



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, DECEMBER 13, 1971

The Department of Justice filed a civil antitrust suit today challenging the acquisition of two companies operating soybean milling plants in Kansas and Nebraska by a third such company in Illinois.

Attorney General John N. Mitchell said the suit was filed in the U.S. District Court in Kansas City, Kansas.

Named as defendants in the suit were: Archer Daniels Midland Company, Decatur, Illinois; Kansas Soya Products Co., Inc., Emporia, Kansas; and Fremont Cake & Meal Co., Inc., Fremont, Nebraska.

The suit charged that the acquisition of Kansas Soya and Fremont Cake & Meal by Archer Daniels Midland (ADM) on April 1, 1970 violated Section 7 of the Clayton Act by eliminating competition between the companies in the purchase of soybeans and in the production and sale of soybean meal and other soybean products in Kansas and Nebraska.

Walker B. Comegys, Acting Assistant Attorney General, Antitrust Division, said that, at the time of the acquisitions, ADM and Kansas Soya each operated one of the three soybean milling plants in Kansas and ADM and Fremont Cake & Meal each operated one of the two soybean milling plants in Nebraska.

OVER

Mr. Comegys also said that ADM and Kansas Soya purchased an amount of soybeans equal to approximately two-thirds of the Kansas crop and ADM and Fremont Cake & Meal purchased an amount of soybeans equal to greater than 90 percent of the Nebraska crop in 1970. The same companies also produced more than a third of all soybean meal consumed in Kansas and nearly half of the soybean meal consumed in Nebraska last year, he said.

The suit asks that the acquisitions be declared unlawful and that the acquisition agreements be rescinded. It also seeks to enjoin ADM, for a period of ten years, from acquiring any other soybean processing plant located within 150 miles of the States of Kansas and Nebraska.

Soybeans constitute the nation's second largest agricultural crop and its largest export commodity. Soybean meal is used to produce formula feeds for livestock and poultry and is used as an ingredient in soy-based products produced for human consumption.

ADM, Kansas Soya and Fremont Cake & Meal sold approximately \$27 million in soybean meal in Kansas and Nebraska during 1970.