

COMPETITION IN THE ECONOMY

The corporate entities that dominate many sectors of our economy are too big, and when they fail or take advantage of their power, all Americans suffer. As the effects of the pandemic have shown, our food supply chain, along with the rest of the economy, is more susceptible to disruptions because of the consolidated companies in the middle. Grocery prices have been driven up but farmers and ranchers don't see this increase in what they are paid; instead, they receive persistently lower prices. This is due in large part to consolidation of the processing and marketing companies in the middle of the food chain, which offers farmers and ranchers few choices for where to sell their crops and livestock. This harmful lack of competition is true not only for agriculture but also for healthcare, financial services, and many other sectors.

Fortunately, this summer, Congress and the Biden Administration have taken steps towards addressing this longstanding problem. In July, President Biden signed a far-reaching executive order on competition encompassing 72 initiatives involving more than a dozen federal agencies. These moves include a long list of key issues important for agriculture and rural communities. The order is a monumental step towards bringing fairness to the economy, not just for farmers and ranchers, but for all Americans.

Several Congressional hearings have been held to further investigate the state of the meat industry and how a lack of competition and open markets have negatively impacted farmers, ranchers, consumers, and rural communities. Other hearings have focused on other unfair, monopolistic market practices in other sectors like technology, energy, and pharmaceuticals.

As efforts continue to rebuild and strengthen our economy, policymakers are right to shine a light on the lack of competition as a root cause of many of the problems we face. Many leaders have signaled actions in the right direction, but we must press on until there is fairness for farmers.

"Capitalism without competition isn't capitalism, it's exploitation."

-President Joe Biden, July 2021

14.3¢

is the farmers' share of every retail food dollar spent.

WHAT WE CAN DO:

- ✔ Ask USDA to continue to issue strong rules to enforce competition laws and to invest in a more resilient food supply chain that will benefit farmers, ranchers, and rural communities.
- ✔ Request that Congressional committees hold more hearings on competition and refer them to the testimony of NFU President Rob Larew to the Senate Judiciary Committee in July.
- ✔ Support the Biden Administration's executive order on competition and give officials examples of how a lack of fairness in the marketplace harms all of us.