IOWA FARM BUREAU
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Thank you, Chairman Grassley, Ranking Member Durbin, and Senate Judiciary Committee, for allowing me to testify on these important issues.

My name is Noah Coppess. My wife Jessica and I farm full-time while also running our own agricultural business in the Stanwood area of Cedar County, Iowa. We have two teenage kids. On our farm we raise commercial corn, seed corn, soybeans and have a small cow herd. In addition to raising our own crops, we do row-crop farming for hire and sell pesticides and fertilizer to our customers. Today, I am here to represent my farm, my customers, my county, and my fellow members of the Iowa Farm Bureau.

There is little doubt that the agricultural sector has experienced significant structural changes in the 21st century, with consolidation emerging as a defining trend. This process has influenced production systems, market dynamics, and policy considerations. Today, just four companies dominate U.S. beef processing (73%), pork (67%), and chicken (54%), while global giants control over 60% of agrochemical and seed markets.

While consolidation can offer benefits, including cost efficiencies and technological adoption - which are critical for meeting global food demand - it also presents challenges, like reduced competition and limited market access for smaller producers and a severe lack of price transparency.

The history of antitrust and agriculture goes back over 100 years to the era of largely unregulated business, dominated by a handful of industry titans. These business heads frequently paired their aggressive business practices with buying out or merging with competitors to establish market domination. The resulting mega-businesses often controlled large swaths of their respective markets and left little or no competition.

As these mega-companies continued to take advantage of both their suppliers and end-use buyers and forced mergers and consolidation by undercutting and pricing out their smaller competition, Congress decided to take action. The Sherman Act, signed into law by President Harison in 1890 aimed to restore and preserve free competition and markets by outlawing practices that unreasonably restrained trade, combat the monopolization of business, and instill within the federal government the power to bring legal action against trusts. Since then, the Sherman Act has been amended and superseded in part by other pieces of legislation, and remains in effect today as an important tool against restraints of trade that restrict competition unreasonably and monopolization

In addition to Sherman, the Clayton Act prohibits consolidation when it may “substantially lessen competition” or “tend to create a monopoly.” When the Federal Trade Commission (FTC) was established in 1914, it took charge of enforcing antitrust laws, such as those found in the Sherman and Clayton Acts, and others in the same spirit. It’s the establishment of the FTC that fully brings agriculture into focus. After living costs & expenses exploded, coinciding with the outbreak of World War I, President Woodrow Wilson commissioned an FTC investigation into the back-half of the agriculture industry - livestock dealers, the stockyards, and meat packers. What the FTC found and reported on was that there was severe market manipulation and fraud occurring at the hands of a few largely consolidated companies that had slipped through the cracks of regulation under the Sherman and Clayton Acts. After continued pressure and threat of antitrust litigation from the Wilson Administration, the "Big Five" packers agreed to a consent decree which removed them from the vertical pillars of their supply chain, including retail, warehouses, stockyards, and more.

While such a decree was a start, there was still momentum to address agricultural antitrust principals via legislation, resulting in Congress passing the Packers and Stockyards Act (PSA) in 1921. While there was a similar flavor to the preceding Sherman and Clayton Acts, the PSA was much more narrowly tailored to fit the agricultural industry, with the noted intent to "regulate interstate and foreign commerce in livestock, livestock produce, dairy products, poultry, poultry products, and eggs, and for other purposes." Other related changes over the years include amendments to the Act, such as the expansion of USDA's jurisdiction over all auction markets in 1958, increasing non-payment protections and requiring bonding from meat packers with livestock purchases totaling $500,000 or more in a calendar year in 1976, including additional protections for live poultry sellers & contract growers in 1987, and the requirement to perform an annual assessment of the cattle & hog industries in 2000, among many others.

From an inputs side, in the 1980s and 1990s, early mergers established regional monopolies in potash and phosphate, laying the foundation for global market influence. This trend accelerated between 2016 and 2018, when mega-mergers reshaped the competitive landscape. The potash and nitrogen supply was consolidated under fewer entities, while other mergers consolidated other inputs, reducing diversity across the sector.

Reduced competition in potash and nitrogen markets has historically correlated with price rigidity, particularly during supply shocks. The pandemic amplified these vulnerabilities, as concentrated processing capacity triggered sharp price spikes in 2020 and 2021. Today, acquisitions in biological and regenerative inputs point to emerging price differentiation, where environmental attributes command a premium.

