

USDA Announces Peer Review of a Major Cattle Investigation

WASHINGTON, Feb. 16, 1999--The U.S. Department of Agriculture has begun a peer review of its investigation of fed-cattle procurement in the Texas Panhandle.

USDA has been engaged in ongoing dialogue with interested industry groups on issues raised in a petition submitted by the Western Organization of Resource Councils (WORC) to restrict certain livestock procurement practices regarding forward-contracted and packer-fed cattle. "As a result of that dialogue, and because it's our responsibility to address concerns about concentration issues, USDA will conduct outside professional peer reviews of some of the Grain Inspection, Packers and Stockyards Administration's major investigations of competitive behavior in the industry," said Michael V. Dunn, under secretary for marketing and regulatory programs. "Secretary Glickman has made it clear that concentration issues in agriculture must be addressed head-on and that America's small farmers must be given an equal opportunity to compete in the marketplace."

The objective of the peer reviews is to evaluate whether GIPSA has asked the right questions, collected the right data, and conducted sound analyses using appropriate models. The goal is to improve and enhance (1) procedures for conducting investigations of competitive practices in slaughter livestock procurement and poultry markets, (2) procedures for internal quality control to use in future investigations of competitive issues, and (3) development of staff who work on competition investigations.

Technical and legal experts in universities and other organizations throughout the United States have already begun reviewing GIPSA's Texas fed-cattle investigation. The reviewers are: Ronald S. Fecso, Chief Statistician, Division of Science Resource Studies, National Science Foundation; Dr. H. Alan Love, Associate Professor, Department of Agricultural Economics, Texas A&M University; Dr. Michael Wohlgenant, Professor, Department of Agricultural and Resource Economics, North Carolina State University; Dr. Valerie Y. Suslow, Associate Professor of Business Economics, University of Michigan Business School; Dr. Richard J. Sexton, Professor, Department of Agricultural Economics, University of California-Davis; Dr. DeeVon Bailey, Professor, Department of Economics, Utah State University; and Dayton Lehman, Deputy Assistant General Counsel, Office of Aviation Enforcement and Proceedings, Department of Transportation.

Reviewers will provide independent assessments of their findings and recommendations rather than developing a consensus report. They plan to complete their reviews in about 2 months.

GIPSA Release #11-99

Dana Stewart (202) 720-5091E-mail dstewart@gipsadc.usda.gov