#### Congress of the United States

Washington, DC 20515

May 13, 2024

The Honorable Joseph R. Biden, Jr. President of the United States The White House 1600 Pennsylvania Avenue NW Washington, D.C. 20500

Dear President Biden:

We write to encourage the Biden-Harris Administration to continue taking robust actions to lower food prices for American families. We commend the important steps your Administration has recently taken on this issue, including steps to combat illegal and unfair corporate behavior, encourage competition in the food and grocery sectors, and more. The federal government should use every possible tool to lower food prices. We believe you can exercise your executive authority to take additional action to address rising food prices without congressional action. Americans are facing sky-high food prices, caused by excessive price gouging by food and grocery giants. A small group of players dominate those industries: four grocery retailers account for over a third of national grocery sales<sup>1</sup> and four food companies control more than 60 percent of sales in most grocery categories.<sup>2</sup> These companies have raked in record profits in recent years, with CEOs bragging on earnings calls about how their price hikes exceed inflation.<sup>3</sup> Researchers found that corporate profits accounted for more than 50% of food price increase between 2020 and 2021, whereas they accounted for only 11% of increases in the four decades prior.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> U.S. Department of Agriculture, Economic Research Service, "A Disaggregated View of Market Concentration in the Food Retail Industry," Eliana Zeballos, Xiao Dong, and Ergys Islamaj, January 2023, p. 5, <u>https://www.ers.usda.gov/webdocs/publications/105558/err-314.pdf?v=9764.2.</u>

<sup>&</sup>lt;sup>2</sup> Food & Water Watch, "The Economic Cost of Food Monopolies: The Grocery Cartels," Issue brief, November 2021, p. 5, <u>https://www.foodandwaterwatch.org/wp-content/uploads/2021/11/IB\_2111\_FoodMonoSeries1-SUPERMARKETS.pdf</u>.

<sup>&</sup>lt;sup>3</sup> Groundwork Collaborative, "What's Driving the Rise in Grocery Prices – and What the Government Can Do about it," Elizabeth Pancotti, Bharat Ramamurti, and Clara Wilson, February 2, 2024,

https://groundworkcollaborative.org/work/whats-driving-the-rise-in-grocery-prices-and-what-the-government-cando-about-it/; TIME, "How Food Companies' Massive Profits Are Making Your Groceries More Expensive," Nik Popli, April 6, 2023, https://time.com/6269366/food-company-profits-make-groceries-expensive/.

<sup>&</sup>lt;sup>4</sup>. Groundwork Collaborative, "What's Driving the Rise in Grocery Prices – and What the Government Can Do about it," Elizabeth Pancotti, Bharat Ramamurti, and Clara Wilson, February 2, 2024,

https://groundworkcollaborative.org/work/whats-driving-the-rise-in-grocery-prices-and-what-the-government-cando-about-it/.

As a result, consumers are spending more of their income on food than they have in the past 30 years.<sup>5</sup> Grocery price increases have outpaced inflation, with families paying 25% more for groceries as compared to before the pandemic.<sup>6</sup> These higher prices hit low-income families the hardest: in 2022, the bottom fifth of the income spectrum spent 25% of their income on groceries, compared to less than 3.5% for the highest fifth.<sup>7</sup> Meanwhile, corporate CEOs are urging Americans "to eat cereal for dinner and use Doritos as a side dish to combat price hikes."<sup>8</sup> Americans across the political spectrum have pointed to the cost of food and groceries as their top concern related to inflation.<sup>9</sup>

Your Administration has taken critical steps to lower food prices. Earlier this month, you launched an interagency Strike Force to combat unfair and illegal pricing.<sup>10</sup> Your Administration has challenged anticompetitive mergers in the food industry like the \$24 billion Kroger-Albertsons merger deal,<sup>11</sup> taken price-fixing corporations in the agricultural industry to court, <sup>12</sup> and partnered with state Attorneys General to crack down on price gouging.<sup>13</sup> Additionally, your Administration has proposed new regulations to improve fairness and competition in meat and poultry supply chains.<sup>14</sup> We also applaud your Administration's investment of nearly \$200 million in domestic food supply chains to create more resilient local food markets, <sup>15</sup> and its

<sup>&</sup>lt;sup>5</sup> Wall Street Journal, "It's Been 30 Years Since Food Ate Up This Much of Your Income," Jesse Newman and Heather Haddon, February 21, 2024, <u>https://www.wsj.com/economy/consumers/its-been-30-years-since-food-ate-up-this-much-of-your-income-2e3dd3ed</u>.

