

**FOR IMMEDIATE RELEASE:** June 18, 2010

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## **WORC statement on USDA release of undue preferences rules**

The U.S. Department of Agriculture released today draft rules to define the terms “undue and unreasonable preferences.” Congress directed the agency to define the terms.

Rancher Mabel Dobbs, Chair of Western Organization of Resource Councils (WORC) Livestock Committee, issued the following statement on behalf of WORC:

”After 89 years, the U.S. Department of Agriculture (USDA) has finally issued rules to define the terms “undue and unreasonable preferences” in the Packers and Stockyards Act (P&SA).

“The Act passed in 1921 when five companies controlled between 75 and 80% of all interstate livestock slaughter. At that time, forward thinking congressmen saw the problems created when only a few companies controlled so much of the market share. They implemented the most comprehensive anti-trust legislation ever enacted in the United States. However, for years, policy makers in Washington, D.C. have not interpreted some terms in the Act.

“Today, trends in the livestock packing industry are even more concentrated than they were in 1921. Three major packing companies control over 80% of all livestock slaughter and have taken control of the marketplace in beef and hogs. Furthermore, these companies manipulate the market and keep the real prices they pay for their hogs and cattle a secret. This manipulation impedes the ability of ranchers to earn a decent price for their cattle sold on the cash market.

“For 20 years, WORC has been calling on Congress to stop the manipulation and on USDA to enforce the law. WORC even offered a comprehensive solution. In 1997, WORC asked USDA to require packers pay a firm bid price for all livestock they procure and require them to sell in an open public market where all buyers and sellers have access. No action was taken.

“Today, USDA has issued draft rules that we are hoping will make real improvements the Act. We are now analyzing these rules, and our assessment will be available soon on our website, [www.worc.org](http://www.worc.org). We encourage producers, rural business owners and anyone who is affected by the prices livestock producers receive for their cattle to comment on these rules.”

*Based in Billings, Montana, WORC is a network of conservation and family agriculture organizations in Colorado, Idaho, Montana, North Dakota, Oregon, South Dakota, and Wyoming:*