

Fact Sheet Meat Packing Special Investigator Act



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The Meat Packing Special Investigator Act was introduced by Senators Grassley (R-IA), Rounds (R-SD), and Tester (D-MT) in the Senate (S.2036), and by Representatives Spanberger (D-VA) and Miller-Meeks (R-IA) in the House (H.R.4103). The legislation amends the Packers and Stockyards Act to establish an Office of the Special Investigator for Competition Matters, appointed by the U.S. Secretary of Agriculture.

BACKGROUND

Today as few as four transnational corporations control every economic sector of our agriculture and food system. In the cattle market, four companies control over 85% of the market. They wield their abusive market power by driving down prices paid to farmers and increasing prices consumers have to pay for their food. In the wake of supply chain failures and meatpacking worker abuses, no further evidence is needed to demonstrate that now is the time for action.

Decision-makers and industry leaders are showing new levels of interest in meat processing industry concentration. Historic hearings on the state of the cattle market in both the U.S. Senate and U.S. House of Representatives Agriculture Committees provided a highly-visible platform for stakeholders to share the effects of concentration. And in July of 2021, President Biden issued a sweeping Executive Order to promote competition across the U.S. economy by directing the agencies under his purview to act on more than 70 initiatives.

These developments indicate that the U.S. is ready to confront corporate control in agriculture. Industry consolidation has skyrocketed because multinational corporations have long skirted the United States' weakly-enforced antitrust laws. One such law is the Packers and Stockyards Act (P&S Act), passed in 1921 following an investigation that revealed critical levels of consolidation in the meatpacking industry.

The drafters of the P&S Act could not have imagined the level of integration, multinational control, and globalization our food system has reached today.

To achieve a more democratized food and agriculture system, we need to update and enforce this landmark law. The Meat Packing Special Investigator Act does just that.

THE USDA SPECIAL INVESTIGATOR WOULD BE ABLE TO:

- › Investigate violations of the P&S Act, using subpoena power to do so
- › Partner or liase with the Federal Trade Commission (FTC) and Department of Justice (DOJ) to examine issues pertaining to competition or trade in the agriculture sector
- › Act in partnership with the Department of Homeland Security (DHS) on issues around national security and critical infrastructure as it relates to food and agriculture
- › Employ a staff of attorneys and experts with appropriate expertise
- › Bring any civil or administrative action against a packer under this Act

A MORE TRANSPARENT MARKET

Anti-competitive practices are hard to investigate due to confidentiality clauses that give an unfair advantage to the entities with the most money and power. This process has historically enabled illegal deals and contracts.

Currently, the only way to acquire essential market data is to use subpoena power, which is rarely granted. The USDA special investigator's team will have subpoena power, and thus will be able to shed light on illegal market activities.



THE POWER OF THE DEDICATED WATCHDOG

The relationship between USDA and agribusiness giants has long been too friendly, hampering P&S Act investigations. This legislation would create an important watchdog with the authority, expertise, and capacity to investigate wrongdoing. By creating this independent office with the sole purpose of investigating violations of the P&S Act, we can restore real government accountability.

The Office of the Special Investigator will empower the P&S Act with a present-day authority to address anti-competitive practices in the meat and poultry industries.

Collaborative investigations with the FTC, DOJ, and DHS provides the office with the flexibility to holistically examine issues that affect our national security, nutritional security, and consumer protection — all while giving farmers and ranchers a fair shake.

For more information contact: jmaxwell@farmaction.us



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