<sup>&</sup>lt;sup>6</sup> Groundwork Collaborative, "What's Driving the Rise in Grocery Prices – and What the Government Can Do about it," Elizabeth Pancotti, Bharat Ramamurti, and Clara Wilson, February 2, 2024,

 $<sup>\</sup>underline{https://groundworkcollaborative.org/work/whats-driving-the-rise-in-grocery-prices-and-what-the-government-cand-about-it/.$ 

<sup>&</sup>lt;sup>7</sup> Id.

<sup>&</sup>lt;sup>8</sup> Business Insider, "Americans are turning to gardening, hunting, and extreme couponing to combat rising food prices," Erin Snodgrass, February 27, 2024, <u>https://www.businessinsider.com/americans-consumers-costs-gardening-hunting-fight-rising-food-prices-2024-2</u>.

<sup>&</sup>lt;sup>9</sup> Data for Progress, "Voters Who Are Concerned About Inflation Are Mostly Concerned About Grocery Prices – and Overwhelmingly Support Taking Action Against 'Shrinkflation,'" Rob Todaro, February 12, 2024, <u>https://www.dataforprogress.org/blog/2024/2/12/voters-concerned-about-inflation-are-mostly-concerned-about-grocery-prices-overwhelmingly-support-action-against-shrinkflation</u>.

<sup>&</sup>lt;sup>10</sup> White House, "FACT SHEET: President Biden Announces New Actions to Lower Costs for Americans by Fighting Corporate Rip-Offs," press release, March 5, 2024, <u>https://www.whitehouse.gov/briefing-room/statements-releases/2024/03/05/fact-sheet-president-biden-announces-new-actions-to-lower-costs-for-americans-by-fighting-corporate-rip-offs.</u>

<sup>&</sup>lt;sup>11</sup> Federal Trade Commission, "FTC Challenges Kroger's Acquisition of Albertsons," press release, February 26, 2024, <u>https://www.ftc.gov/news-events/news/press-releases/2024/02/ftc-challenges-krogers-acquisition-albertsons</u>.

<sup>&</sup>lt;sup>12</sup> U.S. Department of Justice, "Justice Department Sues Agri Stats for Operating Extensive Information Exchanges Among Meat Processors," press release, September 28, 2023, <u>https://www.justice.gov/opa/pr/justice-department-sues-agri-stats-operating-extensive-information-exchanges-among-meat</u>.

<sup>&</sup>lt;sup>13</sup> U.S. Department of Agriculture, "USDA Launches Historic Partnership with Bipartisan State Attorneys General to Help Reduce Anticompetitive Barriers Across Food, Agriculture Supply Chains," press release, July 19, 2023, <u>https://www.usda.gov/media/press-releases/2023/07/19/usda-launches-historic-partnership-bipartisan-state-attorneys</u>.

<sup>&</sup>lt;sup>14</sup> U.S. Department of Agriculture, "Meat and Poultry Supply Chain," <u>https://www.usda.gov/meat</u>

<sup>&</sup>lt;sup>15</sup> U.S. Department of Agriculture, "Biden-Harris Administration Partners with Ag Producers to Strengthen Agricultural Supply Chains and Lower Food Costs," November 27, 2023, <u>https://www.usda.gov/media/press-</u>

provision of nearly \$900 million to state, tribal, and territorial governments to purchase local goods to help support local, regional, and underserved producers.<sup>16</sup> Lawmakers have complemented these actions with proposals like the *Price Gouging Prevention Act of 2024* and the *Shrinkflation Prevention Act*.<sup>17</sup>

We urge you to leverage the full scope of your executive authority on this issue. We encourage you to consider the following proposals:

# 1. Encourage the Federal Trade Commission (FTC) and work with the U.S. Department of Agriculture (USDA) to prohibit exclusionary contracting by dominant firms in the food industry.

