

119TH CONGRESS
2D SESSION

S. _____

To restore competition in the meatpacking industry by reducing excessive concentration and market power and ultimately reduce prices for American consumers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. SCHUMER (for himself, Mr. BOOKER, Mr. WELCH, Ms. WARREN, Mr. SANDERS, Mr. GALLEGO, Mr. MERKLEY, Mr. SCHATZ, Mr. DURBIN, Mr. MARKEY, Mr. KIM, and Mr. MURPHY) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To restore competition in the meatpacking industry by reducing excessive concentration and market power and ultimately reduce prices for American consumers, and for other purposes.

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 “Family Grocery and
5 Farmer Relief Act”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—Congress finds the following:

1 (1) The meatpacking industry in the United
2 States is highly concentrated, with a small number
3 of firms controlling a dominant share of beef, chick-
4 en, and pork slaughtering and processing.

5 (2) 4 firms control 85 percent of the beef mar-
6 ket and 67 percent of the pork market, which is up
7 from 36 percent and 34 percent, respectively, in
8 1980.

9 (3) 4 firms control more than 60 percent of the
10 market in chicken processing.

11 (4) The scale and market dominance of large
12 meatpacking firms create substantial barriers to
13 entry and expansion for independent and regional
14 processors, limiting competitive alternatives for pro-
15 ducers and consumers.

16 (5) This highly consolidated meatpacking mar-
17 ket has real consequences for farmers, workers, and
18 consumers.

19 (6) Meatpackers have repeatedly used their
20 market power in ways that suppress wages, destroy
21 jobs through strategic plant shutdowns, and subject
22 workers to extremely dangerous conditions while
23 prices are to their advantage.

24 (7) Extreme concentration in meatpacking has
25 resulted in diminished bargaining power for inde-

1 pendent producers, increased vulnerability to unfair
2 and discriminatory practices, and reduced economic
3 viability for rural communities.

4 (8) Consumers are paying more for meat, with
5 the Department of Agriculture reporting that
6 ground beef prices have increased about 16.4 per-
7 cent since last year. Meanwhile, increased revenue is
8 not flowing to farmers and ranchers as—

9 (A) in 1970, 70 percent of the consumer's
10 beef dollar went to cattle ranchers, but today,
11 ranchers' share of the consumer's beef dollar is
12 closer to 30 percent; and

13 (B) profits remain with the big 4 covered
14 meatpacking enterprises.

15 (9) The public interest requires competitive,
16 transparent, and resilient markets for essential food
17 products.

18 (b) PURPOSES.—The purposes of this Act are to—

19 (1) restore competition in the meatpacking in-
20 dustry by reducing excessive concentration and mar-
21 ket power;

22 (2) prohibit and reverse mergers and acquisi-
23 tions in the meatpacking sector that have materially
24 lessened competition;

1 (3) authorize and require structural separation,
2 divestiture, or breakup of dominant meatpacking
3 firms, where necessary, to restore competitive mar-
4 ket conditions;

5 (4) ensure that no firm retains or expands mar-
6 ket power in United States food and agricultural
7 markets through capital obtained by corruption,
8 bribery, or other unlawful conduct;

9 (5) deny competitive advantage derived from
10 foreign state-backed or non-market financing that
11 undermines fair competition in United States mar-
12 kets;

13 (6) protect independent cattle producers from
14 abusive, coercive, or discriminatory practices arising
15 from excessive buyer concentration;

16 (7) ensure that any restructuring of the indus-
17 try results in safer, fairer, and more sustainable jobs
18 for workers across the supply chain;

19 (8) promote the growth and viability of inde-
20 pendent and regional meat processors; and

21 (9) help bring prices down for families in the
22 United States.

23 **SEC. 3. DEFINITIONS.**

24 In this Act:

1 (1) BEEF MEATPACKING MARKET.—The term
2 “beef meatpacking market” means the market for
3 cattle slaughter and beef processing in the United
4 States, including the national beef market and re-
5 gional beef markets.

6 (2) COMMISSION.—The term “Commission”
7 means the Federal Trade Commission.

8 (3) COVERED FEEDLOT.—The term “covered
9 feedlot” means a feedlot with a capacity of 24,000
10 head of cattle or more.

11 (4) COVERED FOREIGN-CONTROLLED
12 MEATPACKING ENTERPRISE.—The term “covered
13 foreign-controlled covered meatpacking enterprise”
14 means—

15 (A) JBS S.A. and its affiliates; and

16 (B) any other entity, as determined by rule
17 by the Commission.

18 (5) COVERED MEATPACKING ENTERPRISE.—

19 (A) IN GENERAL.—Subject to subpara-
20 graph (B), the term “covered meatpacking en-
21 terprise” has the meaning given the term
22 “packer” in section 201 of the Packers and
23 Stockyards Act, 1921 (7 U.S.C. 191).

