



Iowa  
Cattlemen's  
Association

April 25, 2022

The Honorable Debbie Stabenow  
Chairwoman  
U.S. Senate Committee on Agriculture,  
Nutrition, and Forestry  
328A Russell Senate Office Building  
Washington, DC 20510

The Honorable John Boozman  
Ranking Member  
U.S. Senate Committee on Agriculture,  
Nutrition, and Forestry  
328A Russell Senate Office Building  
Washington, DC 20510

**Re: Legislative Hearing to Review S. 4030, the Cattle Price Discovery and Transparency Act of 2022, and S. 3870, the Meat and Poultry Special Investigator Act of 2022**

Dear Chairwoman Stabenow, Ranking Member Boozman, and members of the U.S. Senate Committee on Agriculture, Nutrition, and Forestry:

The Iowa Cattlemen's Association (ICA) is a grassroots organization representing nearly 8,000 cattle producers and stakeholders affiliated with the cattle industry. As the definitive voice of Iowa's beef business, we have a responsibility to amplify messages from our members to key decision makers. The commitment of our members to improve the state of the fed cattle market has led us to forge our own path despite pushback from major meatpackers, economists, and corporate feedyards.

For several years, we've asked Congress to enact legislation that would help level the playing field between meatpackers and producers. We've expressed the need to address the following primary challenges: lack of price discovery and transparency, meatpacking industry consolidation leading to fewer competitors, captive supply, and price manipulation. We've also called on the U.S. Department of Agriculture and the Department of Justice (DOJ) to investigate meatpackers for collusion, price manipulation, and market disruptions.

Various members of Congress, including Sens. Chuck Grassley and Joni Ernst, have responded by introducing legislation and holding various hearings, yet nothing has come to fruition. The DOJ initiated an investigation of the four largest meatpackers in June 2020, yet we've received no updates. These concerns even reached the Whitehouse, which resulted in the President of the U.S. convening a producer roundtable to discuss the need for greater competition in beef processing.

In July 2021, ICA member Jon Schaben testified as a witness before the Senate Judiciary Committee.<sup>1</sup> The sentiment of the testimony we submitted nine months ago is unchanged; it is time for Congress to support a transparent and competitive marketplace with action.

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<sup>1</sup> "Written Testimony of the Iowa Cattlemen's Association." *Iowa Cattlemen's Association*, 28 July 2021, <https://www.judiciary.senate.gov/imo/media/doc/Schaben%20-%20Testimony.pdf>.

We encourage members of the U.S. Senate Committee on Agriculture, Nutrition, and Forestry to support the following bipartisan and bicameral bills:

1. **Cattle Price Discovery and Transparency Act of 2022** - to prevent further erosion of negotiated trade and price discovery, improve transparency, and level the playing field between meatpackers and producers with access to information;
2. **Meat and Poultry Special Investigator Act of 2022** - to address anticompetitive practices in the meat industry by better enforcing the Packers and Stockyards Act; and
3. **A-PLUS Act** - to increase meat processing capacity by allowing livestock auction market investment in small and regional packing facilities.

Additionally, we ask this committee to request a long overdue update from the DOJ regarding the antitrust investigation of Cargill, JBS, National Beef, and Tyson Foods. We're quickly approaching the two-year mark since the civil investigative demands were issued. While we've been waiting for results from the DOJ, the packers have been busy. Despite claiming no wrongdoing, JBS recently agreed to pony up \$52.5 million in a price-fixing lawsuit.<sup>2</sup>

The naysayer rhetoric is strong; we've been told that nothing is wrong with the fed cattle market, alternative marketing arrangements have improved quality, and no research has been conducted to determine thresholds for robust price discovery. We've also been informed that "voluntary, industry-driven" efforts are working; know that will certainly change if Congress does not require meatpackers to procure a portion of their cattle via negotiated means. The aforementioned opinions merely protect the interests of meatpackers and corporate feeders who benefit from lucrative formula contracts.

Our beef supply chain starts on our nation's farms and ranches. If cattle producers are unable to mitigate risk or use market signals to make informed business decisions, how can we expect them to stay in the black on their balance sheets? When will Congress address the problems they have allowed to develop over the past century?

Cattle producers know and understand the meaning of the saying "All hat and no cattle." It's not a phrase of endearment. We've made our elected and agency officials aware of the challenges we face as producers, yet the circumstances remain unchanged. Now is the time for Congress to act.

Questions related to this letter may be directed to Cora Fox, director of government relations, at (515) 296-2266 or at [cora@iacattlemen.org](mailto:cora@iacattlemen.org).

Respectfully,



Bob Noble  
President, Iowa Cattlemen's Association

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<sup>2</sup> "Beef giant JBS to pay \$52.5 million to settle price-fixing lawsuit." *Des Moines Register*, 4 February 2022, <https://www.desmoinesregister.com/story/news/2022/02/04/jbs-settles-lawsuit-millions-price-fixing-beef-processors-meatpacking/6664089001/>.