

FACT SHEET

Meat and Poultry Special Investigator Act (S.1312/H.R. 1380)

The Meat and Poultry Special Investigator Act was introduced in the Senate by Senator Wyden (D-OR) and 9 bipartisan co-sponsors and in the House by Representative Josh Gottheimer (D-NJ). The legislation establishes an Office of the Special Investigator for Competition Matters at the United States Department of Agriculture, appointed by the U.S. Secretary of Agriculture.



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Background

Currently, a mere four transnational corporations dominate every economic sector of our agriculture and food system. In the beef processing industry, four companies control 85% of the market, wielding their excessive market power to depress prices for farmers while inflating prices for consumers.

This extreme industry consolidation has been fueled by multinational corporations evading the United States' inadequately enforced antitrust laws. One key law, the Packers and Stockyards Act (P&S Act), saw its administration weakened in 2017 when it was downgraded from an independent agency within the USDA to a program under the Agriculture Marketing Service (AMS).

The authors of the P&S Act could not have foreseen the current level of integration, multinational control, and globalization within our food system. To achieve a more competitive food and agriculture system, we must empower the USDA to effectively enforce this crucial legislation. The Meat and Poultry Special Investigator Act aims to provide the USDA with these necessary tools.

THE USDA SPECIAL INVESTIGATOR WOULD BE ABLE TO:

- Investigate violations of the P&S Act, using subpoena power to do so
- Partner or liaise 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

Anticompetitive practices are hard to investigate due to confidentiality clauses, which have historically enabled illegal deals and contracts.

Currently, the only way to acquire essential market data is to use subpoena power, which USDA's Packers & Stockyards Division under AMS does not have, unlike its predecessor the Grain Inspection, Packers, and Stockyards Administration. Under this legislation, 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 will provide this 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.



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