24 (B) RULEMAKING.—Not later than 90
25 days after the date of enactment of this Act,

1 the Commission shall, by rule, define for pur-
2 poses of this Act—

3 (i) a de minimus threshold of volume
4 or revenue below which a person shall be
5 excluded from the definition of a covered
6 meatpacking enterprise under subpara-
7 graph (A); and

8 (ii) the requirements that place a per-
9 son under common control or in affiliation
10 with a covered meatpacking enterprise
11 such that the entity shall be included in
12 the definition of a covered meatpacking en-
13 terprise under subparagraph (A).

14 (6) CR4.—The term “CR4” means the sum of
15 the market shares of the 4 largest firms in the rel-
16 evant market.

17 (7) FARMERS’ COOPERATIVE.—The term
18 “farmers’ cooperative” means an organization ex-
19 empt from taxation under section 521 of the Inter-
20 nal Revenue Code of 1986.

21 (8) FEEDLOT.—The term “feedlot”—

22 (A) means any facility that is used in its
23 entirety or in part for the purpose of feeding
24 livestock to be slaughtered, or to be sold for
25 slaughter, by another; and

1 (B) does not include feeding incidental to
2 the sale or transportation of livestock.

3 (9) HHI.—The term “HHI” means the
4 Herfindahl-Hirschman Index, calculated as the sum
5 of the squares of the market shares of all firms in
6 the relevant market.

7 (10) LINE OF PROTEIN.—The term “line of
8 protein” means livestock, livestock products (as de-
9 fined in section 2 of the Packers and Stockyards
10 Act, 1921 (7 U.S.C. 182), poultry, poultry products
11 (as defined in section 4 of the Poultry Products In-
12 spection Act (21 U.S.C. 453), meats, or meat food
13 products (as defined in section 1 of the Federal
14 Meat Inspection Act (21 U.S.C. 601)) in each of the
15 following product categories:

16 (A) Beef (including cattle slaughter, beef
17 processing, and beef products).

18 (B) Pork (including hog slaughter, pork
19 processing, and pork products).

20 (C) Poultry (including chicken slaughter,
21 processing, and chicken products).

22 (D) Any additional category, as the Com-
23 mission may, by rule, designate to prevent eva-
24 sion of this Act.

1 (11) MARKET SHARE.—The term “market
2 share” means the share of total slaughter or proc-
3 essing capacity, volume, or sales in the relevant mar-
4 ket, as determined by rule by the Commission.

5 (12) NATIONAL BEEF MARKET.—The term “na-
6 tional beef market” means the market of the United
7 States as a whole, or such broader integrated geo-
8 graphic market as the Commission determines ap-
9 propriate, for the slaughter of cattle and processing
10 of beef products.

11 (13) REGIONAL BEEF MARKET.—The term “re-
12 gional beef market” means a geographic market de-
13 fined by reference to the regional direct slaughter
14 cattle reporting regions of the Department of Agri-
15 culture, or any successor system of regional delinea-
16 tion the Commission determines better reflects com-
17 petitive conditions.

18 **TITLE I—BREAKING UP THE** 19 **MEATPACKING INDUSTRY**

20 **SEC. 101. LIMITATION ON OPERATION IN MULTIPLE LINES** 21 **OF PROTEIN.**

22 (a) PROHIBITION.—

23 (1) IN GENERAL.—It shall be unlawful for a
24 covered meatpacking enterprise to own, control, or
25 operate any entity or combination of entities that

1 engaged in more than 1 line of protein in the United
2 States, in or affecting interstate or foreign com-
3 merce.

4 (2) PROHIBITION ON NEW ACQUISITIONS.—On
5 and after the date of enactment of this Act, no cov-
6 ered meatpacking enterprise may acquire, directly or
7 indirectly, control of assets or operations in a line of
8 protein other than the line of protein in which the
9 covered meatpacking enterprise already engages, in
10 violation of paragraph (1).

11 (b) DIVESTITURE REQUIRED.—The Commission
12 shall require divestiture pursuant to section 102 of any
13 covered meatpacking enterprise that violates subsection
14 (a).

15 **SEC. 102. DIVESTITURE AUTHORITY.**

16 (a) COMMISSION AUTHORITY.—

17 (1) IN GENERAL.—With respect to any violation
18 of section 101, the Commission shall develop and
19 oversee a divestiture plan for the covered
20 meatpacking enterprise that provides for—

21 (A) the sale of assets to 1 or more inde-
22 pendent entities; or

23 (B) the creation of 1 or more new, inde-
24 pendent entities through spin-off or other struc-
25 tural separation.

