

STENEHJEM, MIDWEST ATTORNEYS GENERAL URGING FEDERAL INVESTIGATION OF MEAT PACKING INDUSTRY PRACTICES

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Bismarck, ND – Attorney General Wayne Stenehjem and the Attorneys General from ten other Midwestern states are urging the Department of Justice to pursue a federal investigation into suspected national price fixing by meat packers in the cattle industry.

In a [letter to US Attorney General William Barr \(/sites/ag/files/documents/MediaAttachments/2020-05-05-Barr%2C%20AG%20William.pdf\)](/sites/ag/files/documents/MediaAttachments/2020-05-05-Barr%2C%20AG%20William.pdf), the Attorneys General expressed concern over the likelihood of manipulation of the market for processed beef. The four largest meat packing companies control more than 80% of the beef processing in the United States. The shelf price of beef is exceptionally high, while cattle prices are low and continue to dive. The concern over market manipulation has increased with beef prices reaching record levels as consumers stockpile meat in response to the COVID-19 pandemic, but cattle prices remain low and are decreasing.

The Attorneys General say the pricing margins are a sign that meat packers are using their ability to control the market for processed beef and take advantage of the situation in a manner that could violate the federal antitrust law. In addition to harming cattle producers, this potentially illegal practice hurts consumers nationwide, many of whom are themselves struggling because of loss of employment and reduced incomes.

Stenehjem and the other Attorneys General believe the situation warrants a full federal investigation because the alleged anticompetitive conduct harms consumers and cattle ranchers across the United States.

“We are specifically asking the Department of Justice to lead a thorough examination of the competitive dynamics of this industry. Now, more than ever, we need to dedicate our collective resources to promote competition and protect consumers.”

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North Dakota and co-sponsor states Colorado, Missouri, and Montana, were joined by Arizona, Idaho, Iowa, Minnesota, Nebraska, South Dakota, and Wyoming.