

November 24, 2020

The Honorable Joseph R. Biden
President-Elect
Wilmington, DE

Dear President-Elect Biden,

The Campaign for Family Farms and the Environment (CFFE) congratulates you on your recent election and we look forward to working closely with your Administration on the issues that are critically important to family farmers, rural communities, workers and environment.

CFFE is a coalition of state and national organizations, including Dakota Rural Action (SD), Iowa Citizens for Community Improvement, Land Steward Project (MN), Missouri Rural Crisis Center, Food & Water Watch and Institute for Agriculture and Trade Policy. We work together to support family farmers, our rural communities and a vibrant, sustainable food system. Through this work, we oppose the national, state and local policies propping up corporate factory farms that are putting independent family farmers out of business, extracting wealth from our rural communities, polluting our land, water and air, and threatening our national security.

There are many reforms needed to address the stranglehold that a handful of multinational corporations have on each step of the livestock and protein supply chain. The recent disruptions in the food system caused by the pandemic, especially the meat supply chain, offer a vivid example of how excessive corporate control has made our food system less resilient while exploiting family farms, workers, rural communities, the environment, and public health.

During the COVID-19 disruption, the largest corporate meatpackers exploited the pandemic by forcing workers back into unsafe conditions at their processing facilities while continuing to export record amounts of meat outside the U.S. Big meat companies' lobbyists have steadily and successfully pushed for lax enforcement and deregulation of worker safety, antitrust, environmental and food safety protections. In this unprecedented crisis, multinational meat companies acted like they always do – increasing their profits while independent family farm livestock producers are paid less, workers are put at risk, and consumers pay more.

These problems have been plaguing family farmers and rural communities for many years, but the pandemic brought them into public view. As you develop your plans for the U.S. Department of Agriculture (USDA) and other agencies that impact the food system, we urge you to make sure the pandemic response goes to those who really need it, not multinational corporations, and to prioritize immediate actions to restore competition and fair practices to agriculture markets while working towards longer-term reforms that shift resources to family farm-based regional food systems instead of corporate-controlled industrialized operations.

Pandemic Response: Multinational corporations should not receive pandemic relief funds; instead, these public dollars should be going to independent family farmers and local and regional food infrastructure to ensure their survival during this challenging time.

- Public money should not be spent on new or expanding Concentrated Animal Feeding Operations (CAFOs) as part of the response to the pandemic, through direct payments, loan guarantees or other programs. CAFOs, whether beef, pork, poultry or dairy, are flooding our markets, pushing agricultural prices down, driving independent family farmers out of business and depressing rural economies. Corporate CAFOs are also directly tied to rising levels of harmful water and air pollution and negative health impacts in rural communities all over the country.
- The tariff relief program and USDA's pandemic response sent billions in taxpayer dollars to highly profitable multinational meat corporations through commodity purchases paid for with Commodity Credit Corporation funds. Multinational corporations should be prohibited from accessing agriculture funding created by the CARES Act or future pandemic relief packages to ensure that independent family farmers and small and medium sized businesses receive the full benefits of any response program.
- The federal government should prioritize protecting workers in meatpacking plants (and the rest of the food system) with enforceable workplace safety and health standards, stopping employers from retaliating against workers for reporting infection control problems or taking sick leave, and requiring tracking and public reporting of COVID-19 outbreaks in workplaces.

Restore Competition in Livestock Markets: Decades of corporate-controlled markets and policies have driven persistent overproduction which lowers prices paid to farmers. We need a more decentralized and functional marketplace where farmers are paid fairly, consumers pay a fair price, our rural communities are supported and our environment is protected. Specifically, USDA should take immediate steps to address the lack of competitive markets.

- Immediately reinstate the Grain Inspection Packers and Stockyards Administration as a stand-alone agency within USDA (GIPSA was dissolved by the Trump Administration). While this is an urgent first step, just restoring GIPSA is not sufficient to address what is wrong in livestock markets. A restored GIPSA must also act to enforce and improve regulations on meat and poultry companies' conduct.
- Immediately withdraw the 2020 version of the Farmer Fair Practices Rules.
- Use the 2016 version of the Farmer Fair Practices Rules as the starting point for a new rulemaking process (based on the 2008 Farm Bill) and address the following:
 - Do not include the "legitimate business justification" portion of the 2016 proposed rule.