1 (2) STANDARDS.—In exercising its authority
2 under paragraph (1), the Commission shall—

3 (A) act in a manner consistent with the
4 public interest in promoting competition, pro-
5 tecting consumers, producers, and workers, and
6 ensuring a resilient food supply, as described in
7 section 602; and

8 (B) to the maximum extent practicable,
9 structure divestitures under this section so as
10 to—

11 (i) avoid reconcentration of assets;

12 (ii) encourage ownership and control
13 of divested assets by farmers' cooperatives,
14 worker owned enterprises, and other small
15 or mid sized businesses; and

16 (iii) prevent reacquisition of divested
17 assets by firms whose market power con-
18 tributed to the need for divestiture.

19 (b) TRANSITION; COMPLIANCE PLANS.—

20 (1) IN GENERAL.—Not later than 120 days
21 after the date of enactment of this Act, the Commis-
22 sion shall develop a plan for the divestiture of each
23 covered meatpacking enterprise that, as of the date
24 of enactment of this Act, is engaged in the proc-

1 essing of more than 1 line of protein in violation of
2 section 101.

3 (2) COMMENT.—Not later than 30 days after
4 the development of a plan under this section, a cov-
5 ered meatpacking enterprise shall submit to the
6 Commission any comments on the plan.

7 (3) APPROVAL OF PLAN.—Following the end of
8 the comment period under paragraph (2), the Com-
9 mission shall consider and respond to significant
10 comments received under that paragraph and ap-
11 prove a final version of the plan.

12 **TITLE II—SPECIFIC RULES FOR**
13 **CONSOLIDATION IN BEEF**
14 **MEATPACKING MARKET**

15 **SEC. 201. PROHIBITION ON UNLAWFUL HORIZONTAL CON-**
16 **SOLIDATION.**

17 The Commission shall require divestiture pursuant to
18 section 202, as applicable, if in a regional beef market or
19 in a national beef market—

20 (1) the HHI exceeds 1800;

21 (2) the CR4 exceeds 50 percent; or

22 (3) any covered meatpacking enterprise has a
23 market share of 30 percent or more.

1 **SEC. 202. REGIONAL AND NATIONAL BEEF MARKET DIVES-**
2 **TITURE AUTHORITY AND PROCESS.**

3 (a) IN GENERAL.—Divestiture under this section
4 may consist of—

5 (1) sale of 1 or more entities, facilities, or busi-
6 ness units to 1 or more independent entities; or

7 (2) the creation of 1 or more new, independent
8 entities, including through spin-offs or other struc-
9 tural separation.

10 (b) DIVESTITURE IN REGIONAL BEEF MARKETS.—

11 (1) IN GENERAL.—

12 (A) VIOLATION UNDER HHI OR CR4 MEAS-
13 URES.—With respect to a condition described in
14 paragraph (1) or (2) of section 201, the Com-
15 mission shall order divestiture in the regional
16 market as follows:

17 (i) The largest covered meatpacking
18 enterprise in the regional beef market that
19 owns multiple beef slaughter or processing
20 entities in that region shall divest its larg-
21 est entity, facility, or business unit in that
22 region.

23 (ii) After the divestiture required
24 under clause (i), the Commission shall re-
25 assess the concentration in the regional
26 beef market under section 201(a).

1 (iii) If 1 or more thresholds described
2 in section 201 is met after the reassess-
3 ment under clause (ii), the Commission
4 shall repeat the process described in
5 clauses (i) and (ii) as necessary, including
6 by ordering further divestitures, until no
7 threshold described in section 201 is met
8 or until the Commission determines that
9 further divestiture would not reduce mar-
10 ket concentration.

11 (B) VIOLATION UNDER SINGLE FIRM MAR-
12 KET SHARE MEASURE.—With respect to a con-
13 dition described in section 201(3), the Commis-
14 sion shall order divestiture in the regional mar-
15 ket of the covered meatpacking enterprise meet-
16 ing that condition.

17 (2) USE OF EQUITABLE POWERS TO
18 DECONCENTRATE THE MARKET.—If the Commission
19 is unable to order further divestitures under sub-
20 paragraph (A)(iii) of paragraph (1) and 1 or more
21 thresholds described in section 201 is still met, such
22 as if the largest covered meatpacking enterprise has
23 only 1 entity, facility, or business unit in the market
24 which cannot be divided, the Commission shall use
25 all equitable powers to otherwise deconcentrate the

1 market until the Commission determines that none
2 of the thresholds described in section 201 are met.

3 (c) **DIVESTITURE IN NATIONAL BEEF MARKET.**—In
4 the national beef market, the Commission shall apply a
5 substantially similar process to the process described in
6 subsection (b), as appropriate, to require divestiture by
7 covered meatpacking enterprises (including by ordering di-
8 vestiture of specified entities, facilities, or business units,
9 or other assets) and use all equitable powers to
10 deconcentrate the market until the Commission deter-
11 mines that none of the thresholds described in section 201
12 are met.

13 **SEC. 203. VERTICAL CONSOLIDATION.**

14 (a) **FINDINGS.**—Congress finds that the long-term
15 supply contracts and similar arrangements between large
16 packers and large feedlots can be functionally equivalent
17 to ownership, leading over time to consolidation of
18 feedlots, reduced demand for cattle from independent pro-
19 ducers, and diminished competition.

