



305 Roselawn Ave E ▪ Suite 200 ▪ St. Paul, MN 55117
Phone: (651) 639-1223 ▪ www.mfu.org

March 31, 2023

Chair Erin Murphy
Senate State and Local Government and Veterans Committee
3211 Minnesota Senate Bldg.
95 University Ave. W
St. Paul, MN 55155

Dear Chair Murphy and committee members:

On behalf of Minnesota Farmers Union (MFU), I write to share our support for the funding for the Attorney General's Office (AGO) in the State and Local Finance omnibus bill (SF1426) which 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 a top priority for this legislative session. Ensuring the AGO 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 It is estimated that at the current rate of consolidation, the United States will be left with just one company by 2070.^{iv} 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.^v

The funding in SF1426 takes two important steps towards addressing the immense power of dominant corporations. The first is establishment of a Large/Complex Consumer Litigation Multistate Fund. This revolving litigation expense account will provide the AGO 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 second important component of this funding that MFU wants to highlight is the additional funding 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).^{vi} SF1426 will continue the work of rebuilding the antitrust division.

On that issue, MFU believes the committee should give consideration to a \$2.5 million one-time general fund appropriation in FY24 the House has proposed for the AGO for antitrust and nonprofit oversight.

The funding for the AGO in SF1426 is an important piece 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, slightly slanted style.

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://economicsecurityproject.org/work/antimonopoly/>

^v <https://drive.google.com/file/d/1X2skTDXXAsENr2Snn0PX8YX8ftfyvoWE/view>

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