

Packers and Stockyards Act



National
Farmers
Union

The Packers and Stockyards Act (PSA) became law in 1921 to protect livestock and poultry producers from unfair, deceptive, and monopolistic practices in the marketplace. But for the last few decades, USDA has not fully enforced these important protections for farmers and ranchers, which has led to rampant consolidation in the livestock industry, reduced transparency in the marketplace, the rise of unfair contract terms, and depressed prices paid to farmers.

In July 2021, President Biden issued an executive order on competition and directed the U. S. Department of Agriculture (USDA) to write new rules under the PSA. These rules will:

- Require poultry companies to be more transparent with the growers they contract with.
- Reduce the barriers farmers face to file legal challenges under the PSA against meat companies.
- Clarify which practices are unfair, discriminatory, or deceptive under the PSA.

Strong rules like those being proposed by USDA are needed, but without strong enforcement of the PSA, farmers and ranchers will continue to face an unfair marketplace. Meat packing companies can better be held accountable if Congress passes the Meat and Poultry Special Investigator Act. This bill directs USDA to set up an independent office focused on enforcing the PSA to prevent abuses of power by corporate monopolies.

What We Can Do:

- Work with your state Farmers Union division and NFU to submit comments on the proposed PSA rules to ensure they are strong and provide genuine protections.
- Support bills that would strengthen PSA enforcement and address anticompetitive practices, such as the Meat Packing Special Investigator Act (S.3870 and H.R. 7606) introduced by Senators Tester (D-MT), Grassley (R-IA), and Rounds (R-SD), and by Representatives Spanberger (D-VA) and Miller-Meeks (R-IA).



In 2018, the share of the market controlled by the four largest companies totaled:

85%

in beef packing

70%

for pork processing

59%

of chicken processing

From the start of the pandemic through the end of 2021, meat processor net profit margins increased over

300%