20 (b) **PROHIBITION.**—No covered meatpacking enter-
21 prise in the beef line of protein may slaughter, in any cal-
22 endar year, more than 10 percent of the cattle produced
23 by any single covered feedlot.

24 (c) **PRIVATE RIGHT OF ACTION.**—

1 (1) IN GENERAL.—If a covered meatpacking
2 enterprise violates subsection (b), any feedlot owner
3 or operator that sold some percentage less than 10
4 percent of its cattle to that covered meatpacking en-
5 terprise during the calendar year of the violation
6 may bring a civil action against the covered
7 meatpacking enterprise in the Federal judicial dis-
8 trict in which the feedlot is located or in an appro-
9 priate United States district court to recover—

10 (A) an amount equal to 3 times the dif-
11 ference between the highest price the covered
12 meatpacking enterprise paid for cattle from any
13 covered feedlot and the lowest price the feedlot
14 owner or operator received for cattle during the
15 calendar year of the violation multiplied by the
16 total number of cattle the feedlot owner or op-
17 erator sold overall during that calendar year;
18 and

19 (B) reasonable costs and attorney’s fees.

20 (2) CIVIL PENALTY TO ADDRESS PRIVATE INJU-
21 RIES.—The Commission may impose on any covered
22 meatpacking enterprise violating subsection (b) a
23 civil penalty equal to the amount described in para-
24 graph (1)(A) with respect to each feedlot owner or
25 operator that sold less than 10 percent of its cattle

1 to the covered meatpacking enterprise and shall use
2 the amount recovered to compensate such feedlots.

3 **TITLE III—PROHIBITING FOR-**
4 **EIGN LEVERAGE OVER THE**
5 **DOMESTIC BEEF AND PORK**
6 **MARKETS**

7 **SEC. 301. FINDINGS.**

8 Congress finds the following:

9 (1) A significant portion of domestic beef, pork,
10 and chicken processing capacity is owned or con-
11 trolled by foreign-based multinational corporations,
12 raising concerns relating to food system resilience,
13 transparency, and national security.

14 (2) JBS S.A., a foreign-based multinational
15 corporation, is the largest beef processor operating
16 in the United States and has obtained substantial
17 domestic meatpacking assets through a sustained ac-
18 quisition strategy.

19 (3) In 2020, J&F Investimentos S.A. (the par-
20 ent company of JBS S.A.) agreed to pay more than
21 \$280,000,000 to settle Department of Justice and
22 Securities and Exchange Commission charges relat-
23 ing to bribery and other corrupt practices involving
24 foreign government officials to obtain preferential fi-
25 nancing and other financial advantages from state-

1 backed institutions. Capital obtained through such
2 corrupt practices was used, in whole or in part, to
3 finance acquisitions of meatpacking and food proc-
4 essing assets in the United States.

5 (4) The use of corruption-derived or pref-
6 erential state-backed financing to acquire United
7 States agricultural assets distorted competitive con-
8 ditions and disadvantaged firms that relied on law-
9 ful, market-based financing.

10 (5) The People's Republic of China has an in-
11 creasing footprint in the food supply chain in the
12 United States, with Smithfield Foods, owned by the
13 WH Group of the People's Republic of China, hold-
14 ing a major position in United States pork proc-
15 essing and announcing in January 2026 its acquisi-
16 tion of Nathan's Famous, an iconic brand of the
17 United States.

18 (6) When major processing capacity and widely
19 recognized brands in the United States move under
20 the control of a foreign parent company, the public
21 deserves to know how that affects competition, pric-
22 ing power, and national security.

1 **SEC. 302. DIVESTITURE PLANS FOR COVERED FOREIGN-**
2 **CONTROLLED MEATPACKING ENTERPRISES.**

3 (a) IN GENERAL.—It shall be unlawful for any cov-
4 ered foreign-controlled meatpacking enterprise to operate
5 in interstate commerce in the United States.

6 (b) DIVESTITURE REQUIRED.—

7 (1) IN GENERAL.—Not later than 120 days
8 after the date of enactment of this Act, the Commis-
9 sion shall require each covered foreign-controlled
10 meatpacking enterprise violating subsection (a) to
11 carry out a divestiture plan under paragraph (2).

12 (2) STRUCTURE.—A divestiture plan of a cov-
13 ered foreign-controlled meatpacking enterprise under
14 this paragraph shall—

15 (A) be developed by the Commission; and

16 (B) require the covered foreign-controlled
17 meatpacking enterprise to divest its United
18 States meatpacking and food processing oper-
19 ations, which may require that such operations
20 be—

21 (i) transferred to 1 or more new, inde-
22 pendent entities headquartered, incor-
23 porated, and controlled by persons domi-
24 ciled in the United States; or

25 (ii) sold to 1 or more entities, subject
26 to conditions necessary to preserve and en-

1 hance competition and safeguard national
2 security interests, including, as appro-
3 priate, in consultation with relevant na-
4 tional security agencies.

