

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2506

To require the President to appoint a Commission on Concentration in the Livestock Industry.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 18, 1995

Mr. JOHNSON of South Dakota (for himself, Mr. POMEROY, Mr. MINGE, Mr. LEACH, Mr. LIPINSKI, Mr. LIGHTFOOT, Mr. BARRETT of Nebraska, Mr. WATTS of Oklahoma, Mr. GANSKE, Mr. GEPHARDT, Mr. BEREUTER, Mr. COOLEY, Ms. KAPTUR, Mr. WILLIAMS, and Ms. DANNER) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To require the President to appoint a Commission on Concentration in the Livestock Industry.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Livestock Concentra-  
5 tion Report Act of 1995”.

1 **SEC. 2. APPOINTMENT OF COMMISSION.**

2 Not later than 30 days after the date of the enact-  
3 ment of this Act, the President shall appoint a Commis-  
4 sion on Concentration in the Livestock Industry which  
5 shall be composed of the Secretary of Agriculture, who  
6 shall be the chairperson of the Commission, and 2 mem-  
7 bers appointed from among individuals in each of the fol-  
8 lowing categories:

- 9 (1) Cattle producers.
- 10 (2) Hog producers.
- 11 (3) Lamb producers.
- 12 (4) Experts in antitrust laws.
- 13 (5) Economists.
- 14 (6) Corporate chief financial officers.
- 15 (7) Corporate procurement experts.

16 **SEC. 3. DUTIES OF COMMISSION.**

17 (a) DUTIES.—The Commission on Concentration in  
18 the Livestock Industry shall—

19 (1) determine whether the study of concentra-  
20 tion in the red meat packing industry adequately—

21 (A) examined and identified regional pro-  
22 curement markets for slaughter cattle in the  
23 continental United States;

24 (B) analyzed the effects that slaughter cat-  
25 tle procurement practices, and concentration in  
26 the procurement of slaughter cattle, have on the

1 purchasing and pricing of slaughter cattle by  
2 beef packers;

3 (C) examined the use of captive cattle sup-  
4 ply arrangements by beef packers and the ef-  
5 fects of such arrangements on slaughter cattle  
6 markets;

7 (D) examined the economics of vertical in-  
8 tegration and of coordination arrangements in  
9 the hog slaughtering and processing industry;

10 (E) examined the pricing and procurement  
11 by hog slaughtering plants operating in the  
12 eastern corn belt;

13 (F) reviewed the pertinent research lit-  
14 erature on issues relating to the structure and  
15 operation of the meat packing industry; and

16 (G) represents, for the matters described  
17 in subparagraphs (A) through (F), the current  
18 situation in the livestock industry compared to  
19 the situation of such industry reflected in the  
20 data on which such study is based; and

21 (2) review the application of the antitrust laws,  
22 and the operation of other Federal laws applicable,  
23 with respect to concentration and vertical integration  
24 in the procurement and pricing of slaughter cattle  
25 and of slaughter hogs by meat packers;

1           (3) make recommendations regarding whether  
2           the laws relating to the operation of the meat pack-  
3           ing industry should be modified regarding the con-  
4           centration, vertical integration, and vertical coordi-  
5           nation in such industry;

6           (4) review the farm-to-retail price spread for  
7           livestock during the period beginning on January 1,  
8           1993, and ending on the date the report is submit-  
9           ted under section 4;

10          (5) review the adequacy of price data obtained  
11          by the Department of Agriculture under section 203  
12          of the Agricultural Marketing Act of 1946 (7 U.S.C.  
13          1622);

14          (6) make recommendations regarding the ade-  
15          quacy of price discovery in the livestock industry for  
16          animals held for market; and

17          (7) review the lamb industry study completed  
18          by the Department of Justice in 1993.

19          (b) SOLICITATION OF INFORMATION.—For purposes  
20          of complying with the requirements of paragraphs (2), (3),  
21          and (4) of subsection (a), the Commission on Concentra-  
22          tion in the Livestock Industry shall solicit information  
23          from all parts of the livestock industry, including livestock  
24          producers, livestock marketers, meat packers, meat proc-  
25          essors, and retailers.

1 **SEC. 4. REPORT.**

2 (a) SUBMISSION OF REPORT TO THE PRESIDENT.—

3 Not later than 90 days after the study of concentration  
4 in the red meat packing industry is submitted to the Con-  
5 gress, the Commission on Concentration in the Livestock  
6 Industry shall submit to the President a report summariz-  
7 ing the results of the duties carried out under section 3.  
8 Not later than 30 days after the President receives such  
9 report, the President shall terminate the Commission.

10 (b) TRANSMISSION OF REPORT TO THE CONGRESS.—

11 The President shall promptly transmit, to the Speaker of  
12 the House of Representatives and the President pro tem-  
13 pore of the Senate, a copy of the report the President re-  
14 ceives under subsection (a).

15 **SEC. 5. DEFINITIONS.**

16 For purposes of this Act—

17 (1) the term “antitrust laws” has the meaning  
18 given it in subsection (a) of the first section of the  
19 Clayton Act (15 U.S.C. 12(a)), except that such  
20 term includes section 5 of the Federal Trade Com-  
21 mission Act (15 U.S.C. 45) to the extent such sec-  
22 tion applies to unfair methods of competition; and

23 (2) the term “study of concentration in the red  
24 meat packing industry” means the study of con-  
25 centration in the red meat packing industry pro-  
26 posed by the Department of Agriculture in the Fed-

1       eral Register on January 9, 1992 (57 Fed. Reg.  
2       875), and for which funds were appropriated by  
3       Public Law 102-142.

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