

Cattle Group Applauds Sen. Hawley's Anti-Monopoly Bill

September 23 2023 12:26 PM



BILLINGS, Mont. - Last Week, U.S. Sen. Josh Hawley (R-Mo.) introduced the Strengthening Antitrust Enforcement for Meatpacking Act (S.2818) to empower antitrust enforcers to break up giant meatpacking and poultry monopolies and place power back in the hands of America's farmers and ranchers who raise livestock and poultry.

R-CALF USA CEO Bill Bullard said his group “applauds Senator Hawley’s novel approach to addressing the untenable market concentrations faced by America’s cattle and sheep producers.”

The bill would establish two thresholds for determining the market concentration in the meatpacking industry. Using the Herfindahl-Hirschman Index (HHI), which is a measure of market concentration presently employed by the U.S. Department of Justice (DOJ) and the Federal Trade Commission (FTC), the bill would prohibit a merger or acquisition by a meatpacker if the HHI would exceed 1,800, or if a proposed merger or acquisition would increase the meatpacker’s current HHI by 100.

The current Horizontal Merger Guidelines used by the DOJ and FTC currently consider an HHI below 1,500 to be unconcentrated; an HHI between 1,500 and 2,500 to be moderately concentrated; and an HHI above 2,500 to be a highly concentrated market.

The Hawley bill would prohibit mergers currently considered moderately concentrated. Just over a decade ago, the U.S. Department of Agriculture estimated the HHI in the national fed cattle negotiated cash market was 2,458.

A news release issued by Hawley indicates his new legislation would not only prevent further mergers and acquisitions that would increase the HHI above the thresholds; but also, it would allow antitrust authorities to “unwind” previous mergers and acquisitions.

“We support Senator Hawley’s bill and will work with Congress to enact it,” concluded Bullard.

Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America (R-CALF USA) is the largest producer-only lobbying and trade association representing U.S. cattle producers. It is a national, nonprofit organization dedicated to ensuring the continued profitability and viability of the U.S. cattle and sheep industries. Visit www.r-calfusa.com or call (406) 252-2516 for more information.