

Kansas Cattlemen's Association

For Immediate Release
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KCA Concerned About Competitive Opportunities as Consolidation Increases

With The recent news that JBS is purchasing, National Beef, Smithfield, and Five Rivers Ranch Cattle Feeding LLC, there is no doubt that the packing industry keeps consolidating. With only a handful of packers controlling 90% of the cattle industry, KCA is growing even more concerned about the lack of competitive opportunities available for producers to market their cattle.

Competition marketing opportunities have been at the top of associations priorities since its inception in 1998. However, previous efforts to provide more competitive opportunities have been met with resistance by packers and corporate agendas. In 2007, KCA teamed up with R-CALF, Kansas Farmers Union, South Dakota Stockgrowers, and over 150 other organizations to include competition reforms in the new Farm Bill. Through collaborative work, many of the competition reforms were included in the Senate version of the Farm Bill.

Competition reforms include mandatory country-of-origin labeling, ban on packer ownership of livestock, establishment of an Office of Special Counsel for Agricultural Competition to ensure proper enforcement of the Packers and Stockyards Act, directive to USDA to define “undue preferences and advantage” within the Packers and Stockyards Act, authorization for interstate shipment of state-inspected beef, and authorization of voluntary arbitration for contract growers.

Now that National, Smithfield, and Swift are under the ownership of JBS, competitive marketing opportunities are even more dismal. “It’s evident that the packers do not want to have to compete in any way to buy our cattle. JBS bought Five Rivers, the biggest cattle feeding company so that they can stay out of the market. Now that they have also bought out multiple companies, the industry only has three major packers. And being foreign owned, JBS could likely work to get foreign beef and cattle in the United States. Due to the cheap costs, U.S. producers will not be able to compete, and we will have to decrease our prices even more and sink to their level. If we want to keep competition in our industry, we can’t rely on the packers. We need to have it implemented in the Farm Bill; Congress is going to have to let these big corporations know that they cannot take advantage of producers and undermine the system,” remarked KCA Director Dave Bowman.

Concerned over the lack of competitive opportunities, KCA encourages producers to continue to contact their Senator and Representative to let them know that producers need competitive marketing opportunities to compete in the global market.