



January 3, 2022

Miller welcomes Biden administration's plan to strengthen competition in meatpacking

Strengthening Packers and Stockyards Act can help ensure fairness and integrity for Iowa farmers, letter says

DES MOINES – Iowa Attorney General Tom Miller welcomes the Biden administration's plan to increase competition in the meatpacking industry.

"Livestock is vital to Iowa farmers and Iowa's economy. Fair and robust competition in meat processing benefits livestock producers and consumers," Miller said.

The administration on Monday [announced](#) that a plan to roll out a variety of meatpacking processing initiatives at USDA, plans to issue stronger rules under the Packers and Stockyards Act, and pursue a strategy by USDA and the Department of Justice to "better coordinate" antitrust efforts as well. The plan includes dedicating \$1 billion in American Rescue Plan Act funds to expand independent meat processing capacity.

On Dec. 21, Miller joined a bipartisan coalition of 16 attorneys general in sending a [letter](#) to U.S. Department of Agriculture Secretary Tom Vilsack with recommendations to improve competition in the livestock industry.

The letter raises concerns about the increasing concentration in meatpacking and offers 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. The four largest processors of pork in 1976 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.

Without increased enforcement and government oversight, the promise of the Packers and Stockyard Act is in jeopardy. In the letter, the bipartisan coalition provides several recommendations to Secretary Vilsack and Andrew Green, Senior Advisor for Fair and Competitive Markets, including 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.

Miller was joined by the attorneys general of Minnesota, Wyoming, California, Delaware, Hawaii, Illinois, Idaho, Maryland, Nevada, New Mexico, North Dakota, Oregon, Rhode Island, South Dakota, and Utah.

[« Back](#)