

Campaign for Contract Agriculture Reform, Farm and Ranch Freedom Alliance, Food & Water Watch, Land Stewardship Project, Institute for Agriculture and Trade Policy, Iowa Citizens for Community Improvement, Missouri Rural Crisis Center, National Family Farm Coalition, Organization of Competitive Markets, Ranchers Cattlemen Action Legal Fund – United Stockgrowers of America, Rural Advancement Foundation International-USA, Western Organization of Resource Councils

Our organizations are promoting interrelated reforms to restore competitive livestock markets and fair contracts based on a platform supported by over 200 organizations that represent independent farmers and ranchers, contract growers, and consumers (available at <http://tinyurl.com/3gcty2>).

### **Agricultural Competition Issue Brief 17 of 18:** **Coordinate Packers and Stockyards Act Enforcement for Poultry Cases**

**Obama-Biden Position:** " Prevent Anticompetitive Behavior Against Family Farms... strengthen anti-monopoly laws; change federal agriculture policy to strengthen producer protection from fraud, abuse and market manipulation...."

**Relevant Program:** Packers and Stockyards Act

**Relevant Agency:** U.S. Department of Justice

**Policy Recommendation – Administration Action:** The new Administration should develop a MOU between the U.S. Department of Agriculture and the Department of Justice for a coordinated effort to prosecute poultry company violations of the Packers and Stockyards Act.

**Background:** The present Packers and Stockyards Act (P&SA) makes it unlawful for a livestock packer or live poultry dealer "to engage in or use any unfair, unjustly discriminatory or deceptive practice or device," or "to give any undue or unreasonable advantage to any particular person or locality..." (Section 202} However, USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) has no administrative enforcement authority to stop the unfair practices nor penalize poultry dealers. When violations of the P&SA are discovered in the *livestock* industry, GIPSA has the authority to take administrative actions, including holding hearings and assessing civil and criminal penalties. When violations of the Act are discovered in the *poultry* industry, GIPSA can only issue an order to cease illegal conduct. After an investigation, GIPSA can send a complaint to the Justice Department for prosecution but such individual poultry cases are not likely to be considered a national priority by the DOJ. From the poultry company's perspective, breaking the law and increasing company profits through fraudulent or deceptive practices carries little financial or legal risk.