

Calendar No. 261

104TH CONGRESS
1ST Session

S. 1340

A BILL

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

DECEMBER 7, 1995

Reported with an amendment and an amendment to the
title

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

IN THE SENATE OF THE UNITED STATES

OCTOBER 19 (legislative day, OCTOBER 18), 1995

Mr. DASCHLE (for himself, Mr. HARKIN, Mr. BAUCUS, Mr. WELLSTONE, Mr. KERREY, Mr. CONRAD, Mr. GRASSLEY, Mr. CRAIG, Mr. LEAHY, Mr. DORGAN, Mr. BOND, Mr. PRESSLER, Mrs. MURRAY, Mr. FEINGOLD, Mr. KOHL, Mr. BURNS, Mr. EXON, Mr. THOMAS, Mr. HATCH, and Mr. BINGAMAN) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

DECEMBER 7, 1995

Reported by Mr. HATCH with an amendment and an amendment to the title
[Strike out all after the enacting clause and insert the part printed in *italic*]

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;

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 pro-
25 cessors, 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.

4 **SECTION 1. SHORT TITLE.**

5 *This Act may be cited as the “Livestock Concentration*
6 *Report Act”.*

7 **SEC. 2. DEFINITIONS.**

8 *In this Act:*

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

15 (2) *COMMISSION.*—*The term “Commission”*
16 *means the Commission on Concentration in the Live-*
17 *stock Industry established under section 3.*

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

1 **SEC. 3. ESTABLISHMENT OF COMMISSION.**

2 (a) *IN GENERAL.*—A Commission on Concentration in
3 the Livestock Industry shall be established that shall be com-
4 posed of—

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

7 (2) 2 members who represent each of the follow-
8 ing categories:

9 (A) Cattle producers.

10 (B) Hog producers.

11 (C) Lamb producers.

12 (D) Meat packers.

13 (E) Experts in antitrust laws.

14 (F) Economists.

15 (G) Corporate chief financial officers.

16 (H) Corporate procurement experts.

17 (b) *APPOINTMENT.*—The members of the Commission
18 appointed under subsection (a)(2) shall be appointed as fol-
19 lows:

20 (1) The President shall appoint 4 members.

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

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

25 (4) The Speaker of the House of Representatives
26 shall appoint 4 members.

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

3 **SEC. 4. DUTIES OF COMMISSION.**

4 (a) *IN GENERAL.—The Commission shall—*

5 (1) *determine whether the study of concentration*
6 *in the red meat packing industry adequately—*

7 (A) *examined and identified procurement*
8 *markets for slaughter cattle in the continental*
9 *United States;*

10 (B) *analyzed the effects that slaughter cattle*
11 *procurement practices, and concentration in the*
12 *procurement of slaughter cattle, have on the pur-*
13 *chasing and pricing of slaughter cattle by beef*
14 *packers;*

15 (C) *examined the use of captive cattle sup-*
16 *ply arrangements by beef packers and the effects*
17 *of the arrangements on slaughter cattle markets;*

18 (D) *examined the economics of vertical inte-*
19 *gration and of coordination arrangements in the*
20 *hog slaughtering and processing industry;*

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

1 (F) reviewed the pertinent research lit-
2 erature on issues relating to the structure and
3 operation of the meat packing industry; and

4 (G) represents, with respect to the matters
5 described in subparagraphs (A) through (F), the
6 current situation in the livestock industry com-
7 pared to the situation of the industry reflected in
8 the data on which the study is based;

9 (2) review the impact of the antitrust laws with
10 respect to concentration in the livestock industry;

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

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

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

23 (6) make recommendations regarding the ade-
24 quacy of price discovery in the livestock industry for
25 animals held for market; and

1 (7) *review the lamb industry study completed by*
2 *the Department of Justice during 1993.*

3 (b) *SOLICITATION OF INFORMATION.—For purposes of*
4 *complying with paragraphs (2), (3), and (4) of subsection*
5 *(a), the Commission shall solicit information from all parts*
6 *of the livestock industry, including livestock producers, live-*
7 *stock marketers, meat packers, meat processors, and retail-*
8 *ers.*

9 **SEC. 5. REPORT AND TERMINATION.**

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

16 (b) *TERMINATION.—Not later than 30 days after sub-*
17 *mission of the report, the Commission shall terminate.*

18 *Amend the title so as to read: “A bill to establish a*
19 *Commission on Concentration in the Livestock Industry,*
20 *and for other purposes.”.*

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