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Legal Policy Section, Antitrust Division,

U.S. Department of Justice

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Washington, D.C. 20001

12.31.09

To the members of the Antitrust Division, US Department of Justice,

I write to voice my support for the Department of Justice's recent move to investigate the agricultural sector for violations of US anti-trust law. A daughter of farmers from the Salinas Valley of California, I have witnessed first hand the massive consolidation in the food system that has occurred over the last two decades. Violations of anti trust law are widespread and have occurred in many different sectors. Most prominent have been the seed industry and the animal sector.

### Inputs

Seeds are the basis for all agriculture. Without seeds, there is no food. Whoever controls the seeds, controls the food supply. As of 2007, two companies owned 56% of the US seed supply. Monsanto and

DuPont, both major players in multiple sectors of the food supply, have a majority share control over the seed production in the US. [i] It has only been in the last few decades that the patenting of seeds has been legal. Since the landmark case of DIAMOND v. CHAKRABARTY, 447 U.S. 303 (1980), large corporations such as Monsanto, Novartis, Syngenta, and DuPont have quickly sought out increasing their market shares of the seed industry for profit. I believe that access to seeds is a fundamental human right, and should not be subject to the whims of a consolidated commercial marketplace. As we all depend on seeds for our food supply, fair competition should be enforced in that market place. The first sector of the food supply that deserves anti-trust investigation should be the seed industry.

Monsanto should be the first company investigated by the Department of Justice for anti-trust violations in the seed industry. It's pioneering research and production of genetically modified crops has been largely driven by its desire to patent new life forms, and they have turned the enforcing of those patents into hefty profits. Concurrent with their patenting frenzy, Monsanto has aggressively enforced patent infringement law, and has been repeatedly called out by the press and farmers as being *intimidating*, like the *Gestapo*, *Mafia*, and *Seed Police*. [ii] Globally acreage claimed by Monsanto accounts for 90% of the genetically modified seed supply. [iii] [iv]

### Animals

In Hendrickson and Heffernan's 2007 piece *Concentration of Agricultural Markets* they calculated that the CR4 (concentration ratio relative to 100% of the top four firms in a specific industry) for beef packers was 83.5%. [v] That means that the top four companies in the US controlled over 4/5 of the market. The ratio is similar for other parts of the animal industry. In pork packing, the CR4 was 66%, in broiler chickens just under 60%, turkeys 55%. The names of the firms who make the CR4 in the animal industry will sound familiar, as many of them are the same companies that hold large stock in other areas of the food sector, most notably industry pertaining to feed and grain, the largest cost associated with raising animals. These companies include but are not limited to Tyson, Cargill, Smithfield, Pilgrim's Pride, Sara Lee, and ADM. [vi] Further detail of the industry can be seen below in Figure 1 as depicted by Phil Howard's 2005 stark graphic of corporate consolidation.



Figure 1. Consolidation in animal production, and associated industries, 2005

Consequences[vii]

All Americans deserve access to a sustainable food and farming system. I agree with John Irked, when he said; *“as it pertains to agriculture, sustainable describes farming systems that are capable of maintaining their productivity and usefulness to society indefinitely. Such systems... must be resource conserving, socially supportive, commercially competitive, and environmentally sound.”* [viii] As it stands today, the American food system is not sustainable. Rampant and unchecked corporate consolidation has destroyed the competitive environment that fosters innovation, price stabilization, and best practice incentive. The consolidated atmosphere of all agricultural sectors, but most notably the seed industry and the animal sector, have resulted in a substantial reduction in choice for the American public. I urge the Department of Justice to investigate as many sectors of the food system as possible, concentrating first on the seed supply and animal industries. Investigate corporate giants Monsanto, Novartis, Syngenta, Cargil and ADM for their harsh exclusionary tactics that have assisted them in their rise to the top.

Act fast. Act Now.

Yours truly,

Jessica Beckett

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[i] *Wall Street Journal*, 1/22/2007; \*\* Jorge Fernandez-Cornejo, 2004, USDA-ERS, The Seed Industry in the US

[ii] Bartlett, Donald and Steele, James B *Monsanto's Harvest of Fear* Vanity Fair May 2008

[iii] Financial times 11.16.2006

[iv] Monsanto's dominance draws antitrust inquiry, Patented seeds are go-to for farmers, who decry their fast-growing price, *The Washington Post*, November 29, 2009

[v] 2007 *Concentration of Agricultural Markets* report, compiled by Mary Hendrickson and William Heffernan of University of Missouri Department of Rural Sociology.

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[viii] John Ikerd, as quoted by Richard Duesterhaus in "Sustainability's Promise," *Journal of Soil and Water Conservation* (Jan.-Feb. 1990) 45(1): p.4. NAL Call # 56.8 J822