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April 18, 2023

Chair John Marty
Senate Finance Committee
3235 Minnesota Senate Building
95 University Ave. W
St. Paul, MN 55155

Dear Chair Marty and committee members:

On behalf of Minnesota Farmers Union (MFU), I write to share our support for the Attorney General's budget appropriation for FY24-25 in Chair Murphy's Omnibus State Government bill (SF1426). The funding in this legislation will help protect fair, open and competitive markets in Minnesota and build a strong economy.

MFU is a grassroots organization that has represented Minnesota's family farmers, ranchers and rural communities since 1918. At our annual convention in November, members voted to make limiting corporate control and ensuring competitive markets the number two priority for this legislative session. Ensuring the Attorney General has the resources to enforce our state and federal antitrust laws is critical to addressing the power of corporate monopolies.

Farmers find themselves on the front lines of our monopoly crisis.ⁱ The four largest meat packers control 54 percent of the nation's poultry processing, 65 percent of pork processing, and 85 percent of beef packing. Similarly, four companies control 82 percent of soybean crushing and 84 percent of wet corn milling. The inputs farmers rely on are also highly concentrated with three companies accounting for 95% of large tractor sales and just four firms controlling 85% of corn seeds and 76% of soybean seeds. While the companies have consolidated and raked in record profits, the farmer's share of every food dollar has declined from 50 percent in 1952 to 14.3 in 2021, the lowest amount on record.ⁱⁱ

Corporate concentration is not limited to agriculture as the economy overall has become 50% more concentrated since 2005 and a few enormous corporations dominate the entire market in a wide range of industries.ⁱⁱⁱ These corporate monopolies use their power to raise prices, lower wages, offshore jobs, hurt smaller businesses, and influence public policy and politics. For these reasons it should come as no surprise that 62% of Minnesota voters believe corporate monopolies are harming the state.^{iv}

The funding for the Attorney General's Office in SF1426 takes important steps towards addressing the immense power of dominant corporations. The one-time funding for establishment of the Large/Complex Consumer Litigation Multistate Fund will provide the Attorney General with the resources needed to engage in complex multistate antitrust cases that will protect Minnesota farmers, small businesses, workers, and families. With many corporate monopolies dominating markets nationwide, the ability to join other states in fighting anticompetitive conduct will be essential to helping Minnesotans afford their lives.

The funding for the Attorney General's Office in SF1426 will also provide for additional resources for the antitrust division. MFU has been very supportive of the action the antitrust team has taken to address important aspects of the livestock industry and other agricultural products of importance in Minnesota, but this talented team is also very small with only 2.5 FTE attorneys. This is fewer attorneys than several other states with similar or smaller populations such as Connecticut (7 FTE), Colorado (6 FTE), Nevada (5 FTE), and Washington (10 FTE).^v The additional funding in SF1426 would provide for two additional antitrust attorneys, a common-sense step forward.

While MFU strongly supports the funding in this legislation, we would ask the committee to consider adopting a provision in the House State Government omnibus bill that provides \$2.5 million in one-time funding in FY24 for antitrust and nonprofit oversight.

Chair Murphy's bill is an important part of addressing our highly concentrated economy and MFU urges the committee to support this legislation. If you have any questions, please contact our Government Relations Director, Stu Lourey, at stu@mfu.org or (320) 232-2047 (C). Thank you for considering the needs and perspectives of Minnesota's farm families.

Sincerely,

A handwritten signature in black ink that reads "Gary Wertish". The signature is written in a cursive style with a large, looped "G" and "W".

Gary Wertish
President, Minnesota Farmers Union

ⁱ <https://nfu.org/fairness-for-farmers/#statistics>

ⁱⁱ <https://nfu.org/farmers-share/>

ⁱⁱⁱ <https://www.axios.com/2022/05/26/new-paper-finds-monopolies-contribute-to-inflation>

^{iv} https://fcm-prod.s3.amazonaws.com/media/documents/MN_Polling_Results_FCM_x_PPP.pdf

^v <https://som.yale.edu/sites/default/files/2022-01/State-AG-Survey-Map-2020.pdf>