Senate Farm Bill –
Ban on Packer Ownership of Livestock

- The Senate-passed farm bill includes a provision to prohibit large livestock packers and processors from owning livestock (cattle, hogs, and lambs) for more than 14 days prior to slaughter.
    - The provision exempts: (1) cooperatives, (2) packers that own just 1 livestock processing facility and (3) packers not required to report price and quantity information.
    - These exemptions mean that innovative, start-up projects operating to give producers greater bargaining power in the market would not be impacted.
- Opponents to this provision have tried for years to muddy the waters on this issue, while continuing to increase the level of concentration in the livestock processing industries.
    - A NFU-commissioned study released in April 2007 shows the top 4 beef packers dominating **83.5%** of the market, four pork packers controlling **66%** of that market and the top 4 poultry companies processing **58.5%** of the broilers in the Untied States.
    - Bottom-line, independent livestock producers cannot be successful in the absence of protection from unfair and anti-competitive practices.
- The ban on packer ownership of livestock is vitally important to livestock producers whose ability to compete in the marketplace is threatened by growing levels of concentration.
- Packer ownership has resulted in an increase in packer market power by allowing the packers to stay out of cash markets for extended periods of time, often reducing farm-gate demand and driving down prices paid to independent producers.
- Transactions concerning packer-owned livestock are not part of the publicly reported daily cash market. This results in narrowing the volume in the market and subjects the market to manipulation in which lower prices are paid to producers.
- Packer ownership of livestock is contrary to basic market principals of fairness, access, transparency and competition.

Support Independent Livestock Producers by Supporting the Packer Ban!

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