quarters. Clearly, Dean Foods has found a *modus operandi* that enables it to isolate itself from the market forces bearing on dairy farmers.

In conclusion, I commend you for initiating an investigation into the lack of competition in agricultural markets. Please pursue this aggressively. We need Teddy Roosevelt-style trust busting to bring competition back to American agriculture.

Sincerely,

Francis Thicke  
Farmer and Scientist (Ph.D., Agronomy)  
Candidate for Iowa Secretary of Agriculture