Major retailers and food brands use exclusionary contracting to shut out smaller suppliers and drive up prices at smaller stores.<sup>18</sup> This translates to fewer options for consumers and more opportunities for big players to extract profit at the expense of American families. Exclusive dealing, including agreements for less than 100% exclusivity, can violate the Sherman Act and the Clayton Act.<sup>19</sup> Exclusionary payments could also constitute a violation of the Robinson-Patman Act,<sup>20</sup> an unfair method of competition under the FTC Act,<sup>21</sup> or an unfair practice under the Packers and Stockyards Act. The Administration should encourage the FTC to promulgate a rule under Section 5 of the FTC Act to prohibit or curb exclusionary contracting in the food industry. It should work with USDA to do the same under the Packers & Stockyards Act.

Exclusionary practices in the food and grocery industry include:

• Slotting fees (also known as "display," "promotional," "end cap," or "pay to stay"

fees): Retailers charge suppliers fees to appear on shelves, either once initially or on an

releases/2023/11/27/biden-harris-administration-partners-ag-producers-strengthen.

<sup>18</sup>Yale Law & Policy Review, "Kickbacks and Corporate Concentrating: How Exclusionary Discounts Limit Market Access for Community-Based Food Businesses," Claire Kelloway & Matthew Jinoo Buck, December 23, 2023, <u>https://yalelawandpolicy.org/inter\_alia/kickbacks-and-corporate-concentration-how-exclusionary-discounts-limit-market-access</u>.

https://www.ftc.gov/system/files/ftc\_gov/pdf/SygentaComplaint.pdf (FTC suit against pesticide manufacturers Syngeta and Corteva for allegedly paying distributors not to carry cheaper generic pesticides); Open Markets Institute et al., Petition for Rulemaking to Prohibit Exclusionary Contracts (July 21, 2020),

https://static1.squarespace.com/static/5e449c8c3ef68d752f3e70dc/t/5f1729603e615a270b537c3d/1595353441408/ Petition+for+Rulemaking+to+Prohibit+Exclusionary+Contracts.pdf.

<sup>&</sup>lt;sup>16</sup> U.S. Department of Agriculture, Agricultural Marketing Service, "Local Food Purchase Assistance Cooperative Agreement Program," <u>https://www.ams.usda.gov/selling-food-to-usda/lfpacap</u>.

<sup>&</sup>lt;sup>17</sup>Price Gouging Prevention Act of 2024, S. 3803, <u>https://www.congress.gov/bill/118th-congress/senate-bill/3803;</u> Shrinkflation Prevention Act, S. 3819, https://www.congress.gov/bill/118th-congress/senate-bill/3819.

<sup>&</sup>lt;sup>19</sup> Id.

<sup>&</sup>lt;sup>20</sup> In 2000, McCormick & Company settled charges that it violated the Robinson-Patman Act by using slotting fees, cash rebates, and other exclusionary schemes. Federal Trade Commission, "McCormick & Company, Inc.," press release, May 2, 2000, <u>https://www.ftc.gov/legal-library/browse/cases-proceedings/9610050-mccormick-company-inc</u>.

<sup>&</sup>lt;sup>21</sup> See, e.g., FTC et al. v. Syngenta Crop Protection AG et al., complaint,

ongoing basis.<sup>22</sup> Parties may also negotiate to give a particular supplier a favorable shelf location or exclusivity. Dominant brands have been able to require supermarkets to allocate 90% of shelf space within a particular section.<sup>23</sup> As a result of these types of exclusionary practices, launching a new product can cost from \$10,000 to over \$100,000, depending on retailer and region.<sup>24</sup> These excessive fees "can translate into costs that suppliers pass onto all retail outlets and that consumers then incur through higher food prices."<sup>25</sup>

- *Category captain arrangements:* Retailers sometimes designate a supplier as a "category captain." The captains provide market research and shelf layout advice, sometimes in exchange for preferred shelf space. Even when captains provide "free" market insights, the advice may be self-serving.<sup>26</sup> This creates a positive feedback loop: captains' data justifies giving the captains more shelf space and prime placement.<sup>27</sup>
- Rebates: Major suppliers sometimes offer food distributors or retailers cash back or rebate incentives for reaching a set sales volume or a portion of all purchases within a food category. These volume-based rebates are common among food service management companies (FSMCs), which run food services for colleges, businesses, and cultural venues.<sup>28</sup> Just three corporations control more than 75% of the FSMC industry and together purchase more than \$40 million in food and goods each year.<sup>29</sup> Big food manufacturers (like Tyson Foods or Pepsi) and distributors (like Sysco) offer kickbacks to incentivize FSMCs to spend major portions of their budgets on dominant firms.<sup>30</sup>

<sup>&</sup>lt;sup>22</sup> American Antitrust Institute, "AAI Presses Creative Responses to Slotting Fees in the Grocery Industry, as Skitol Testifies in Senate," September 14, 1999, <u>https://www.antitrustinstitute.org/work-product/aai-presses-creative-responses-to-slotting-fees-in-the-grocery-industry-as-skitol-testifies-in-senate/</u>.

