

# Attorney General Ellison welcomes Biden Administration plan to strengthen competition in meatpacking

*Plan today comes in wake of bipartisan letter AG Ellison led to USDA Sec. Vilsack, asking for greater enforcement to ensure fairness and integrity for Minnesota farmers, ranchers, and consumers*

**January 3, 2022 (SAINT PAUL)** — Minnesota Attorney General Keith welcomes the new Biden Administration plan to increase competition in the meat processing industry. The Administration's announcement today comes on the heels of [similar recommendations](#) that a bipartisan coalition of 16 attorneys general — co-led by Attorney General Ellison and Wyoming Attorney General Bridget Hill, in close coordination with Iowa Attorney General Tom Miller — made to USDA Secretary Tom Vilsack last month to improve competition in the meat processing industry, in order to help farmers, ranchers, and consumers in Minnesota and across the country.

Earlier today, the Administration [announced](#) a variety of initiatives to improve competition in the meat processing industry, issue stronger rules under the Packers and Stockyards Act, and better coordinate antitrust efforts between the U.S. Department of Agriculture and the U.S. Department of Justice. The plan will also dedicate \$1 billion from the American Rescue Plan Act to expand independent meat processing capacity. In today's announcement, the Biden Administration incorporated several of the solutions that Attorney General Ellison and the bipartisan coalition offered in their letter last month.

"Consolidation of markets and decreased competition in meat processing and all areas of agriculture make it harder for all Minnesotans to afford their lives, whether they are farmers, ranchers, or consumers," Attorney General Ellison said. "I pulled together this bipartisan coalition to ask the Biden Administration to address this important issue, and I'm pleased that they've listened and taken some productive first steps. I'm also glad this is an area where we have agreement across party lines. Consolidation in agriculture hurts people in every state, no matter the party of their attorney general, by making the economy less fair, so it's important that we collaborate to help producers support their families and rural communities and help everyone afford their lives."

In the [December 21, 2021 letter to Secretary Vilsack](#), Attorney General Ellison and the bipartisan coalition raised concerns about the increasing market concentration in meatpacking and offered solutions to aid USDA in efforts to strengthen enforcement under the Packers and Stockyards Act.

The Packers and Stockyards Act, which dates to 1921, was intended to address unfair, deceptive, and anti-competitive practices in meat markets. Over time, however, corporate consolidation has led to less competition for producers' livestock and poultry. In 1977, the four largest beef packers only accounted for 25% of the market, but as of 2018, the four largest packers controlled 85% of the market. Similarly, in 1976, the four largest processors of pork

controlled 33% of the market, while in 2018, the largest four processors accounted for 70% of the market. The result has weakened prices, forced many producers from the market, and reduced the number of livestock farms and ranches. This market consolidation hurts Minnesota farmers, ranchers, and consumers.

Without increased enforcement and government oversight, the promise of the Packers and Stockyard Act is in jeopardy. In the letter, Attorney General Ellison and the bipartisan coalition offer a number of recommendations to Secretary Vilsack and Andrew Green, USDA Senior Advisor for Fair and Competitive Markets. Those recommendations include asking them to:

- Consider how increased concentration and related mergers have resulted in meat packers' ability to charge higher prices to consumers, while paying producers less for their livestock and poultry;
- Consider using funds appropriated through the American Rescue Plan Act of 2021 to establish a grant that state antitrust enforcers could use to investigate and bring actions in agricultural markets;
- Move forward with an investment of more than \$500 million to support and incentivize new competitive entrants in meat and poultry processing, as well as smaller facilities;
- Review reforms for cash market procurement minimums proposed by the various producer organizations;
- Consider reforms for exclusive contracts, such as alternative marketing arrangements, including fixed base prices, public disclosure, and bidding;
- Update regulations governing what information companies are allowed to collect and share for profit;
- Follow through with plans to propose "a rule to clarify that parties do not need to demonstrate harm to competition in order to bring an action under section 202 (a) and 202 (b) of the P&S Act;"
- Consider establishing an Agricultural Markets Integrity Working Group, bringing together leaders from the various agencies to discuss issues in the market.

In addition to Wyoming Attorney General Hill and Iowa Attorney General Miller, Attorney General Ellison was joined in the letter to Secretary Vilsack by the attorneys general of California, Delaware, Hawaii, Idaho, Illinois, Maryland, Nevada, New Mexico, North Dakota, Oregon, Rhode Island, South Dakota, and Utah.