5 (3) STANDARDS.—In exercising its authority
6 under paragraph (1), the Commission shall—

7 (A) act in a manner consistent with the
8 public interest in promoting competition, pro-
9 tecting consumers, producers, and workers, and
10 ensuring a resilient food supply, as described in
11 section 602; and

12 (B) to the maximum extent practicable,
13 structure divestitures under this section so as
14 to—

15 (i) avoid reconcentration of assets;

16 (ii) encourage ownership and control
17 of divested assets by farmers' cooperatives,
18 worker owned enterprises, and other small
19 or mid sized businesses; and

20 (iii) prevent reacquisition of divested
21 assets by firms whose market power con-
22 tributed to the need for divestiture.

23 (4) CONSIDERATION OF CORRUPTION AND UN-
24 LAWFUL CONDUCT.—In designing the divestiture
25 plan under this paragraph, the Commission may

1 take into account prior admissions and findings re-
2 lating to corruption, bribery, and other unlawful
3 conduct used to obtain financing for United States
4 acquisitions, including settlements and judgments
5 under the Foreign Corrupt Practices Act of 1977
6 (15 U.S.C. 78dd-1 et seq.).

7 (5) EXTENSION.—With respect to a covered
8 foreign-controlled meatpacker, the Commission may
9 grant a single extension of not more than 90 days
10 of the date on which the prohibition under sub-
11 section (a) would otherwise apply to the covered for-
12 eign-controlled meatpacking enterprise if the Com-
13 mission certifies to Congress that—

14 (A) a path to executing a divestiture under
15 this subsection has been identified with respect
16 to such covered foreign-controlled meatpacking
17 enterprise;

18 (B) evidence of significant progress toward
19 executing such divestiture has been produced
20 with respect to such covered foreign-controlled
21 meatpacking enterprise; and

22 (C) there are in place the relevant binding
23 legal agreements to enable execution of such di-
24 vestiture during the period of such extension.

1 **SEC. 303. REVIEW OF OTHER FOREIGN-CONTROLLED**
2 **MEATPACKING ENTERPRISES.**

3 (a) STUDY AND REPORT.—Not later than 180 days
4 after the date of enactment of this Act, the Commission
5 shall complete a study of the business practices, financing,
6 ownership structures, and competitive effects of all for-
7 eign-controlled entities with significant meatpacking and
8 related operations in the United States, including those
9 of entities engaged in beef or pork production and proc-
10 essing.

11 (b) CONSULTATION.—In conducting the study under
12 subsection (a), the Commission shall consult with appro-
13 priate national security agencies, including the Depart-
14 ment of Defense, the Department of Homeland Security,
15 the Office of the Director of National Intelligence, the De-
16 partment of Agriculture, the Department of Justice, and
17 any other relevant agency as determined by the Commis-
18 sion.

19 (c) AUTHORITY TO DETERMINE NEED FOR DIVEST-
20 MENT.—

21 (1) IN GENERAL.—The Commission may deter-
22 mine, based on the study and consultations under
23 subsections (a) and (b), that divestment, structural
24 separation, or other remedial action is needed with
25 respect to such foreign-controlled entities to protect

1 competition, national security, or the resilience of
2 the United States food system.

3 (2) CONGRESSIONAL REVIEW.—

4 (A) SUBMISSION.—Before the Commission
5 may require divestment, structural separation,
6 or other remedial action under paragraph (1),
7 the Commission shall submit to each House of
8 Congress the determination under that para-
9 graph and Congress shall review the determina-
10 tion pursuant to subparagraph (B).

11 (B) REVIEW.—Congress may, by an Act of
12 Congress, block a determination submitted
13 under subparagraph (A) through the congres-
14 sional disapproval procedure set forth in section
15 802 of title 5, United States Code.

16 (C) REQUIREMENT.—Upon the expiration
17 of the review period under subparagraph (B),
18 the Commission may require the divestiture,
19 structural separation, or other remedial action
20 determined under paragraph (1).

21 (d) REPORT TO CONGRESS.—Not later than 120 days
22 after the date of enactment of this Act, the Commission
23 shall submit to Committee on Commerce, Science, and
24 Transportation of the Senate, the Select Committee on In-
25 telligence of the Senate, the Committee on the Judiciary

1 of the Senate, the Committee on Energy and Commerce
2 of the House of Representatives, the Permanent Select
3 Committee on Intelligence of the House of Representa-
4 tives, and the Committee on the Judiciary of the House
5 of Representatives a report that includes a divestment de-
6 cision with respect to each foreign-controlled meatpacking
7 enterprise.

