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May 19 2022

Mar-Jac Poultry is one of 19 chicken producers accused of illegal conspiracy involving price fixing, bid rigging, other anticompetitive practices in broiler chicken industry

SEATTLE — Attorney General Bob Ferguson announced today a chicken producer named in an antitrust lawsuit will pay the Attorney General's Office a total of \$725,000 to resolve claims against it. Today's announcement is the first resolution of Ferguson's lawsuit against 19 chicken producers regarding a widespread illegal conspiracy to inflate and manipulate prices, rig contract bids and coordinate industry supply reductions to maximize profits. The lawsuit also names an industry data reporting service accused of assisting in the conspiracy.

Ferguson asserts Mar-Jac Poultry, 18 other chicken producers and a data reporting service drove up the price of chicken, causing consumers to overpay by millions of dollars, which has impacted nearly every Washingtonian. Ferguson filed that lawsuit in King County Superior Court in October 2021.

As part of the resolution (https://agportal-s3bucket.s3.amazonaws.com/Consent_Decree_MarJac_Executed.pdf), Mar-Jac Poultry agreed to cooperate with the Attorney General's Office to produce information and documentation relevant to the case against the other co-conspirators. Moreover, the company entered into a legally binding agreement to conduct internal training and certify that it has corporate policies that ensure the company follows state and federal antitrust laws. Under the terms of the consent decree, if Mar-Jac Poultry engages in price fixing or other anticompetitive conduct in the next five years, the Attorney General's Office can go to court to seek civil penalties.

The \$725,000 recovery will be directed into the state Antitrust Revolving Account. After Ferguson's lawsuit against all co-conspirators is complete, the Attorney General's Office will decide where to allocate the total recoveries — prioritizing consumer restitution, cost and fee recovery and supporting future enforcement efforts.

"If you've eaten chicken in the last decade, this conspiracy touched your wallet," Ferguson said. "This is an important step toward accountability. We aren't done yet."

The 19 broiler chicken producers named in Ferguson's lawsuit account for approximately 95 percent of the "broiler" chickens sold in the United States — a term for virtually all chicken produced for consumption. Broiler chickens are used for everything from chicken breasts people purchase at the grocery store, to chicken nuggets and chicken sandwiches individuals buy at fast food restaurants.

An estimated 90 percent of Washingtonians — about 7 million people — buy products derived from the chickens these companies produce. In addition, the companies' illegal conduct reached into Washington businesses, colleges, hospitals and nursing homes.

Anticompetitive conduct led Washingtonians to overpay millions of dollars for chicken

The lawsuit asserts (https://www.atg.wa.gov/news/news-releases/ag-ferguson-sues-stop-sweeping-conspiracy-drive-cost-chicken-nearly-all) the companies illegally engaged in a host of anticompetitive conduct to coordinate supply and manipulate pricing of broiler chickens since at least 2008. Ferguson asserts their conduct violated the Washington Consumer Protection Act's antitrust provisions, and caused consumers and businesses to overpay millions of dollars for their chicken products.

The other chicken producers named in the lawsuit are:

- Tyson Foods, Inc.
- · Pilgrim's Pride Corp.
- Sanderson Farms, Inc.
- Perdue Farms, Inc.
- Koch Foods Inc.
- Foster Farms, LLC
- · Mountaire Farms Inc.
- Wayne Farms, LLC
- · Amick Farms, LLC
- George's, Inc.
- Peco Foods, Inc.
- House of Raeford Farms, Inc.
- · Fieldale Farms Corp.
- Case Foods, Inc.
- Norman W. Fries, Inc. d/b/a Claxton Poultry Farms, Inc.
- · Simmons Foods, Inc.
- O.K. Foods, Inc.
- Harrison Poultry, Inc.

Agri Stats, Inc. is also included in the lawsuit. Ferguson asserts the company, while purporting to provide data anonymously, knowingly presented the companies' data in a way that made them easy to identify, facilitating an illegal exchange of sensitive business information.

The Attorney General's Office investigation found a coordinated, industry-wide effort to cut production through the exchange of competitively sensitive information, signals during investor calls and direct coordination between players in the industry.

Assistant Attorneys General Travis Kennedy, Christina Black, Linh Tran, Nathaniel Hopkin, Brooke Howlett Lovrovich and Rahul Rao; economic analyst Ryne Rohla; paralegals Tracy Jacoby, Kimberly Hitchcock and Michelle Oliver; and legal assistants Grace Summers, Keriann Snider and Debbie Chase from the Attorney General's Antitrust Division are handling the case for Washington.

The Attorney General's Office Antitrust Division is responsible for enforcing the antitrust provisions of Washington's Consumer Protection Act and federal antitrust laws. The division investigates and litigates complaints of anticompetitive conduct and reviews potentially anticompetitive mergers. The division also brings actions in state and federal courts to enforce antitrust laws. It receives no general fund support, funding its own actions through recoveries made in other cases.

For information about filing a complaint about potential anticompetitive activity, visit https://fortress.wa.gov/atg/formhandler/ago/AntitrustComplaint.aspx (https://fortress.wa.gov/atg/formhandler/ago/AntitrustComplaint.aspx).

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