

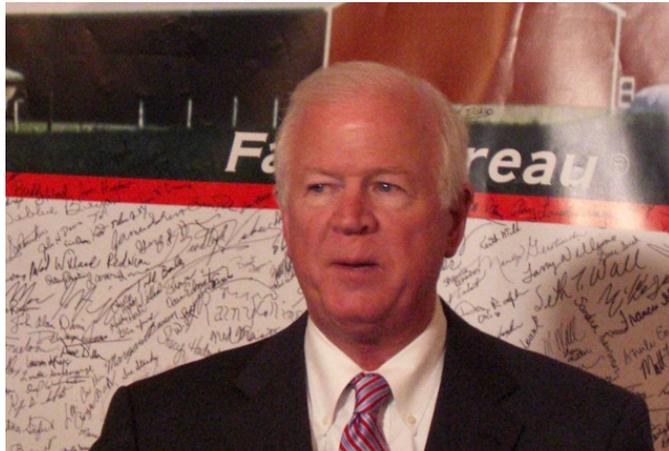
## **Sens. Chambliss & Roberts worried by USDA-DOJ agriculture competitiveness probe**

**By Agri-Pulse Staff**

© Copyright Agri-Pulse Communications, Inc.

Washington, March 10 – Warning of “unintended consequences of government intervention in the market,” Senators Saxby Chambliss (R-GA) and Pat Roberts (R-KS) wrote Agriculture Secretary Tom Vilsack and Attorney General Eric Holder Wednesday to express concern about the planned USDA/Justice Department series of workshops on agriculture competitiveness issues. (For information on the workshops which begin Friday in Iowa, go to: [www.agri-pulse.com/uploaded/20100310H1.pdf](http://www.agri-pulse.com/uploaded/20100310H1.pdf).)

In their letter, the senators urge the administration to ensure the workshops are “balanced and reflect the wide array of producers and business operations in modern-day agriculture.” The senators warn Vilsack and Holder against allowing the workshops to become “venues for further fact-finding or public scrutiny of agricultural businesses that are already subject to existing antitrust laws and in some cases are under investigation or prosecution by the federal government.”



**Sen. Saxby Chambliss (R-GA) in Senate Agriculture Committee chamber Wednesday when Farm Bureau delivered 100,000 cards opposed to EPA regulating greenhouse gas emissions. Photo: Agri-Pulse.**

The two senators acknowledge that “Industry concentration is a concern for some.” But they write that this concentration “has led to better income margins for producers and processors as well as lower prices for consumers.”

The letter sent to Sec. Vilsack, with a copy to Attorney General Holder follows:

March 10, 2010

The Honorable Thomas J. Vilsack

Secretary of Agriculture  
U.S. Department of Agriculture  
1400 Independence Avenue, SW  
Washington, DC 20250

Dear Secretary Vilsack:

It is with great interest and concern that we write regarding the upcoming workshops you are holding on competition issues in agriculture. We urge you to ensure that these sessions are balanced and reflect the wide array of producers and business operations in modern-day agriculture.

Agriculture is vital to all Americans, although many people have no idea from where their food comes. In addition to feeding our country, the agriculture industry benefits American consumers with a dependable and renewable source of fiber and energy. It also provides a significant number of jobs, investment and export opportunities for rural communities. Outside the United States, American agriculture is responsible for feeding the world.

With an ever growing world population to feed, agricultural operations, markets and related business practices have changed a great deal in recent years. Several industry segments have become more vertically-integrated, while other small and successful agriculture businesses have merged in order to better serve larger numbers of consumers. And, producers have turned to alternative marketing arrangements for the commodities produced or livestock raised.

As with any significant shift, changes in the agriculture marketplace have been met with a range of viewpoints. Industry concentration is a concern for some. However, such change has led to better income margins for producers and processors as well as lower prices for consumers. Accordingly, competition issues in agriculture have been studied extensively by several entities including the United States Congress and, specifically, the Senate Agriculture Committee. As you begin your own review, we caution you to embark on a balanced evaluation that, importantly, includes careful consideration of the unintended consequences of government intervention in the market. We are deeply concerned that the result of any review not stifle innovation and thereby create a one-size-fits-all marketplace in which all producers are treated the same regardless of economics or free market principles.

Beyond our interest in a balanced review, we would hope that no correlation is planned between the upcoming workshops and current enforcement activity in your respective Departments. From recent news of lawsuits to undo mergers to heightened scrutiny of premerger activity and other investigative activities with agribusiness companies from a variety of sectors, it is readily apparent that both the Department of Agriculture and Department of Justice are already quite engaged in this area. We are concerned there is potential for your workshops to become venues for further fact-finding or public scrutiny of agricultural businesses that are already subject to existing antitrust laws and in some cases are under investigation or prosecution by the federal government.

With tremendous gains in productivity, efficiency and innovation, American agriculture is a true success story. In that success, competition in this industry has been and will

continue to be a topic of discussion. As this conversation moves forward, it is critical to ensure an open and competitive marketplace. Moreover, all segments of the agriculture industry must be represented and heard. From small-scale niche producers to multi-national packing companies, each sector is key to a thriving agriculture economy. Lastly, any new activity proposed must avoid the unintended consequence of chilling innovation, investment or job creation in American agriculture.

For other *Agri-Pulse* news stories, go to: [www.agri-pulse.com](http://www.agri-pulse.com).

#30