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# The Office of Attorney General Lori Swanson

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Tuesday, October 21, 2008

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October 20, 2008

## Press Release

### ATTORNEY GENERAL SWANSON JOINS U.S. DEPARTMENT OF JUSTICE AND 12 ATTORNEYS GENERAL IN SUIT TO BLOCK MERGER OF TWO OF THE TOP FOUR BEEF PROCESSORS IN THE U.S.

*Deal would increase beef prices to consumers*

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Minnesota Attorney General Lori Swanson today joined the United States Department of Justice and Attorneys General for 12 other states in filing a lawsuit to block the acquisition by the world's largest beef processor, JBS Beef, SA, of National Beef Packing Co, a major American beef packer.

JBS Beef, SA, a Brazil corporation, is already in the process of acquiring Smithfield Beef group and, following this transaction, it would be the second largest beef packer in the United States. A subsequent merger with National Beef Packing Co. would make JBS the largest beef packing company in the United States and give JBS approximately a third of the U.S. fed cattle processing market.

The lawsuit alleges that the acquisition of National Beef by JBS would substantially lessen competition in violation of the Clayton Act, a federal antitrust law. According to the complaint, if the merger went forward, JBS and the remaining two large beef processors, Tyson and Cargill, would control over 80% of U.S. fed cattle processing capacity, making it a highly concentrated market. As a result, JBS, Tyson and Cargill would have the market power to raise the prices that consumers pay for beef products. The complaint also asserts that the merger would have an adverse impact on farmers, ranchers, and feedlots who raise cattle.

"Preserving competition among beef processors is important for both consumers and farmers," Swanson said. "Consolidation in the agricultural markets often comes at the expense of consumers and smaller farming operations, and the merger ought to be stopped."

JBS announced its plans to purchase National Beef for \$560 million on February 29, 2008.

The lawsuit arises out of a joint investigation among the U.S. Department of Justice and the Attorneys General of Minnesota, Colorado, Iowa, Kansas, Missouri, Montana, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Texas, and Wyoming. The lawsuit was filed in the federal district court in Chicago, Illinois.

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