

## **USDA Accuses Perdue Of Unfair And Deceptive Practices**

Washington, DC (March 23, 2000) -- On March 7, 2000, the Department of Justice filed a complaint in the District of Maryland, United States District Court on behalf of the U.S. Department of Agriculture against Perdue Farms, Inc. The complaint alleges that Perdue, Inc. engaged in unfair and deceptive practices in its dealings with poultry growers and failed to abide by the terms and provisions of an agreement entered into with its poultry growers.

The filing of the complaint is the result of a year-long investigation conducted by USDA's Grain Inspection, Packers and Stockyards Administration. The primary focus of the investigation involved Perdue's placement of poultry growers on a rider contract which was allegedly instituted by Perdue to improve the performance of those growers who had unacceptably high production costs. The investigation also focused on the alleged failure of Perdue to abide by the terms of a signed agreement with one of its poultry growers.

At issue in the complaint is Perdue's alleged violation of sections 202(a) and 202(b) of the Packers and Stockyards Act (7 U.S.C. 192(a), 192(b)). The complaint alleges that Perdue engaged in an unfair practice and subjected two of its poultry growers to an undue or unreasonable prejudice or disadvantage by using less than six flocks to determine those growers' eligibility for placement on a rider contract. The complaint also alleges that Perdue engaged in an unfair practice and subjected one of its growers to an unfair or unreasonable prejudice or disadvantage by its failure to honor the terms of a signed agreement between Perdue and the grower.

"This case goes to the heart of concerns that every small and medium-sized producer and grower have about production contracting in the poultry and livestock industry," said Michael V. Dunn, USDA under secretary for marketing and regulatory programs. "Producers expect companies to abide fairly and comply with the terms in those contracts and agreements."

"GIPSA seeks to vigilantly enforce the Packers and Stockyards Act and carefully investigate all potential violations of the Act," added GIPSA administrator James R. Baker. "The agency has made it easier for producers and growers to contact us. Those with concerns can now contact GIPSA at our toll-free telephone hotline, 1-800-998-3447, to register a complaint."

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