Since 2020, Iowa's row crop economy has seen both ups and downs. Following 2020, a year characterized by both drought and a derecho, 2021 proved to be a much stronger year for corn and soybean returns. With Russia's invasion of Ukraine, commodity prices spiked, and 2022 also proved to be a strong year for row crop farmer returns.

It isn't only commodity prices that increased since 2020, however. The post-COVID inflationary environment combined with the Russia-Ukraine war caused input prices to skyrocket as domestic and world supply chains adjusted to both shocks.

Then, in 2023, corn and soybean prices fell substantially. In 2024, prices slid further and remained depressed due to large production numbers and even larger USDA estimates. In just two short years, from 2022 to 2024, cash receipts for crop production in Iowa fell by 26%.

Average Iowa cash prices received for corn and soybeans, $ per bushel, 2020-2024 (Iowa State University Extension an Outreach Ag Decision Maker File A2-11)[1]

	2020	2021	2022	2023	2024
Average Corn Price ($/bu)	$4.64	$6.10	$6.62	$4.61	$4.40
Average Soybean Price ($/bu)	$11.10	$13.40	$14.20	$12.20	$9.95

Unfortunately, while farm production inputs increased along with commodity prices, most production costs have barely seen a fraction of the decline. Iowa State University publishes cost of production estimates for crops grown in Iowa. Total input cost per acre has increased from $688.54/acre in 2020 to $926.75/acre in 2024. While Labor and Land costs contribute to some of this increase, 66% of this increase is due to the "Machinery" and "Seed, chemicals, etc." categories. The "Seed, chemicals, etc." category includes seed, fertilizer, herbicide, insecticide, insurance, interest, and other costs.

Table 2. Estimated Costs of Crop Production in Iowa, Corn Following Corn, 2020-2025 (Iowa State University Extension an Outreach Ag Decision Maker File A1-20)[2]

	2020	2021	2022	2023	2024	2025
Machinery	$128.46	$126.73	$146.56	$202.49	$187.93	$194.98
Seed, chemicals, etc.	$299.79	$311.84	$415.55	$479.49	$425.60	$389.35
Labor	$41.30	$42.70	$47.60	$50.40	$53.20	$56.42
Land	$219.00	$222.00	$232.00	$285.00	$285.00	$286.00
Total cost per acre	$688.54	$703.28	$841.70	$1,017.38	$951.73	$926.75
Assumed yield (bu/acre)	182	184	180	185	185	192
Total cost per bushel	$3.78	$3.82	$4.68	$5.50	$5.14	$4.83

Accounting for these costs, USDA reports that net farm income in Iowa fell 53% – from $14.87 billion in 2022, to $7.00 billion in 2024.

[1] https://www.extension.iastate.edu/agdm/crops/html/a2-11.html
[2] https://www.extension.iastate.edu/agdm/crops/html/a1-20.html

Input prices that follow commodity prices quickly upward but slowly downward raise many questions about the pricing practices of production input suppliers. Given the concentration of fertilizer, seed, and equipment manufacturers, many of those questions turn to the potential pricing implications of that competition.

The potential benefits and costs of concentration in an industry are well documented however, economic studies often find that the benefits from competition outweigh the anticompetitive costs.

Furthermore, concentration enables firm behavior that would not be possible in a less-concentrated industry. For example, The Mosaic Company, one of the world's largest phosphate producers, pushed for and successfully obtained Counter-Vailing Duties (CVD) on phosphate imports from Morocco and Russia during a period of exceptionally high fertilizer prices.

One bright spot we would highlight is that Farm Bureau has reached agreements with five leading agricultural equipment manufacturers to secure farmers' and ranchers' right to repair their tractors and other essential implements.

Farmers have started calling for strengthening antitrust enforcement and expanding USDA's role in assessing merger impacts. We have no doubt that consolidation will continue, shaped by demographic trends, technological requirements, and global trade pressures. The challenge for lawmakers and the ag industry will be to balance efficiency with fairness and resilience. Farmers need lawmakers to promote competition, support farmers, demand transparency, and encourage innovation. This will be essential for building a resilient agricultural system.

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