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Agriculture

HOUSE CONCURRENT RESOLUTION NO. 107

BY FREVERT

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3 A Concurrent Resolution requesting that the United States  
4 government take all actions necessary in order to  
5 prevent further concentration and vertical integration  
6 in the livestock industry.

7 WHEREAS, agriculture has traditionally represented  
8 the foundation of this nation's economic prosperity,  
9 providing a system unmatched in the world for the  
10 abundant and affordable production of food, feed  
11 grains, and animal products, which maintains this  
12 nation's people and contributes billions of dollars in  
13 revenue each year from export sales; and

14 WHEREAS, the production and processing of livestock  
15 represents a key component of this nation's  
16 prosperity, by providing numerous value-added food and  
17 other products upon which this nation depends; and

18 WHEREAS, there is a trend toward increasing  
19 concentration and vertical integration in the  
20 livestock industry, as evidenced by the cattle  
21 industry where three firms account for almost eighty  
22 percent of all fed cattle slaughtered in the United  
23 States and less than one percent of cattle feeders  
24 account for forty-five percent of all head sold; and

25 WHEREAS, state attorneys general play a significant  
26 role in fostering full and free competition in the  
27 United States economy through the enforcement of  
28 federal and state antitrust laws; and

29 WHEREAS, Iowa Attorney General Tom Miller and the  
30 state attorneys general of Alabama, Colorado,

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1 Connecticut, Florida, Idaho, Massachusetts, Minnesota,  
2 Missouri, Montana, Nebraska, Nevada, North Dakota,  
3 Rhode Island, South Dakota, Texas, Vermont,  
4 Washington, West Virginia, and Wisconsin have  
5 expressed strong concern regarding this trend toward  
6 concentration and vertical integration in the  
7 livestock industry; and

8 WHEREAS, the states attorneys general recommend  
9 that the United States Department of Agriculture  
10 implement the recommendations of a special  
11 departmental advisory committee considering this issue  
12 and taking other actions which promote competition in  
13 the livestock industry; and

14 WHEREAS, on November 20, 1996, Iowa Attorney  
15 General Tom Miller, serving as chair of the Antitrust  
16 Committee of the National Association of Attorneys  
17 General, and nineteen other state attorneys general  
18 urged the United States Secretary of Agriculture and  
19 the United States Congress to take a variety of  
20 actions required to promote competition in the  
21 livestock industry; NOW THEREFORE,

22 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, THE  
23 SENATE CONCURRING, That the United States Department  
24 of Agriculture is urged to take actions recommended by  
25 the state attorneys general, including providing for  
26 greater disclosure of important marketing information  
27 in order to shed light on anticompetitive practices;  
28 reporting captive supply arrangements; developing a  
29 value-based pricing system to provide producers with  
30 consistent and accurate information concerning

1 premiums and discounts based on grade, yield, and  
2 weight of carcasses; improving reporting of the  
3 disparity between prices received by producers and  
4 prices paid by consumers; closely examining mergers  
5 and consolidations in the livestock industry to  
6 determine whether competition will be reduced in  
7 violation of the federal Packers and Stockyards Act;  
8 and strictly enforcing provisions of the Packers and  
9 Stockyards Act which prohibit unfair trade practices  
10 in the livestock industry, including unfair price  
11 discrimination; and

12 BE IT FURTHER RESOLVED, That the United States  
13 Congress is requested to take actions recommended by  
14 the state attorneys general, including enacting  
15 legislation which requires the Secretary of  
16 Agriculture to determine noncompetitive practices  
17 relating to price; preserving the right of producers  
18 to organize under the Capper-Volstead Act; amending  
19 provisions in the Agricultural Fair Practices Act of  
20 1967 to require handlers to engage in good faith  
21 negotiations with producer cooperatives and networks,  
22 and to purchase products from these entities without  
23 discrimination; enacting legislation that protects  
24 producers from retaliation by packers because of  
25 statements made by producers to agencies, including  
26 law enforcement agencies, regarding the actions of  
27 packers; providing for greater coordination among  
28 relevant federal agencies including the United States  
29 Department of Agriculture, the United States  
30 Department of Justice, the Federal Trade Commission,

1 and the Commodity Futures Trading Commission; and  
2 BE IT FURTHER RESOLVED, That a copy of this  
3 resolution be sent by the Chief Clerk of the House of  
4 Representatives to the President of the United States;  
5 the Secretary of Agriculture, United States Department  
6 of Agriculture; the Administrator of the Grain  
7 Inspection, Packers and Stockyards Administration,  
8 United States Department of Agriculture; the President  
9 of the Senate of the United States; the Speaker of the  
10 House of Representatives of the United States; the  
11 chairman of the United States Senate Committee on  
12 Agriculture, Nutrition, and Forestry; the chairman of  
13 the United States House of Representatives Committee  
14 on Agriculture; and members of Iowa's congressional  
15 delegation.

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