<sup>&</sup>lt;sup>23</sup> Yale Law & Policy Review, "Kickbacks and Corporate Concentrating: How Exclusionary Discounts Limit Market Access for Community-Based Food Businesses," Claire Kelloway & Matthew Jinoo Buck, December 23, 2023, <u>https://yalelawandpolicy.org/inter\_alia/kickbacks-and-corporate-concentration-how-exclusionary-discountslimit-market-access</u>.

<sup>&</sup>lt;sup>24</sup> Id.

<sup>&</sup>lt;sup>25</sup> American Antitrust Institute, "AAI Presses Creative Responses to Slotting Fees in the Grocery Industry, as Skitol Testifies in Senate," September 14, 1999, <u>https://www.antitrustinstitute.org/work-product/aai-presses-creative-responses-to-slotting-fees-in-the-grocery-industry-as-skitol-testifies-in-senate/</u>.

<sup>&</sup>lt;sup>26</sup> Brewers Association Insider, "Chain Retailers; How to Get the Most Out of Category Management for Your Craft Segment," 2013,

https://www.brewersassociation.org/attachments/0001/2999/Category\_Management\_Case\_Study.pdf.

<sup>&</sup>lt;sup>27</sup> Yale Law & Policy Review, "Kickbacks and Corporate Concentrating: How Exclusionary Discounts Limit Market Access for Community-Based Food Businesses," Claire Kelloway & Matthew Jinoo Buck, December 23, 2023, <u>https://yalelawandpolicy.org/inter\_alia/kickbacks-and-corporate-concentration-how-exclusionary-discountslimit-market-access</u>.

<sup>&</sup>lt;sup>28</sup> Id.

<sup>&</sup>lt;sup>29</sup> Food & Power, "Report Exposes System of Big Food Kickbacks to Cafeteria Contractors, Cutting out Local Producers," Claire Kelloway, May 20, 2020, <u>https://www.foodandpower.net/latest/2020/05/20/report-exposes-system-of-big-food-kickbacks-to-cafeteria-contractors-cutting-out-local-producers</u>.

<sup>&</sup>lt;sup>30</sup> Id.

#### 2. Encourage the FTC to issue guidance on potential violations of the Robinson Patman Act and Section 5 of the FTC Act within the food industry, and investigate and take enforcement action where merited.

Food retail has seen a 458% increase in market concentration at the national level since 1990.<sup>31</sup> Dominant grocery chains leverage their buying power to get lower prices, exclusive offerings, and priority access to high-demand products, leaving independent grocers paying higher prices for the same products.<sup>32</sup>

The Robinson Patman Act aims to create a level playing field among different retailers by ensuring that both small and large firms generally pay the same price for the same products.<sup>33</sup> It prohibits manufacturers and wholesalers from discriminating in price between different purchasers for commodities of like grade and quality, unless the discrimination is based on the lower costs of serving the preferred purchaser or is necessary to meet competition from a rival supplier.<sup>34</sup> The Administration should encourage the FTC to issue enforcement guidance outlining potential violations of the Robinson Patman Act within the food industry. The FTC can also investigate potential violations of the RPA beyond its existing inquiries in the beverage industry.<sup>35</sup> The FTC's guidance could encompass suppliers' price discrimination among different retailers as well as retailers' provision of differential facilities.<sup>36</sup>

<sup>&</sup>lt;sup>31</sup> Yale Law and Policy Review, "Kickbacks and Corporate Concentrating: How Exclusionary Discounts Limit market Access for Community-Based Food Business," Claire Kelloway & Matthew Jinoo Buck, December 23, 2023, <u>https://yalelawandpolicy.org/inter\_alia/kickbacks-and-corporate-concentration-how-exclusionary-discounts-limit-market-access</u>; U.S. Department of Agriculture, Economic Research Service, "A Disaggregated View of Market Concentration in the Food Retail Industry,"Eliana Zeballos, Xiao Dong, and Ergys Islamaj, January 2023, p. 5, 8, <u>https://www.ers.usda.gov/webdocs/publications/105558/err-314.pdf?v=9764.2</u> (finding that "all indicators show[ed] an increase in market concentration between 2012 and 2019.").