8 **TITLE IV—BRINGING PRICES**
9 **DOWN FOR THE AMERICAN**
10 **FAMILY**

11 **SEC. 401. FINDINGS.**

12 Congress finds the following:

13 (1) Families across the United States face per-
14 sistently high prices for meat, which contribute sig-
15 nificantly to overall food costs and household finan-
16 cial strain.

17 (2) Concentration and limited competition in
18 meat supply chains and retail markets can facilitate
19 unfair and unjustly discriminatory pricing practices,
20 including price discrimination that disadvantages
21 certain retail grocers and the communities they
22 serve.

23 (3) Unfair and unjustly discriminatory prices
24 and price discrimination for meat products can re-
25 sult in higher prices, reduced availability, and fewer

1 choices for consumers, particularly in rural areas,
2 low-income communities, and communities already
3 experiencing limited grocery access.

4 (4) Section 406 of the Packers and Stockyards
5 Act, 1921 (7 U.S.C. 227), confers authority on the
6 Commission with respect to the retail sale of meat,
7 meat food products, and livestock products in un-
8 manufactured form. Under section 406 of the Pack-
9 ers and Stockyards Act, 1921 (7 U.S.C. 227), the
10 Commission may exercise its authority, including its
11 authority under the Federal Trade Commission Act,
12 to prevent unfair methods of competition and unfair
13 or deceptive acts or practices in or affecting com-
14 merce in connection with such retail sales.

15 (5) The authority extends to conduct that re-
16 sults in unfair and unjustly discriminatory retail
17 meat prices and to price discrimination in meat,
18 which drives prices higher for independent, smaller,
19 or neighborhood grocery stores, where such conduct
20 constitutes an unfair method of competition or an
21 unfair or deceptive act or practice.

22 (6) Section 5 of the Federal Trade Commission
23 Act (15 U.S.C. 45) declares unlawful unfair methods
24 of competition and unfair or deceptive acts or prac-
25 tices in or affecting commerce and authorizes the

1 Commission to prevent such conduct through inves-
2 tigation, administrative proceedings, and judicial
3 enforcement, including with respect to retail and
4 wholesale sales of meat, meat food products, and
5 livestock products in unmanufactured form where
6 such sales are in or affect commerce.

7 (7) The Commission's authority under section 5
8 of the Federal Trade Commission Act (15 U.S.C.
9 45), including as informed by its policy statements
10 and enforcement precedent, provides an important
11 tool to challenge unfair methods of competition, co-
12 ordinated conduct, exclusionary practices, and unfair
13 or deceptive acts or practices in retail and wholesale
14 meat markets that may drive up prices, restrict out-
15 put, or otherwise harm consumers, small and inde-
16 pendent grocers, and fair competition.

17 (8) Congress intends that the Commission fully
18 and proactively utilize its authority under section
19 406 of the Packers and Stockyards Act, 1921, its
20 authority under Section 5 of the Federal Trade
21 Commission Act (15 U.S.C. 45), and all other appli-
22 cable laws, to identify, prevent, and remedy unfair
23 and unjustly discriminatory retail and wholesale
24 meat prices and price discrimination that harms
25 consumers, honest businesses, and competition.

1 (9) The authority of the Commission under sec-
2 tion 6(b) of the Federal Trade Commission Act (15
3 U.S.C. 46(b)) to require reports and answers to spe-
4 cific questions from persons, partnerships, and cor-
5 porations enables the Commission to study and re-
6 port on market structure, pricing practices, and
7 competitive conditions in retail and wholesale meat
8 markets, thereby informing effective enforcement
9 and policymaking.

10 **SEC. 402. REPORT ON MAXIMIZING AUTHORITY UNDER SEC-**
11 **TION 406 OF THE PACKERS AND STOCKYARDS**
12 **ACT, 1921, AND RELATED FEDERAL TRADE**
13 **COMMISSION AUTHORITIES.**

14 (a) REPORT REQUIRED.—Not later than 180 days
15 after the date of enactment of this Act, the Commission
16 shall submit to the congressional committees described in
17 subsection (c) a report describing how the Commission is
18 using and maximizing, and plans to further maximize—

19 (1) its authorities under section 406 of the
20 Packers and Stockyards Act, 1921 (7 U.S.C. 227)
21 and section 5 of the Federal Trade Commission Act
22 (15 U.S.C. 45) to address—

23 (A) unfair and unjustly discriminatory re-
24 tail and wholesale prices for meat, meat food

1 products, and livestock products in unmanufac-
2 tured form; and

3 (B) price discrimination in meat, including
4 beef and pork, that results in higher prices or
5 otherwise less favorable terms for independent,
6 smaller, or neighborhood grocery stores; and

7 (2) its authority under section 6(b) of the Fed-
8 eral Trade Commission Act (15 U.S.C. 46(b)) to
9 conduct studies and obtain information, including
10 compulsory process where appropriate, regarding the
11 structure, conduct, and performance of retail and
12 wholesale meat markets, and the pricing, con-
13 tracting, and merchandising practices of firms oper-
14 ating in those markets.

