

United States Senate

WASHINGTON, DC 20510

August 9, 2021

VIA ELECTRONIC TRANSMISSION

Mr. Richard A. Powers
Acting Assistant Attorney General, Antitrust Division
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

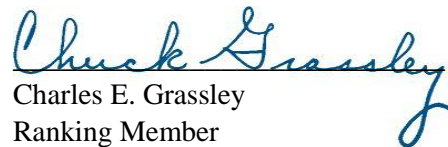
Dear Acting Assistant Attorney General Powers:

I write to express concerns with Cargill and Continental Grain Company's recently announced proposed joint acquisition of Sanderson Farms for a total equity value of \$4.53 billion. At closing, Cargill and Continental Grain will combine Sanderson Farms, the third largest poultry producer in the United States, with Wayne Farms, currently a subsidiary of Continental Grain, to form a new poultry business. According to industry analysts, a combined Cargill-Continental Grain-Sanderson Farms would control approximately 15% of the U.S. chicken market. I am concerned that continued mergers and acquisitions in an already concentrated poultry industry will increase consolidation, frustrate competition and reduce marketing options. I also am concerned about the impact on consumer choice and price of poultry products.

I urge the Antitrust Division to thoroughly examine this proposed acquisition to preserve a competitive market in the U.S. poultry industry. I also urge the Antitrust Division to seek input from the Department of Agriculture in its analysis of the proposed transaction and its impact on the poultry market. The Antitrust Division should scrutinize this proposed acquisition to ensure that it will not reduce market access opportunities or facilitate anti-competitive and predatory business practices in the industry. As you know, the poultry industry recently has been investigated for conspiring to fix prices and rig bids for chicken products, and pass on the costs to consumers and other purchasers. Further, the Antitrust Division should consider whether the proposed acquisition will result in more limited choices of poultry products and higher prices for consumers.

Thank you for your prompt attention to this matter. I look forward to hearing from you soon.

Sincerely,



Charles E. Grassley
Ranking Member
Senate Judiciary Committee

cc: Attorney General Merrick Garland