<sup>&</sup>lt;sup>32</sup> Washington Monthly, "Everyday High Prices: How Discounting Led to Inflation, Shortages, and Inequality," Phillip Longman, January 8, 2023, <u>https://washingtonmonthly.com/2023/01/08/everyday-high-prices/;</u> National Grocers Association, "Enforce the Robinson-Patman Act, <u>https://www.nationalgrocers.org/antitrust/</u>; National Grocers Association, "Buyer Power and Economic Discrimination in the Grocery Aisle: Kitchen Table Issues for American Consumers," <u>https://www.nationalgrocers.org/wp-content/uploads/2021/03/NGA-Antitrust-White-Paper25618.pdf.</u>

<sup>&</sup>lt;sup>33</sup> Harvard Business Review, "How an Old U.S. Antitrust Law Could Foster a Fairer Retail Sector," Brian Callaci & Sandeep Vaheesan, February 9, 2022, <u>https://hbr.org/2022/02/how-an-old-u-s-antitrust-law-could-foster-a-fairer-retail-sector</u> (explaining that the Robinson Patman Act "aimed to bar large buyers from extracting lower prices through raw market power").

<sup>&</sup>lt;sup>34</sup> 15 U.S.C. 13.

<sup>&</sup>lt;sup>35</sup> Politico, "Pepsi, Coke soda pricing targeted in new federal probe," Josh Sisco, January 9, 2023, https://www.politico.com/news/2023/01/09/pepsi-coke-soda-federal-probe-00077126; Federal Trade Commission, "Petition: Retail Services & Systems, Inc. d/b/a Total Wine & More," October 20, 2023, https://www.ftc.gov/system/files/ftc\_gov/pdf/total\_wine\_petition.pdf.

<sup>&</sup>lt;sup>36</sup> Slotting fees arguably violates Section 2(d) and 2(f) of the Robinson Patman Act. See DePaul Law Review, "Slotting in the Retail Grocery Business: Does it Violate the Public Policy Goal of Protecting Businesses Against Price Discrimination?," Robert J. Aalberts & L. Lynn Judd, 1991, <u>https://via.library.depaul.edu/cgi/viewcontent.cgi?</u> <u>article=2004&context=law-review</u>; American Antitrust Institute, "Testimony of Robert A. Skitol Before Committee on Small Business United States Senate Hearings on Slotting Fees in the Grocery Industry," September 14, 1999, <u>https://www.antitrustinstitute.org/work-product/aai-presses-creative-responses-to-slotting-fees-in-the-groceryindustry-as-skitol-testifies-in-senate/</u>.

#### **3.** Work with USDA to increase the number of government contract recipients that are very small businesses.

The United States' food production system is heavily concentrated among a small number of large corporations, which can contribute to higher food prices and limited choices for consumers. The federal government directly purchased over \$9 billion worth of food in FY2022, nearly half of which was purchased by USDA.<sup>37</sup> USDA's top 25 vendors (of a total of more than 9,000 vendors) received nearly half of total agency spending in FY 2022.<sup>38</sup>

Federal agencies with contracting authority are statutorily required to facilitate the maximum participation of small businesses as contractors.<sup>39</sup> The Small Business Act also authorizes and, in some cases, requires agencies to reserve contracts for small businesses.<sup>40</sup> The Small Business Administration (SBA) determines which firms are defined as small businesses by setting revenue or employee-based thresholds on an industry-by-industry basis. The current revenue-based thresholds<sup>41</sup> may prevent smaller farmers and food producers from benefiting from small-business set-asides and participating in federal procurement.

The Administration should work with USDA to increase contracting with smaller businesses, defined by a relatively low employee-based threshold, such as 100 or 200 employees, or by market share.<sup>42</sup> We encourage the Administration's budget request to address administrative and staffing barriers to increased procurement from small producers and businesses. USDA could also aim to award contracts to a certain number of very small businesses, to ensure that USDA contracts are not disproportionately awarded to a few suppliers. Encouraging the flow of federal dollars to a broader base of very small farms and other agricultural businesses will help encourage market competition and build resiliency in the American agricultural sector, helping to reduce consolidation that has resulted in higher consumer prices.

