

## PACKERS AND STOCKYARDS ACT

In July 2021, President Biden issued an executive order on competition that directs the U. S. Department of Agriculture (USDA) to write new rules under the Packers and Stockyards Act (PSA). The 100-year-old PSA was originally intended to protect poultry and hog farmers and cattle ranchers from unfair, deceptive, and monopolistic practices in the meat market. But for the last few decades, under both Democratic and Republican administrations, USDA has not fully enforced these important protections for farmers and ranchers, which has enabled rampant consolidation.

The effects of an anticompetitive marketplace are being felt by farmers and ranchers. There has been a spate of price fixing lawsuits brought against major meat packers, processors, and integrators in the last five years, with multiple indictments and guilty pleas. Cattle markets, which until recently had been insulated from some of the worst abuses, are being increasingly negotiated through contracts that are not publicly disclosed. Without oversight, companies have been able to depress the prices paid to farmers and ranchers.

But it isn't just about prices. Our dominant, consolidated meatpacking industry is susceptible to disruptions, as the pandemic, cyberattacks, and extreme weather events have illustrated. With that in mind, there is growing support for addressing corporate power and building a more resilient and equitable food supply chain.

USDA will soon offer up proposed rules under the PSA that will:

- Offer fairer wages to poultry growers.
- Make it easier for farmers to legally challenge unfair practices.
- Clarify which practices are unfair, discriminatory, or deceptive under the PSA.

In 2018, the share of the market controlled by the four largest companies totaled:

# 85%

in beef packing

# 70%

for pork processing

# 59%

of chicken processing

### WHAT WE CAN DO:

-  Submit comments in favor of the new Packers and Stockyards Act rules when they are proposed by USDA.
-  Support bills that would bring more price transparency, discovery, and reporting to beef markets through mandatory price reporting, cash market requirements, and contract libraries.