

Testimony of Angela Huffman Co-Founder and Vice President of Farm Action

Delivered at a Listening Forum Hosted Jointly By the Justice Department and Federal Trade Commission On the Firsthand Effects of Mergers and Acquisitions

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Thank you. I'm a co-founder of Farm Action and I appreciate the opportunity to share firsthand experiences of our members.

I want to bring two issues that are of great concern to us. In December, we sent a letter to the Justice Department requesting an investigation into the suspicious spike in fertilizer prices that began early last fall. Farmers are reporting fertilizer costs up 2 to 3 times what they were in 2020. These numbers precede Russia's invasion of Ukraine, which will only put further pressure on our farmers. In North America, two companies control all the potash, and four companies control 75% of nitrogen. Because these companies tie the price of fertilizer to the price farmers get paid for their crops, the farmer can never get ahead.

Because of these rising costs, many farmers can't afford the fertilizer they need this year. The burden is greater for smaller-scale farmers who don't have access to the credit this season's start-up expenses will require.

This year, their options are to plant fewer acres or use less fertilizer - both of which lead to reduced yields. They could also transform their plans for the season, and plant crops that need less fertilizer instead of nutrient-intense crops like wheat and corn. These choices our farmers are forced to make will only lead to greater food insecurity.

Our other concern today is the right to repair. Earlier this month, we joined with other farm groups to file a petition with FTC asking for an investigation into John Deere's abusive restrictions that prevent farmers and independent mechanics from repairing farm equipment.

Farmers are forced to rely on equipment dealers, which oftentimes take weeks or months to complete a repair. Small errors, like a sensor misfire, can cost farmers several hundred dollars in repair work PLUS tens of thousands of dollars in the loss of precious small windows in which they are able to get into the field. Because the equipment dealer is holding a monopoly on repair, farmers are also experiencing price gouging. Farmers are at the mercy of these companies and need antitrust action.

Thank you for the opportunity to raise these issues.