### 4. Work with USDA to ensure that technical factors reflect the long-term costs of food sector consolidation.

The Federal Acquisition Regulation (FAR) permits agencies to undertake a "tradeoff process" for certain contracts, wherein the agency can accept an offer other than the lowest price proposal

<sup>&</sup>lt;sup>37</sup> Federal Good Food Purchasing Coalition, "Measuring and Modeling Climate, Environmental, and Social Impacts of Federal Food Procurement," November 2023, <u>https://www.fedgoodfoodpurchasing.org/resources/impact-analysis-full-report</u>. USDA's commodity purchases are for school districts, food banks, low-income seniors, foreign aid, and Native reservations. *Id*.

 <sup>&</sup>lt;sup>38</sup> *Id.*; *see also* U.S. Small Business Administration, Small Business Data HUB, <u>https://datahub.certify.sba.gov/</u>.
<sup>39</sup> 15 U.S.C. 644(e)(1).

 <sup>&</sup>lt;sup>40</sup> Congressional Research Service, "An Overview of Small Business Contracting," p. 14, Robert Jay Dilger & R. Corinne Blackford, July 29, 2022, <u>https://crsreports.congress.gov/product/pdf/R/R45576</u>.
<sup>41</sup> 13 C.F.R. 121.201.

<sup>&</sup>lt;sup>42</sup> See FAR 19.5; AGAR 419.5. In addition to Small Business set-asides, USDA could use set-asides for 8a entities (FAR 19.8), WOSB/EDWOSB set-aside (19.15), HubZone (19.1305), and Service Disabled Veteran Owned Small Business Set-asides (19.1405).

in consideration of "non-cost factors."<sup>43</sup> USDA can amend its agency-specific procurement supplement, the Agriculture Acquisition Regulation, and/or the USDA Contracting Desk Book<sup>44</sup> that specifies "technical evaluation factors" to encourage agricultural competition and supply chain resiliency at the local level.

### 5. Urge the Department of Justice (DOJ) and the FTC to scrutinize, and where appropriate, block mergers and acquisitions in the food and agricultural sectors.

Federal agencies should strive to prevent further consolidation in the food and agricultural sectors by blocking or unwinding mergers and acquisitions where appropriate.

#### 6. Encourage DOJ to prosecute actors in the agricultural and food sectors for pricefixing and other anticompetitive behavior.

DOJ has filed numerous lawsuits combating anticompetitive violations of the Sherman Act and the Packers and Stockyards Act in the agricultural and food sectors. These include Packers and Stockyards Act cases against Cargill and Koch Foods, wage-fixing cases against major poultry producers, and price-fixing cases against AgriStats, an agriculture data and analysis company.<sup>45</sup> DOJ should continue to combat anticompetitive behavior, including through prosecution of the "Big Four" meatpackers for price-fixing, if merited.<sup>46</sup>

## 7. Direct the CFTC and FTC to form a joint task force to investigate food price manipulation throughout the supply chain.

Commodity price volatility has significantly increased since the pandemic in response to geopolitical events and extreme weather.<sup>47</sup> Commodity traders have profited from these fluctuations, with the five biggest traders tripling their profits in the last three years.<sup>48</sup> Consistent

<sup>&</sup>lt;sup>43</sup> FAR 15.101-1.

<sup>&</sup>lt;sup>44</sup> USDA Office of Contracting & Procurement, Contracting Desk Book v3.6 at 57, 80, effective October 20, 2023, <u>https://www.usda.gov/sites/default/files/documents/usda-contracting-deskbook.pdf</u>, (examples of evaluation factors that might be included for sustainable acquisition).

<sup>&</sup>lt;sup>45</sup> U.S. Department of Justice, "Deputy Assistant Attorney General Michael Kades Delivers Remarks at the 2023 Food & Agribusiness National Conference," November 9, 2023, <u>https://www.justice.gov/opa/speech/deputy-assistant-attorney-general-michael-kades-delivers-remarks-2023-food-0</u>.