15 (b) CONTENTS.—The report required under sub-
16 section (a) shall include, at a minimum—

17 (1) a description of the Commission's interpre-
18 tation of its authority under section 406 of the
19 Packers and Stockyards Act, 1921 (7 U.S.C. 227),
20 and section 5 of the Federal Trade Commission Act
21 (15 U.S.C. 45), as those authorities apply to unfair
22 and unjustly discriminatory retail and wholesale
23 meat prices and to price discrimination in meat af-
24 fecting retail grocers;

1 (2) a description of any policies, guidance,
2 rules, or enforcement priorities the Commission has
3 adopted, revised, or is considering to better detect,
4 deter, and remedy such conduct using its authority
5 under section 406 of the Packers and Stockyards
6 Act, 1921 (7 U.S.C. 227), section 5 of the Federal
7 Trade Commission Act (15 U.S.C. 45), and other
8 applicable statutes;

9 (3) a summary of any investigations, enforce-
10 ment actions, or other proceedings, initiated or com-
11 pleted during the 180-day period beginning on the
12 date of enactment of this Act, that involve alleged
13 unfair and unjustly discriminatory retail or whole-
14 sale meat prices or price discrimination in meat af-
15 fecting retail grocers, to the extent practicable and
16 consistent with the protection of confidential or law-
17 enforcement-sensitive information;

18 (4) an assessment of how unfair and unjustly
19 discriminatory pricing, and price discrimination in
20 meat affecting retail grocers, may contribute to
21 higher prices or reduced access to meat products for
22 consumers in particular geographic areas or demo-
23 graphic groups;

24 (5) a description of the Commission's coordina-
25 tion with the Department of Agriculture, the De-

1 partment of Justice, and any other relevant Federal
2 or State agencies with respect to unfair and unjustly
3 discriminatory retail and wholesale meat prices and
4 price discrimination affecting retail grocers;

5 (6) any recommendations for additional statu-
6 tory authority, resources, or other measures that the
7 Commission determines would enhance its ability to
8 address unfair and unjustly discriminatory retail and
9 wholesale meat prices and price discrimination in
10 meat that harms competition and consumers;

11 (7) a description of how the Commission has
12 used, or plans to use, its authority under section
13 6(b) of the Federal Trade Commission Act (15
14 U.S.C. 46(b)) to study and obtain information re-
15 garding retail and wholesale meat pricing, fees, dis-
16 counts, allowances, and other terms or practices that
17 may result in unfair or unjustly discriminatory
18 prices or price discrimination affecting independent,
19 smaller, or neighborhood grocery stores; and

20 (8) an identification of any studies initiated, on-
21 going, or completed under section 6(b) of the Fed-
22 eral Trade Commission Act (15 U.S.C. 46(b)) that
23 relate to retail or wholesale meat markets, food re-
24 tailing, or related pricing and merchandising prac-
25 tices, and a discussion of how the results of such

1 studies inform, or are expected to inform, the Com-
2 mission's enforcement, policy development, and co-
3 ordination with other Federal or State agencies with
4 respect to unfair and unjustly discriminatory retail
5 or wholesale meat prices and price discrimination.

6 (c) COMMITTEES.—The congressional committees de-
7 scribed in this subsection are the following:

8 (1) The Committee on Commerce, Science, and
9 Transportation of the Senate.

10 (2) The Committee on Agriculture, Nutrition,
11 and Forestry of the Senate.

12 (3) The Committee on the Judiciary of the Sen-
13 ate.

14 (4) The Committee on Energy and Commerce
15 of the House of Representatives.

16 (5) The Committee on Agriculture of the House
17 of Representatives.

18 (6) The Committee on the Judiciary of the
19 House of Representatives.

20 **TITLE V—FUNDING THE DEVEL-**
21 **OPMENT OF NEW COMPETI-**
22 **TORS**

23 **SEC. 501. FUNDING FOR FARMER'S COOPERATIVES AND**
24 **SMALL BUSINESS CONCERNS.**

25 (a) DEFINITIONS.—In this section:

1 (1) ADMINISTRATOR.—The term “Adminis-
2 trator” means the Administrator of the Small Busi-
3 ness Administration.

4 (2) ELIGIBLE ENTITY.—The term “eligible enti-
5 ty” means—

6 (A) a farmers’ cooperative; and

7 (B) a small business concern (within the
8 meaning of section 3 of the Small Business Act
9 (15 U.S.C. 632)).

10 (b) AUTHORITY.—The Administrator may provide fi-
11 nancial assistance, loan guarantees, technical assistance,
12 and other assistance to eligible entities for the purpose of
13 acquiring, operating, or expanding meatpacking plants or
14 facilities divested pursuant to this Act.

15 (c) APPLICATIONS.—An eligible entity seeking assist-
16 ance under subsection (b) shall submit to the Adminis-
17 trator an application at such time, in such manner, and
18 containing such information as the Administrator may re-
19 quire.

