



February 2, 2023

Chair Ginny Klevorn
State and Local Government Finance and Policy Committee
581 State Office Building
100 Rev Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

Dear Chair Klevorn and committee members:

On behalf of Minnesota Farmers Union (MFU), I write to share our support for the Governor's FY24-25 recommended budget for the Minnesota Attorney General's Office 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 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 proposed budget for the Attorney General's Office takes two important steps towards addressing the immense power of dominant corporations. The first is establishment of the Large/Complex Consumer Litigation Multistate Fund. This revolving litigation expense account 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 second important component of this proposed budget 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).^v The proposed budget would fund two additional antitrust attorneys, a common-sense step forward.

This budget is an important piece of addressing our highly concentrated economy and MFU urges the committee to support this proposed budget. 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 a long, sweeping tail on the "h".

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://drive.google.com/file/d/1X2skTDXXAsENr2Snn0PX8YX8ftfyvoWE/view>

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