

May 15, 2020

The Honorable William Barr Attorney General U.S. Department of Justice 960 Pennsylvania Avenue NE Washington, DC 20530

Re: Request for investigation into potential anticompetitive practices by meat packers in the cattle industry

Attorney General Barr,

As constitutional officers who work on behalf of the people of Kentucky, we are writing to add our voices to those calling on the Department of Justice to undertake an investigation into potentially illegal anticompetitive practices by some meat packers in the cattle industry.

For generations, cattle producers in Kentucky and across the nation have grappled with concerns about buyers engaging in anticompetitive practices to the detriment of our farmers. Just four beef processors control 80 percent of the American market, a problem that has been amplified as our nation grapples with meat shortages at the grocery store and a worldwide pandemic.

In recognition of the need for robust executive branch agency oversight, Congress vested broad investigatory powers in the Department of Justice by enacting the Sherman Act, the Clayton Act, and the Packers and Stockyards Act of 1921. We believe those investigatory powers should be directed to an in-depth study of the economic realities of this industry, where the disparity between the price of live weight cattle and the wholesale prices of beef suggests a shocking lack of fair competition. Last year, the U.S. Department of Agriculture began its own investigation after similar concerns emerged following a fire at a major Midwestern processing plant.

According to recent reports, consumer demand for beef has remained steady and boxed beef prices have jumped in early 2020, yet the prices paid to cattle producers have continued to drop. These incongruous facts, and the industry's highly concentrated market structure in the hands of four companies, suggest the potential presence of sustained market manipulation and other anticompetitive practices that increase prices for American consumers while lowering the income of our hard working producers.

We stand ready to work with you to protect the interests of cattle producers and consumers in Kentucky and across the nation. Please do not hesitate to contact us with any questions or concerns you may have about this important subject.

Respectfully,

Dr. Ryan F. Quarles

Commissioner of Agriculture

Daniel J. Cameron

Attorney General