



MONTANA DEPARTMENT OF JUSTICE · ATTORNEY GENERAL MIKE MCGRATH

**ATTORNEY GENERAL MIKE MCGRATH
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McGrath: Attorneys General Sue to Block Merger of Beef Processors JBS, National

HELENA – Attorney General Mike McGrath said today that Montana has joined 12 states and the U.S. Department of Justice in a suit to block the merger of JBS Beef, SA, and National Beef Packing Co. JBS and National are the third and fourth largest beef processors in the United States, respectively.

The deal would give Brazil-based JBS — the world's largest beef processor — a third of the U.S.-fed cattle processing market and make it the largest beef processor in the United States, concentrating over 80 percent of U.S.-fed cattle processing capacity in just three companies.

According to the [complaint \(PDF\)](#) filed today in federal district court in Chicago, the proposed merger would eliminate head-to-head competition between the two companies and give JBS and the remaining two large beef processors, Tyson and Cargill, the market power to reduce the prices they pay to cattle producers, ranchers and feedlots.

At the same time, the concentration in the market would enable JBS, Tyson and Cargill to raise the prices they charge customers — like supermarkets — for processed beef.

McGrath noted that in Montana in 2006, cattle and calves accounted for nearly half of all cash receipts of all agriculture commodities.

"The cattle industry is big business in Montana," McGrath said. "This action is aimed at protecting Montana ranchers who raise cattle and, ultimately, consumers who buy beef."

The other states filing are Colorado, Iowa, Kansas, Minnesota, Missouri, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Texas and Wyoming.

Earlier this year, JBS also entered into an agreement to acquire Smithfield Beef Group. The acquisition with Smithfield is not part of the challenge filed Monday.

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