

Packers and Stockyards Act

Policy Fact Sheet

The Packers and Stockyards Act (PSA) of 1921 is a pro-competition law meant to protect family livestock producers and consumers 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.

The U.S. Department of Agriculture (USDA) is writing rules to update the PSA to make the law more effective for today's marketplace. As of May 2024, USDA completed two new rules, including:

- The "Inclusive Competition and Market Integrity Rule," which establishes clearer standards for prohibited practices under the act, including discrimination, retaliation, and deception by meatpackers and poultry integrators; and
- The "Poultry Transparency Rule," which requires large poultry integrators to provide existing and prospective contract poultry growers with clearer and more comprehensive information that will allow growers to make sound financial and business decisions for their operations.



**FAIRNESS FOR
FARMERS**

A Farmers Union Project

We expect additional rules on abuses in contract poultry tournament systems, price discovery in cattle markets, and clarifying that it is USDA's long-standing interpretation that it is unnecessary to demonstrate industry-wide harm to establish a violation of the PSA.

Opponents of competitive agricultural markets have attempted to roll back USDA's recent rules and prevent future PSA updates by inserting a policy "rider" in annual appropriations bills. NFU and allies standing with family farmers and consumers successfully prevented this harmful provision from inclusion in the final fiscal year 2024 annual appropriations bill. Unfortunately, we expect attempts to thwart USDA's work to continue.

USDA must be allowed to finish its work. USDA's rulemaking process includes transparent public notice and comment opportunities so all stakeholders may be heard. We urge members of Congress to oppose any measures in any legislation that would prematurely halt these rulemakings.