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Attorney General Bonta Joins Lawsuit Against Agri Stats for Facilitating Meat Processors' Unlawful Increase of Chicken, Pork, and Turkey Prices

Press Release / *Attorney General Bonta Joins Lawsuit Against Agri Stats for ...*

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OAKLAND — California Attorney General Rob Bonta and three other attorneys general today announced joining the U.S. Department of Justice's (U.S. DOJ) lawsuit against Agri Stats, Inc. (Agri Stats), a company that organizes and manages anticompetitive information exchanges for meat processors across the United States. Filed in the U.S. District Court for the District of Minnesota, the amended complaint alleges that Agri Stats generates weekly and monthly reports with thousands of competitively sensitive data points for subscribing broiler chicken, pork, and turkey meat processors. Agri Stats' reports, according to the amended complaint, are used by the meat processors to engage in a coordinated effort to increase prices and reduce output, violating federal antitrust law.

“Because of Agri Stats’ anticompetitive business practices, Californians have been paying more for chicken, pork, and turkey meat than they otherwise would have. Agriculture markets are a lifeblood of the California economy and the cost of putting dinner on the table matters to every family in this state,” **said Attorney General Bonta**. “In a fair and competitive economy, meat processors should be vigorously competing with one another — not effectively colluding behind closed doors. I look forward to continuing to work with the U.S. Department of Justice and our sister states to ensure that Agri Stats is held accountable.”

U.S. DOJ filed its original complaint against Agri Stats on September 28, 2023. With today’s amended complaint, the attorneys general are joining U.S. DOJ’s effort to end Agri Stats’ anticompetitive conduct. Together, the attorneys general and U.S. DOJ allege that Agri Stats violated Section 1 of the Sherman Act. Participating meat processors have accounted for more than 90% of broiler chicken sales, 80% of pork sales and 90% of turkey sales in the United States.

In the amended complaint, the attorneys general underscore that:

- Agri Stats’ information-sharing scheme hurts competition. Specifically, as part of Agri Stats’ “give to get” policy, subscribing meat processors share information about all aspects of their businesses with Agri Stats, including current costs, output, and prices. In exchange, Agri Stats audits and converts that information to common metrics that it distributes to subscribing meat processors in the form of weekly and monthly reports. Those reports enable meat processors to increase prices on items priced below their competitors with greater confidence that they will not lose sales to lower priced rivals. Meat processors pay Agri Stats millions of dollars for the reports.
- Agri Stats also goes a step further and tells subscribing meat processors how to use the weekly and monthly reports to weaken competition. Indeed, executives at

some of the country's largest meat processors testified that they could not recall any examples in which their companies used Agri Stats information to lower their sales prices to gain market share.

- Agri Stats refuses to sell the weekly and monthly reports to meat purchasers, farmers, workers, or consumers, thereby strengthening the advantage that subscribing meat processors gain by sharing information only with one another.

In filing today's amended complaint, Attorney General Bonta joins the attorneys general of Minnesota, North Carolina, and Tennessee.

A copy of the amended complaint is available **here**.

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