20 (d) PREFERENCE.—In evaluating applications sub-
21 mitted under subsection (c), the Administrator shall, to
22 the extent consistent with sound underwriting and pro-
23 gram integrity, give preference to eligible entities pro-
24 posing to use such assistance for locally or regionally fo-

1 cused operations that will enhance competition for live-
2 stock and benefit producers and consumers.

3 (e) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated to the Administrator
5 such sums as are necessary to carry out this section.

6 **TITLE VI—RULEMAKING AND** 7 **ENFORCEMENT AUTHORITY**

8 **SEC. 601. ENFORCEMENT AUTHORITY.**

9 (a) ENFORCEMENT.—

10 (1) FAILURE TO DIVEST AS REQUIRED.—

11 (A) IN GENERAL.—A failure to divest pur-
12 suant to this Act shall be deemed to be an un-
13 lawful method of competition in violation of sec-
14 tion 5 of the Federal Trade Commission Act
15 (15 U.S.C. 45). The Commission shall enforce
16 divestitures under this Act in the same manner,
17 by the same means, and with the same jurisdic-
18 tion, powers, and duties as though all applicable
19 terms and provisions of the Federal Trade
20 Commission Act (15 U.S.C. 41 et seq.) were in-
21 corporated into and made a part of this section.

22 (B) PERSONS SUBJECT TO THE PACKERS
23 AND STOCKYARDS ACT.—Notwithstanding sec-
24 tion 5(a)(2) of the Federal Trade Commission
25 Act (15 U.S.C. 45(a)(2)) or any jurisdictional

1 limitation of the Commission, the Commission
2 shall also enforce this Act, in the same manner
3 provided in subparagraph (A), with respect to
4 persons, partnerships, or corporations insofar
5 as they are subject to the Packers and Stock-
6 yards Act, 1921 (7 U.S.C. 181 et seq.).

7 (C) PENALTIES FOR FAILURE TO DI-
8 VEST.—

9 (i) IN GENERAL.—The Commission
10 shall impose a civil penalty equal to 10
11 percent of the revenue of the violator dur-
12 ing the period of violation for any failure
13 to divest pursuant to this Act.

14 (ii) ENHANCED PENALTY.—The Com-
15 mission shall impose a civil penalty equal
16 to 3 times the amount of any damages
17 under section 5 of the Federal Trade Com-
18 mission Act (15 U.S.C. 45) for any know-
19 ing violation of this Act.

20 (2) CIVIL ACTION.—

21 (A) IN GENERAL.—The Commission is au-
22 thorized to bring a civil action in an appro-
23 priate district court of the United States to en-
24 force any divestment plan, order, or condition
25 imposed under this Act, including to enjoin vio-

1 lations, compel compliance, or obtain other ap-
2 propriate relief.

3 (B) REMEDIES.—In an action under sub-
4 paragraph (A), the court may grant any appro-
5 priate equitable relief, including specific per-
6 formance, modification of divestiture terms
7 (only on motion of the Commission), appoint-
8 ment of a monitor, disgorgement or restitution,
9 or such other relief as the interests of justice
10 and competition may require.

11 (b) USE OF PENALTY FUNDS.—The Commission
12 shall use any civil penalties or other amounts recovered
13 under this Act to promote competition, including by fund-
14 ing the development of new competitors under title V.

15 (c) REQUESTS FOR INFORMATION AND ASSIST-
16 ANCE.—The Department of Agriculture shall comply with
17 all requests for information and expert assistance made
18 by the Commission in carrying out this Act.

19 **SEC. 602. RULEMAKING.**

20 (a) OBJECTIVES.—In promulgating all rules under
21 this Act relating to required divestitures and divestment
22 plans, the Commission shall aim to—

23 (1) discourage monopolistic practices;

24 (2) strengthen and preserve the competitive po-
25 sition of small business concerns;

1 (3) foster the development of new independent
2 enterprises; and

3 (4) preference farmers' cooperatives and small
4 businesses in divestment plans.

5 (b) REQUIREMENTS.—

6 (1) IN GENERAL.—Not later than 90 days after
7 the date of enactment of this Act, the Commission
8 shall promulgate, in accordance with section 553 of
9 title 5, United States Code, such rules and regula-
10 tions as are necessary to carry out this Act, includ-
11 ing rules relating to—

12 (A) definitions of markets for cattle
13 slaughter and beef processing in the United
14 States;

15 (B) standards and requirements for
16 divestitures under this Act; and

17 (C) in consultation with national security
18 agencies, an identification of all covered for-
19 eign-controlled meatpacking enterprises.

20 (2) FAILURE TO PROMULGATE REGULATIONS.—

21 If no regulations have been promulgated by the
22 Commission on or before the date described in this
23 subsection, the requirements of this section shall still
24 apply.