<sup>&</sup>lt;sup>46</sup> Small food distributors filed a price-fixing suit against the major meatpackers in October 2023, but the suit was dismissed in January 2024 for lack of standing. Western Livestock Journal, "Big Four hit with another price-fixing lawsuit," Anna Miller, January 12, 2024, <u>https://www.wlj.net/top\_headlines/big-four-hit-with-another-price-fixing-lawsuit/article\_0a3079a2-6f59-11ee-a837-a75e057cf4da.html</u>. DOJ and USDA conducted an investigation into the major meatpackers in 2020. U.S. Department of Agriculture, "USDA Provides Update on Investigation Following 2019 Tyson Beef Plant Closure and COVID-19 Pandemic," July 22, 2020, <u>https://www.usda.gov/media/press-releases/2020/07/22/usda-provides-update-investigation-following-2019-tyson-beef-plant</u>.

<sup>&</sup>lt;sup>47</sup> New York Times, "Heat, War and Trade Protections Raise Uncertainty for Food Prices," Eshe Nelson, Ana Swanson, and Jeanna Smialek, August 10, 2023, <u>https://www.nytimes.com/2023/08/10/business/global-food-prices-volatility.html</u>.

<sup>&</sup>lt;sup>48</sup> Centre for Research on Multinationals, "Hungry for Profits," Vincent Kiezebrink and Maarten Hietland, January 30, 2024, <u>https://www.somo.nl/hungry-for-profits/</u>.

with the CFTC's authority to investigate and combat manipulation in commodity prices, one CFTC Commissioner recently proposed that the Commission leverage its detailed market data to study wheat and other commodities markets that have exhibited extreme volatility to ensure that prices are being driven by market fundamentals rather than excessive speculation.<sup>49</sup> We recommend the CFTC partner with the FTC, which has the authority to protect consumers from unfair or deceptive practices with respect to food,<sup>50</sup> to investigate price gouging throughout the food supply chain. We recommend the CFTC and FTC create a joint task force to investigate the issue.

These proposals are just examples of the additional actions your Administration can take to help families at the grocery store. The American people are relying on your Administration to combat corporate greed and higher food prices.

Thank you for your attention to this important matter.

Sincerely,

Elizabeth Warren United States Senator

ar Allamin

Richard Blumenthal United States Senator

Bernard Sanders United States Senator

Cory A. Booker United States Senator

<sup>&</sup>lt;sup>49</sup> Commodity Futures Trading Commission, "Opening Statement of Commissioner Christy Goldsmith Romero Before the Energy and Environmental Markets Advisory Committee," September 20, 2022, <u>https://www.cftc.gov/PressRoom/SpeechesTestimony/romerostatement092022</u>.

<sup>&</sup>lt;sup>50</sup> See 15 U.S.C. 45.

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Peter Welch United States Senator

James P. Une

James P. McGovern Member of Congress

Ilhan Omar Member of Congress

Berne Water Colema

Bonnie Watson Coleman Member of Congress

Raja Krishnamoorthi Member of Congress

Martin Heinrich United States Senator

Matt Cartwright Member of Congress

Nydia M. Velázquez Member of Congress

phana Hayco

Jahana Hayes Member of Congress

Chelk R\_\_\_\_

Chellie Pingree Member of Congress

Quis Suma

Julia Brownley Member of Congress

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Member of Congress

KU GR Delia C. Ramirez

Member of Congress

Milan

Richard E. Neal Member of Congress

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Becca Balint Member of Congress

Geano H. Noton

Eleanor Holmes Norton Member of Congress

Rosa Lordand

Rosa L. DeLauro Member of Congress

Aude J. Janz

Linda T. Sánchez Member of Congress

Adam B. Schiff Member of Congress

Alexandria Ocasio-Cortez Member of Congress

Bennie A.

Bennie G. Thompson Member of Congress

Ro Khanna Member of Congress

Sheila Jackson Lee Member of Congress

Barbara Lee Member of Congress

Susan Wild Member of Congress

Jan Schakowsky Member of Congress

Kasheda Slail

Rashida Tlaib Member of Congress

Ma/C

Mark DeSaulnier Member of Congress

Seth Moulton Member of Congress

Jesús G. "Chuy" García Member of Congress

Mark Pocan Member of Congress

- 0 Chenn Ivey

Member of Congress

Symme S. Prese

Ayanna Pressley Member of Congress

Chris Deluzio Member of Congress

André Carson Member of Congress

Josh Harder Member of Congress