

104TH CONGRESS  
1ST SESSION

# S. 1340

---

## AN ACT

To establish a Commission on Concentration in the Livestock Industry, and for other purposes.

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”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) ANTITRUST LAWS.—The term “antitrust  
4 laws” has the meaning provided in subsection (a) of  
5 the first section of the Clayton Act (15 U.S.C.  
6 12(a)), except that the term includes section 5 of the  
7 Federal Trade Commission Act (15 U.S.C. 45) to  
8 the extent the section applies to unfair methods of  
9 competition.

10 (2) COMMISSION.—The term “Commission”  
11 means the Commission on Concentration in the  
12 Livestock Industry established under section 3.

13 (3) STUDY OF CONCENTRATION IN THE RED  
14 MEAT PACKING INDUSTRY.—The term “study of  
15 concentration in the red meat packing industry”  
16 means the study of concentration in the red meat  
17 packing industry proposed by the Department of Ag-  
18 riculture in the Federal Register on January 9,  
19 1992 (57 Fed. Reg. 875), and for which funds were  
20 appropriated by Public Law 102–142 (105 Stat.  
21 878).

22 **SEC. 3. ESTABLISHMENT OF COMMISSION.**

23 (a) IN GENERAL.—A Commission on Concentration  
24 in the Livestock Industry shall be established that shall  
25 be composed of—

1           (1) the Secretary of Agriculture, who shall be  
2 the chairperson of the Commission; and

3           (2) 2 members who represent each of the fol-  
4 lowing categories:

5                   (A) Cattle producers.

6                   (B) Hog producers.

7                   (C) Lamb producers.

8                   (D) Meat packers.

9                   (E) Experts in antitrust laws.

10                   (F) Economists.

11                   (G) Corporate chief financial officers.

12                   (H) Corporate procurement experts.

13           (b) APPOINTMENT.—The members of the Commis-  
14 sion appointed under subsection (a)(2) shall be appointed  
15 as follows:

16                   (1) The President shall appoint 4 members.

17                   (2) The Majority Leader of the Senate shall ap-  
18 point 4 members.

19                   (3) The Minority Leader of the Senate shall ap-  
20 point 2 members.

21                   (4) The Speaker of the House of Representa-  
22 tives shall appoint 4 members.

23                   (5) The Minority Leader of the House of Rep-  
24 resentatives shall appoint 2 members.

1 **SEC. 4. DUTIES OF COMMISSION.**

2 (a) IN GENERAL.—The Commission shall—

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

5 (A) examined and identified procurement  
6 markets for slaughter cattle in the continental  
7 United States;

8 (B) analyzed the effects that slaughter cat-  
9 tle procurement practices, and concentration in  
10 the procurement of slaughter cattle, have on the  
11 purchasing and pricing of slaughter cattle by  
12 beef packers;

13 (C) examined the use of captive cattle sup-  
14 ply arrangements by beef packers and the ef-  
15 fects of the arrangements on slaughter cattle  
16 markets;

17 (D) examined the economics of vertical in-  
18 tegration and of coordination arrangements in  
19 the hog slaughtering and processing industry;

20 (E) examined the pricing and procurement  
21 by hog slaughtering plants operating in the  
22 Eastern corn belt;

23 (F) reviewed the pertinent research lit-  
24 erature on issues relating to the structure and  
25 operation of the meat packing industry; and

1 (G) represents, with respect to the matters  
2 described in subparagraphs (A) through (F),  
3 the current situation in the livestock industry  
4 compared to the situation of the industry re-  
5 flected in the data on which the study is based;

6 (2) to request the Attorney General to report  
7 on the application of the antitrust laws and oper-  
8 ation of other Federal laws applicable, with respect  
9 to concentration and vertical integration in the pro-  
10 curement and pricing of slaughter cattle and of  
11 slaughter hogs by meat packers;

12 (3) review laws and regulations relating to the  
13 operation of the meat packing industry regarding  
14 the concentration, vertical integration, and vertical  
15 coordination in the industry;

16 (4) review the farm-to-retail price spread for  
17 livestock during the period beginning on January 1,  
18 1993, and ending on the date the report is submit-  
19 ted under section 5(a);

20 (5) review the adequacy of price data obtained  
21 by the Department of Agriculture under section 203  
22 of the Agricultural Marketing Act of 1946 (7 U.S.C.  
23 1622);

1           (6) make recommendations regarding the ade-  
2           quacy of price discovery in the livestock industry for  
3           animals held for market; and

4           (7) review the lamb industry study completed  
5           by the Department of Justice during 1993.

6           (b) SOLICITATION OF INFORMATION.—For purposes  
7           of complying with paragraphs (2), (3), and (4) of sub-  
8           section (a), the Commission shall solicit information from  
9           all parts of the livestock industry, including livestock pro-  
10          ducers, livestock marketers, industry employees, meat  
11          packers, meat processors, and retailers.

12       **SEC. 5. REPORT AND TERMINATION.**

13          (a) REPORT.—Not later than 90 days after the study  
14          of concentration in the red meat packing industry is sub-  
15          mitted to Congress, the Commission shall submit to the  
16          President, the Speaker of the House of Representatives,  
17          and the President pro tempore of the Senate a report sum-  
18          marizing the results of the duties carried out under section  
19          4.

1 (b) TERMINATION.—Not later than 30 days after  
2 submission of the report, the Commission shall terminate.

Passed the Senate December 20, 1995.

Attest:

*Secretary.*

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

**S. 1340**

---

**AN ACT**

To establish a Commission on Concentration in the  
Livestock Industry, and for other purposes.