

United States Senate

WASHINGTON, DC 20510-4105

April 9, 2020

The Honorable William Barr
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20250

Dear Attorney General Barr:

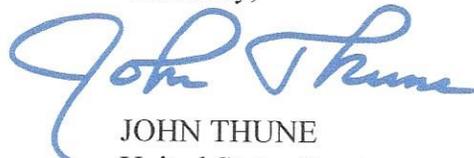
I write to request that the U.S. Department of Justice (DOJ) Antitrust Division investigate potential instances of price manipulation and other anticompetitive activities in the beef industry.

Cattle producers in South Dakota and across the country have faced significant market volatility in the wake of the COVID-19 pandemic. In recent weeks, consumer demand for beef products in grocery stores has grown, which has led to significant increases in boxed beef prices. However, cattle cash prices and futures have taken dramatic hits. During the same time period, beef packer profit margins reached record highs of more than \$600 per head of cattle.¹ The cattle industry experienced similar market volatility less than a year ago following the Tyson beef processing plant fire in Holcomb, Kansas, in August 2019.

The widening gap between cattle producer and packer profit margins raises serious concerns about potential instances of price manipulation and other unfair practices within the beef industry, especially considering that four meat packing companies control more than 80 percent of the beef supply in the United States. With these concerns in mind, I respectfully request that the DOJ Antitrust Division investigate the cattle market volatility following the Tyson plant fire and during the COVID-19 pandemic to determine if any anticompetitive behavior has occurred.

I know you have also heard from several of my colleagues in recent weeks. I share their concerns and urge you to act quickly to announce an investigation. Ultimately, trends in the cattle market that have left producers in South Dakota behind can no longer go unchecked. Thank you for your prompt consideration of this request.

Sincerely,



JOHN THUNE
United States Senator

1. <https://www.reuters.com/article/usa-livestock/livestock-cattle-close-limit-up-on-beef-demand-strong-packer-margins-idUSL1N2BH2ED>