

Congress of the United States

Washington, DC 20515

July, 25, 2022

The Honorable Merrick Garland
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20250

Dear Attorney General Garland,

We are writing to respectfully request an update in the Department of Justice's (DOJ) investigation into allegations of market manipulation by the nation's four biggest beef packing companies. It has been over two years since the DOJ reportedly first sent civil investigative demands (CIDs) to the companies, yet there has been no public update on the status of the investigation. With prices at the grocery store soaring, the American public deserve to know of any wrongdoing in the meatpacking industries, have confidence in the marketplace, and assurances that the laws on the books will be properly enforced.

Over the last few decades, the four largest beef packing companies have grown and consolidated from controlling roughly 25 percent of the market to over 80 percent of the nation's cattle industry today. This consolidation and lack of competition exposes the industry to potential market manipulation and unfair practices. While these "Big Four" companies expanded their market share and power, resulting in record profits, American family farmers and ranchers suffered. During this time, around 17,000 ranchers have gone out of business each year and ranchers share of every dollar a consumer spends on beef has been reduced from around 60 cents in the 1970s, to less than 40 cents per dollar today.

During a House Agriculture Committee hearing on the subject in April of this year, cow-calf producer Gilles Stockton from Montana testified in the hearing that his "community is devastated" due to the state of the industry and that the "food security of your children and grandchildren is in jeopardy" if the status quo continues.

While family farmers are being squeezed, families across the country are paying more for their beef and the Big Four are reaping record profits. During a quarterly earnings call from one company, they noted their pricing "more than offset the higher COGS [cost of goods sold]" and that despite selling less beef in the fourth quarter of 2021 than 2020, they made record profits due to charging over 35% more than the year before.

It is absolutely imperative that consumers and producers can have faith in the cattle industry. While there are additional legislative solutions that should be pursued, the DOJ plays a vital role in protecting the interest of the public through enforcement of the Packers and Stockyards, Sherman, and Clayton Acts. A fair and thorough investigation must be conducted, but the lack of

communication or acknowledgment of the investigation is causing concern and further casting doubt on the integrity of the markets.

We respectfully ask that the DOJ continues the important investigation and provide Congress an update on the status. Thank you for your prompt attention to this matter.

Sincerely,



Cindy Axne
Member of Congress



Tom O'Halleran
Member of Congress



Chellie Pingree
Member of Congress



Angie Craig
Member of Congress



Kim Schrier, M.D.
Member of Congress



Abigail Spanberger
Member of Congress