

U.S. Rep. Pocan, U.S. Sens. Booker, Tester, Merkley, Warren: Introduce bill to impose moratorium on large agribusiness mergers

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Washington D.C. — Today, U.S. Senators Cory Booker (D-NJ), Jon Tester (D-MT), Jeff Merkley (D-OR), and Elizabeth Warren (D-MA) introduced the Food and Agribusiness Merger Moratorium and Antitrust Review Act of 2022, legislation that would place an immediate and indefinite moratorium on acquisitions and mergers in the food and agriculture sector. Supported by farm, food, rural, community, labor, consumer, and other advocacy organizations, the bill would also establish a commission that would study and publish recommended improvements to merger enforcement and antitrust oversight in the farm and food sectors. The moratorium would be lifted once Congress acts on the recommendations from the commission by passing comprehensive legislation to address the problem of growing market concentration in the agriculture sector. Companion legislation was introduced in the House of Representatives by Representative Mark Pocan (D-WI-02).

Concentration in the food and agricultural economy has accelerated at a rapid pace since the 1980s, and particularly since the Great Recession. This trend has far-reaching implications, especially for consumers. The infant formula industry, for example, has reached an alarming level of corporate concentration with four companies now controlling nearly 90 percent of the infant formula market. A disruption in the supply of just one infant formula producer now presents a grave risk to infant health in the United States. Consolidation also contributes to the widening gap in economic opportunity in the United States as dominant firms are likely to deliver profits to investors than to raise wages or benefits.

In the past four decades, the top four beef packers have expanded their market share from 32 percent to 85 percent. This increased concentration, combined with anticompetitive practices and other abuses by these large multinational meatpacking companies, are driving small family farmers out of business and undermining the economies of rural communities.

“Corporate profiteering and out-of-control consolidation by big agricultural firms have led to increased prices at every point on the food chain, from the farm to the grocery store,” Rep. Pocan said. “Congress must do more to help local farmers be competitive while providing greater market transparency to the American consumer. Today, too many middle-class families, farmers, and food workers struggle to make ends meet. Establishing a moratorium on agribusiness mergers will protect our farms and farmers while ensuring consumers continue to enjoy variety on supermarket shelves.” “Increased market concentration in the food and agricultural industry has led to disastrous consequences for family farmers and ranchers, food workers, food quality and safety, and communities,” said Sen. Booker. “In the past four decades, we have seen the top four firms in nearly every sector of the food and agriculture economy acquire outsized market power. Using this power as leverage, these firms have exercised undue influence over federal agriculture policies, driven family farmers and ranchers out of business, and increased food prices to pad their profits while consumers pay more at checkout lines.

“This alarming trend must be reversed,” continued Sen. Booker. “I am proud to introduce this critical legislation that would place an urgently needed and indefinite pause on agribusiness mergers while a newly created commission provides recommendations to Congress on strengthening our antitrust laws. Only once Congress acts to address the harm caused by growing corporate concentration will the moratorium be lifted. This gives us the time we need to update existing laws that will better protect America’s farmers and ranchers, workers, and communities being harmed by corporate consolidation.”

“Folks in Montana know that consolidation in our food systems is hurting rural America,” said Sen. Tester. “Whether it’s meatpacking or infant formula, a lack of competition in the marketplace leads to tighter margins for American producers, higher costs for consumers, and makes our country less safe when these multinational corporations fail to perform. Capitalism works exceptionally well when there’s competition, and this bill will help put family farmers back in the drivers’ seat by making our markets more competitive across the board.”

“When agribusiness conglomerates control the market, family farms suffer, making it difficult to earn fair prices and pushes them out of the market,” said Sen. Merkley. “This serves no one well and is devastating to our farming communities. I look forward to working with my colleagues to move this bill forward.”

“The agriculture and food industries are highly concentrated with only a few dominant players controlling a majority of the market,” said Sen. Warren. “It’s time to stop mergers that hurt workers and that enable the corporate price gouging that’s leading to higher costs for American families — this bill would help us do just that.”

“Food system concentration has enabled corporations to steal farmers’ profits, price-gouge consumers, and force workers into hazardous, underpaid conditions,” said Farm Action Fund’s Policy Advocate Sarah Carden. “These abusive practices have become all too commonplace, threatening both our food and national security. This legislation puts an immediate stop to further consolidation, allowing us to build a more fair and resilient food and farm system.”

“Corporate control of our food system is crushing American families with ever-rising grocery prices while putting sustainable family farms on the brink of extinction. Just a handful of profiteering companies exert enormous control over everything from international supply chains to the very seeds that farmers plant,” said Food & Water Watch Executive Director Wenonah Hauter. “Building a healthy and affordable food system requires standing up for family farms and rural communities. Passing this legislation is a critical first step in this process.”

“The ongoing concentration of our agriculture and food markets is allowing dominant agribusiness firms to exploit farmers and ranchers on one end of the supply chain and consumers on the other,” said Bill Bullard, CEO, R-CALF USA. “We applaud Senators Booker and Tester for reintroducing this bill that protects food producers and food eaters from further harm and establishes a mechanism to begin reversing that harm.”

Senator Booker has been calling for a moratorium on large agribusiness mergers since first introducing the legislation in 2018.

Full text of the Food and Agribusiness Merger Moratorium and Antitrust Review Act can be found [here](#).