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JUSTICE DEPARTMENT AND USDA TO HOLD PUBLIC WORKSHOPS TO EXPLORE COMPETITION ISSUES IN THE AGRICULTURE INDUSTRY

Workshops Will Promote Open Dialogue on Legal and Economic Issues in the Agriculture Industry

WASHINGTON – Attorney General Eric Holder and Agriculture Secretary Tom Vilsack announced today that the Department of Justice and the U.S. Department of Agriculture (USDA) will hold joint public workshops to explore competition issues affecting the agriculture industry in the 21st century and the appropriate role for antitrust and regulatory enforcement in that industry. These are the first joint Department of Justice/USDA workshops ever to be held to discuss competition and regulatory issues in the agriculture industry.

The joint Department of Justice/USDA workshops will address the dynamics of competition in agriculture markets including, among other issues, buyer power (also known as monopsony) and vertical integration. They will examine legal doctrines and jurisprudence and current economic learning, and will provide an opportunity for farmers, ranchers, consumer groups, processors, the agribusinesses, and other interested parties to provide examples of potentially anticompetitive conduct. The workshops will also provide an opportunity for discussion for any concerns about the application of the antitrust laws to the agricultural industry.

The goals of the workshops are to promote dialogue among interested parties and foster learning with respect to the appropriate legal and economic analyses of these issues, as well as to listen to and learn from parties with real-world experience in the agriculture sector.

“Maintaining a robust agricultural sector is crucial to the strength of the American economy and to who we are as a nation,” said Attorney General Holder. “Through the dialogue established in these workshops and, ultimately through our actions, we are committed to ensuring that competition and regulatory actions benefit all American consumers and businesses.”

“It is important to have a fair and competitive marketplace that benefits agriculture, rural economies and American consumers,” said Agriculture Secretary Vilsack. “The joint workshops between the Department of Justice and USDA will allow a dialogue on very important issues facing agriculture today.”

The first workshop will be held in early 2010. While some of the workshops may be held in Washington, D.C., others will be held regionally. The Department of Justice and USDA are soliciting public comments from lawyers, economists, agribusinesses, consumer groups, academics, agricultural producers, agricultural cooperatives, and other interested parties.

“For the first time ever, farmers, ranchers, consumers groups, agribusinesses and the federal government will openly discuss legal and economic issues associated with competition in the agriculture industry,” said Christine A. Varney, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “This is an important step forward in determining the best course of action to address the unique competition issues in agriculture.”

The Department of Justice and USDA are interested in receiving comments on the application of antitrust laws to monopsony and vertical integration in the agricultural sector, including the scope, functionality and limits of current or potential rules.

The Department and USDA are also inviting input on additional topics that might be discussed at the workshops, including the impact of agriculture concentration on food costs, the effect of agricultural regulatory statutes or other applicable laws and programs on competition, issues relating to patent and intellectual property affecting agricultural marketing or production, and market practices such as price spreads, forward contracts, packer ownership of livestock before slaughter, market transparency, and increasing retailer concentration.

The public and press are invited to attend the hearings. Additional information about the date, time and location of the workshops will be provided at a later date. Interested parties should submit written comments in both paper and electronic form to the Department of Justice no later than Dec. 31, 2009. All comments received will be publicly posted. Two paper copies should be addressed to the Legal Policy Section, Antitrust Division, U.S. Department of Justice, 450 5th Street, N.W., Suite 11700, Washington, D.C. 20001. The Department’s Antitrust Division is requesting that the paper copies of each comment be sent by courier or overnight service, if possible. The electronic version of each comment should be submitted to agriculturalworkshops@usdoj.gov. Detailed agendas and schedules for the workshops will be made available on the Antitrust Division’s web site at www.usdoj.gov/atr.

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