

MAR 23 2001
Laid Over Under Rule 25

1 HOUSE CONCURRENT RESOLUTION NO. 27

2 BY FREVERT

3 A Concurrent Resolution to urge that the United States
4 Congress, the United States Department of Agriculture,
5 and the United States Department of Justice take all
6 actions necessary to ensure competitive markets in the
7 meat processing industry, including the suspension of
8 mergers of this nation's largest meat processors.

9 WHEREAS, large agribusiness concerns are
10 increasingly moving to consolidate business operations
11 in a manner that reduces competition in the
12 marketplace; and

13 WHEREAS, less than two years ago, Cargill Inc.
14 acquired the grain unit of Continental Grain Co.,
15 combining the two largest grain exporters in the
16 United States and two of the country's largest
17 privately held companies; and

18 WHEREAS, Tyson Foods Inc. is considering acquiring
19 meat processor IBP Inc., the world's largest supplier
20 of fresh beef and pork, for cash and stock, which
21 appears to defeat rival suitor Smithfield Foods in a
22 bidding battle for the huge beef and pork processor;
23 and

24 WHEREAS, the acquisition of IBP Inc. by Tyson Foods
25 Inc. would triple Tyson's annual sales to an estimated
26 \$24 billion a year and make it the nation's leading
27 poultry, beef, and pork producer in the nation; and

28 WHEREAS, a Tyson-IBP merger would create a company
29 with 30 percent of the beef market, 33 percent of the
30 chicken market, and 18 percent of the pork market; and

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1 WHEREAS, on September 21, 2000, the United States
2 General Accounting Office issued a report finding that
3 the Grain Inspection, Packers and Stockyards
4 Administration (GIPSA) investigative procedures are
5 not suited to complex competition-related issues
6 associated with the enforcement of the federal Packers
7 and Stockyards Act; and

8 WHEREAS, the continued concentration of meat
9 processors will provide anticompetitive control in the
10 meatpacking industry that will stifle or drive out
11 competition in markets and at key concentration points
12 to the detriment of producers and consumers; and

13 WHEREAS, cattle and swine producers may face
14 decreased opportunities to market livestock if Tyson
15 Foods Inc. forsakes beef or pork processing
16 opportunities in favor of extending markets for
17 poultry products, including by consolidating or
18 closing slaughtering facilities; NOW THEREFORE,

19 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, THE
20 SENATE CONCURRING, That the United States Congress
21 enact measures to ensure that competition in the meat
22 processing industry is not stifled by companies that
23 seek monopolistic control of the market, including by
24 temporarily suspending regulatory approval of mergers
25 for two years.

26 BE IT FURTHER RESOLVED, That federal agencies,
27 including the United States Department of Agriculture
28 and the United States Department of Justice, conduct
29 reviews and investigations of the meat packing
30 industry, including anticompetitive practices and

1 antitrust violations.

2 BE IT FURTHER RESOLVED, That the Chief Clerk of the
3 House of Representatives mail copies of this
4 resolution to the President of the United States, the
5 United States Secretary of Agriculture, the United
6 States Attorney General, the President of the Senate
7 of the United States, the Speaker of the House of
8 Representatives of the United States, the chairman of
9 the United States Senate Committee on Agriculture,
10 Nutrition, and Forestry, the chairman of the United
11 States House of Representatives Committee on
12 Agriculture, and members of Iowa's congressional
13 delegation.

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