- Do not narrow the application of the statutory language.
 - Make clear it is not necessary to show anti-competitive impact on the entire market to find an undue preference has occurred in violation of the Act.
 - Recognize that undue preferences may arise in any aspect of transactions between packers and producers.
 - Recognize that undue preferences may arise differently depending on the sector involved.
 - Include the 2007 proposed rules regarding contract transparency and disclosure requirements.
 - Include the 2008 proposed rules regarding the weighing of poultry, livestock, swine and feed.
 - Include the 2010 proposed rules to address a broader set of criteria and standards regarding livestock and poultry company actions that would be considered violations of the Act.
- Close loopholes in the regulations for *voluntary* country of origin labels to require that meat displaying a U.S. label actually comes from animals that were born, raised and slaughtered in the U.S. Work with Congress to reinstate *mandatory* country of origin labeling for meat and expand it to include dairy products.

Address Extreme Consolidation: Decades of unchecked mergers have led to extreme levels of consolidation and concentration in every sector of the food system, especially meat, poultry and dairy.

- The Federal Trade Commission (FTC) and Department of Justice (DOJ) should pause approval on new mergers of large agriculture, food processing or food retailing companies to stem the tide of mega-mergers that have driven unprecedented consolidation in the food sector.
- The FTC and DOJ, with input from the USDA, Commodity Futures Trading Commission and the Department of Labor, should thoroughly evaluate the effects that previous mergers have had on family farmers and ranchers, workers, rural communities, consumers and food system resilience.
- The FTC and DOJ should use the evaluation of past mergers to guide efforts to break up merged companies that are found to use anticompetitive practices or that have excessive control of markets.
- The results of the evaluation of previous mergers should also be used to update the guidelines used by DOJ and FTC to evaluate new mergers (horizontal and non-horizontal.)
- The USDA should establish a new division to address competition in the agriculture sector. The new division should assess the state of competition in all sectors of

agriculture where it has some statutory mandate (Packers & Stockyards Act, Agricultural Marketing Act, Perishable Agricultural Commodities Act, Federal Meat Inspection Act, Poultry Products Inspection Act, Egg Products Inspection Act), including measurements of concentration of market share in specific sectors and regions, and impacts on competition and price discovery from vertical integration, contracting practices, and intellectual property practices. This division should not only assess the state of competition in the agriculture system, but should also recommend cases for referral to relevant antitrust authorities (DOJ, FTC and/or GIPSA) for enforcement actions.

Support Family Farm-Based Regional Food Systems: In this depressed farm and rural economy, it is critical that public money is spent wisely, reaching the most family farmers possible. But too often, USDA's programs and funding are focused on propping up corporate-controlled factory farms. The expansion of new factory farms is fueled with government-backed: 1) loans for new construction, 2) economic development funding for massive new slaughterhouses, and 3) additional government subsidies for factory farms to handle the massive amounts of manure they create. Yet, USDA uses a tiny fraction of its resources to support vital programs that help beginning or socially disadvantaged farmers get training or technical assistance, finance their operations, or access suitable farmland, which is increasingly controlled by the largest players, some of them foreign corporations.

Instead of supporting corporate-controlled industrial livestock operations, we urge your Administration to take a new approach that prioritizes support for existing family farm operations and expanding opportunities for a diverse set of beginning farmers. USDA programs should be focused on helping address the perennial obstacle of access to farmland and ensuring all farmers, at every scale, have access to fair markets where they can get a price for their products that allows them to make a good living farming.

There is a long list of changes to USDA programs that are needed to make this shift. Some short-term improvements include:

- Stop using taxpayer-funded conservation programs such as USDA's Environmental Quality Incentives Program to give grants to CAFO operations to subsidize waste management practices they should have to pay for themselves.
- Stop providing USDA and Small Business Administration loan guarantees for new and expanding CAFO operations.
- Improve the accuracy of tracking of foreign ownership of farmland and compliance with the Agriculture Foreign Investment Disclosure Act and work with Congress to update USDA's authority to track and make publicly available information about foreign ownership of farmland.

One of the many lessons we should have learned from the global pandemic is that it matters who controls our food system. Right now, it's a few multinational conglomerates that write the

rules and extract every cent of wealth they can from family farmers, workers and consumers. We urge you to prioritize a democratic, decentralized farm and food industry that benefits independent family farmers, consumers, our national and food security, and environment as you craft the agenda for your new Administration.

We appreciate the opportunity to provide this input and would welcome the opportunity to further discuss these issues with your team. If you have questions or need more information, please contact Patty Lovera at pattylovera20@gmail.com.

Sincerely,

Campaign for Family Farms and the Environment

Dakota Rural Action
Iowa Citizens for Community Improvement
Land Stewardship Project
Missouri Rural Crisis Center
Food & Water Watch
Institute for Agriculture and Trade Policy