September 12, 2022

Hon. Jared Golden, Chair & Hon. Claudia Tenney, Ranking Member
U.S. House of Representatives Committee on Small Business Subcommittee on Underserved, Agricultural and Rural Business Development
2360 Rayburn House Office Building
Washington, DC 20515-0315

Dear Rep. Golden, Rep. Tenney, and Members of the Subcommittee,

Thank you for this opportunity to present testimony at the Subcommittee hearing titled, "Right to Repair and What it Means for Entrepreneurs."

I am a family farmer in Maine. I work closely with our son, Caleb Gerritsen, who is the chief mechanic on our farm. We both strongly support the concept of preserving the right of farmers and independent shops to repair the equipment farmers own. We urge Congress to codify traditional farmer and independent shop repair rights by passing legislation which serves the public good by leveling the economic playing field, restraining monopoly control, and thereby uplifting the economy and enhancing the freedom and liberty of working Americans.

For almost fifty years, along with my family, I have been growing organic crops on our farm. We are located in Aroostook County, the northernmost county in the State of Maine, still referred to as the "Potato Empire." Through the early 1950s, Maine led the nation with the greatest number of acres of potatoes grown in any State. Though in more recent decades potato production has shifted westward, to this day Aroostook County grows more acres of potatoes than any other county in the U.S., save one.

On our isolated farm, adjacent to the North Maine Woods, we raise organic Maine Certified Seed Potatoes and other types of organic seed. Our crops have all been Certified Organic for forty years, including the last twenty years under the regulation of the USDA National Organic Program. We are active, longtime members of numerous farm organizations, including National Farmers Union, Maine Organic Farmers and Gardeners Assn (MOFGA), Organic Eye, and Maine Farm Bureau.

For more than forty years we have directly-sold our crops to retail customers, originally selling at local farmers markets. Beginning thirty-three years ago we developed a mail order organic seed business and catalog, later adding an online store. We retail directly to home and market gardeners and have customers in all fifty States. We employ a dozen local co-workers. Virtually all positions are year-round, and our crew includes both family members and neighbors who help us serve the needs of the tens of thousands of customers in our database. The US Postal Service is our primary parcel delivery vendor, and Fedex is our secondary parcel delivery vendor.

My wife, Megan, and I have handed our farm down to our son, Caleb. He is a skilled mechanic and after high school he increased his knowledge and ability by earning a degree in Diesel Hydraulic Mechanics at the local community college. Caleb does an excellent job maintaining our tractors and equipment. In Aroostook County, it is extremely common for farmers to do most of their own equipment repair work.

By design, in order to increase our own financial farm viability, our farm stability and our overall independence, we long ago consciously made the strategic decision to *only* own farm equipment that we ourselves are able to repair. Therefore, we have avoided purchasing modern, electronically-sophisticated farm tractors and equipment which contain computer chips. For example, on our family farm we rely upon a fleet of older, sturdy, American-made tractors from the 1970s and even before, which we are capable of repairing and in fact have rebuilt ourselves.

We would never choose to place ourselves in the vulnerable position of being at the mercy of malfunctioning electronic sensors, then being involuntarily forced into "limp mode," and becoming locked out from using equipment we "own" until an expensive dealer mechanic arrives at their convenience with their rescuing computer software. When a problem as common and as minor as water condensation in a diesel tank can cause a sudden "limp mode" restriction during peak planting or harvest, not only is an individual farmer placed at risk, but extrapolating the system vulnerability, so is our nation's food security.

In recent years the media has been increasingly covering the widespread rejection by farmers of overly complicated, unreliable and excessively high-priced tractors. As a practical alternative, many farmers in addition to ourselves, are opting to purchase older, proven, reliable tractors which they can completely rebuild for a fraction of the price of a new tractor.

Resistance against dubious new tractor design was documented in a report released last year (<u>https://pirg.org/resources/deere-in-the-headlights-3/</u>). "Of 74 farmers across 14 states surveyed by U.S. PIRG Education Fund and National Farmers Union, 77% indicated that they had bought older-model equipment to avoid the software in newer equipment."

While the entire economy is under duress from the negative impacts of monopoly control, nowhere is the fallout from this concentration of power more apparent than it is in agriculture. At the same time as farmers are facing hard economic times, large multinational corporations are raking in record profits. This is due to massive economic consolidation and monopoly power in the food and agricultural sector, which currently sees two leading firms combining for 70% of corn and 61% of soybean seed sales in the U.S. In the meat industry today, according to a White House briefing addressing "concentration in the meat industry" published on September 8, 2021, the four largest beef beef-packing firms control 82% of the market; while in poultry, the top four chicken processing companies control 54% of the market, up from 35% in 1986; and in the pork industry the level of market consolidation is now up 66%, up from 33% of the market in 1976. (https://www.whitehouse.gov/briefing-

<u>room/blog/2021/09/08/addressing-concentration-in-the-meat-processing-industry-to-lower-food-prices-for-american-families/</u>) This level of economic concentration and monopoly power in agriculture has led to a hollowing out of rural America, and a significant decline not only in the number of farms and jobs available in rural communities, but also a complete dismantling of local meat and food processing infrastructure.

Now they're coming for our equipment and our tractors.

As corporate concentration increases, farmers become increasingly disadvantaged on both ends: fewer input sources for farm production - including tractors and equipment - and fewer market opportunities for selling crops.

Dealership consolidation is a troubling manifestation of growing monopoly control. In a follow up PIRG report released this year (<u>https://pirg.org/resources/deere-in-the-headlights-ii-2/</u>), PIRG_research indicated "82% of Deere's 1,357 agricultural equipment dealerships are a part of a large chain with seven or more locations. This mass consolidation means that there is one John Deere dealership chain for every 12,018 farms and every 5.3 million acres of American farmland." Even Aroostook County has been impacted by undesirable dealership consolidation. After sixty-three years of independent ownership by the local Theriault family, the local John Deere dealership in Presque Isle was sold last winter to United Ag & Turf which now **owns 63 John Deere agricultural equipment dealerships** (<u>https://www.farm-equipment.com/articles/19872-united-ag-turf-expands-to-63-locations-with-northeast-acquisitions</u>).

In closing, let me encourage your Subcommittee to work together and create legislative remedies which will provide America's ailing family farms with greater resiliency, increase fair market competition and provide Americans with a more stable food supply. Congress should enjoin the U.S. Department of Justice to vigorously enforce existing laws which restrain monopolies, including the Sherman Antitrust Act of 1890. We are living in a new era. Therefore, appropriate modernized legislation will be necessary to adjust to the times and force farm equipment manufacturers and software companies to play fair, prevent abuse and manipulation of markets, and be effectively restrained from negative monopolistic behaviors.

Thank you for this opportunity to testify to your Subcommittee via Zoom. I will be happy to try and answer any questions you may have.

Sincerely,

Jim Gerritsen

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