



Washington State (/)
Office of the Attorney General
Attorney General Bob Ferguson

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Ferguson has resolved cases with 14 of the 19 co-conspirators

SEATTLE — Today Attorney General Bob Ferguson announced the recovery of \$35 million and counting as a result of his lawsuit over price-fixing on chicken products. Fourteen of the 19 chicken producers named in the lawsuit paid \$35 million to resolve claims against them. Ferguson's office is working on a plan to distribute recoveries from this lawsuit to assist impacted Washingtonians.

Ferguson filed the lawsuit (<https://www.atg.wa.gov/news/news-releases/ag-ferguson-sues-stop-sweeping-conspiracy-drive-cost-chicken-nearly-all>) in King County Superior Court in October 2021. A trial against the remaining co-conspirators is scheduled for October 2024.

The conspiracy harmed an estimated 90 percent of Washingtonians, or approximately seven million individuals. Broiler chickens are used for everything from chicken breasts consumers purchase at the grocery store, to chicken nuggets and chicken sandwiches individuals buy at fast food restaurants. Consequently, the scheme impacted virtually everyone who consumes chicken products.

"If you bought chicken in the last several years, you paid more for that chicken than you should have because of the illegal conduct from these companies," Ferguson said. "This is yet another milestone in our case against the companies involved in this conspiracy — but we are not done. They drove up the price of chicken and cheated hardworking Washingtonians. Antitrust laws protect consumers when company executives conspire to rig the system. I will hold all of the conspirators accountable."

The Attorney General's Office asserts all 19 chicken producers drove up the price of chicken since at least 2008, causing consumers to overpay by millions of dollars. The lawsuit asserts a widespread illegal conspiracy to inflate and manipulate prices, rig contract bids, illegally exchange information and coordinate industry supply reductions to maximize profits.

Two other states, Alaska and New Mexico, filed similar antitrust cases against national chicken producers. Washington is the first state to hold chicken production companies accountable for their roles in the price-fixing conspiracy.

The resolutions involve three of the country's four largest chicken producers — Perdue Farms, Tyson Foods and Pilgrim's Pride. In reaching these settlements, the Attorney General's Office considered all of the evidence in the case, including the defendants' liability, sales in Washington and the monetary harm caused by the conspiracy.

The 14 resolutions include:

- Pilgrim's Pride Corp. for \$11,000,000;
- Tyson Foods for \$10,500,000;
- Perdue Farms, Inc. for \$6,500,000;
- Koch Foods Inc. for \$1,400,000;
- Peco Foods, Inc. for \$800,000;
- Mountaire Farms, Inc. for \$775,000;
- George's, Inc. for \$750,000;
- Mar Jac Poultry for \$725,000;
- Amick Farms, LLC for \$600,000;
- Fieldale Farms Corp. For \$475,000;
- Simmons Foods, Inc. for \$425,000;
- Case Foods, Inc. for \$395,000;
- O.K. Foods, Inc. for \$375,000; and
- Harrison Poultry, Inc. for \$290,000.

The 14 companies will cooperate with the Attorney General's Office to produce information and documentation relevant to the case against the other co-conspirators. Moreover, the companies entered into legally binding agreements to conduct internal training and certify that they have corporate policies that ensure the companies follow state and federal antitrust laws. Under the terms of the consent decrees, if any of them engage 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.

Remaining conspirators

The remaining chicken producers named in the lawsuit are:

- Foster Farms, LLC;
- Sanderson Farms, Inc.;
- Wayne Farms, LLC;

- House of Raeford Farms, Inc.; and
- Norman W. Fries, Inc. d/b/a Claxton Poultry Farms, Inc.

Sanderson Farms recently merged with Wayne Farms, which increases their market share. Additionally, Foster Farms has a large production facility inside Washington state and the Attorney General's Office estimates that it maintains a significant market share in Washington state.

Anticompetitive conduct led Washingtonians to overpay millions of dollars for chicken

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

The lawsuit asserts 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 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.

As an example of the conduct, a former Tyson Foods sales representative admitted that he colluded with employees from three other chicken producers to make a "substantial pricing increase" in the products they all sold to Kentucky Fried Chicken, Popeye's and Boston Market. The restaurants did not know about the price-fixing conspiracy among the producers. The producers colluded down to the tenth of a penny per pound of chicken to ensure their bulk meat brought each company the most profit.

Assistant Attorneys General Travis Kennedy, Christina Black, Brooke Howlett Lovrovich, Holly Williams, Tyler Arnold, Dalvin Yarbrough, Susana Croke, Rose Duffy and Lucy Wolf; economic analyst Ryne Rohla; paralegals Tracy Jacoby, Kimberly Hitchcock, Michelle Oliver and Kate liams; and legal assistants Grace Monastrial, 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 on filing a complaint regarding 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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