

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 the law has not kept up with changes in the livestock industry, which has seen rampant consolidation, reduced market transparency, and the rise of unfair contract terms for farmers and ranchers.

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:

- Provide additional protections for producers in livestock and poultry markets.
- Clarify what conduct or actions by meatpackers violates the PSA.
- Require poultry companies to be more transparent in their contracting practices.

Strong rules must be complemented by strong enforcement. Congress should pass the Meat and Poultry Special Investigator Act, which would establish an independent office at USDA to enforce the PSA and 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 the bipartisan Meat and Poultry Special Investigator Act of 2023 (S.346) introduced by Senators Tester (D-MT), Grassley (R-IA), and Rounds (R-SD).



FAIRNESS FOR FARMERS

A Farmers Union Project

By the Numbers:

In 2019, the share of the market controlled by the four largest companies totaled:

85%
in beef packing

67%
for pork processing

53%
of chicken processing

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

300%