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United States Senate

CHARLES E. GRASSLEY
PRESIDENT PRO TEMPORE
WASHINGTON, DC 20510-1501

Reply To:

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- 210 Waterloo Building
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- 201 West 2nd Street
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March 31, 2020

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

The Honorable Sonny Perdue
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Ave. SW
Washington, DC 20250

Dear Attorney General Barr and Secretary Perdue:

I write to call on your departments to investigate concerns raised by America's farmers and ranchers about possible illegal practices in the cattle industry. Since February 4, 2020, live cattle prices are down 16 percent. This is happening while American consumers bought 77 percent more meat during the week of March 15 compared to 2019. The spike in the purchase of beef products at the grocery store has resulted in higher beef values for meat packers, yet farmers and ranchers have seen a net decrease in the value of cattle. Further, the four largest meat packing companies control approximately 80 percent of beef processing in the United States. With the shelf price of meat at record highs and with the high rate of concentration in the meat packing industry, there are concerns that the difference in these margins is the result of illegal practices.

The Department of Justice and the Department of Agriculture should initiate investigations into potential market manipulation and unfair practices within the cattle market. I have received a large volume of calls and emails from lowans and member organizations expressing concerns that the current discrepancy between high shelf price and decreased cattle price does not make sense. I share the concerns of these farmers and ranchers and I take their claims seriously. As such, I request that you examine the current structure of the beef meat packing industry and investigate potential market and price manipulation, collusion, restrictions on competition and/or other unfair and deceptive practices under the United States antitrust laws and the Packers and Stockyards Act.

Thank you for your prompt consideration of this important matter. I look forward to hearing the results of your investigations.

Sincerely,

A handwritten signature in black ink that reads "Chuck Grassley". The signature is written in a cursive, flowing style.

Charles Grassley
United States Senator

CC: The Honorable Makan Delrahim, Assistant Attorney General, Antitrust Division,
U.S. Department of Justice
The Honorable Greg Ibach, Undersecretary for Marketing and Regulatory
Programs, U.S. Department of Agriculture