

GIPSA ISSUES A COMPLAINT AGAINST PM BEEF HOLDINGS, LLC

WASHINGTON, November 21, 2006 - On October 23, 2006, Grain Inspection, Packers and Stockyards Administration (GIPSA) filed a complaint and notice of hearing against PM Beef Holdings, LLC (PM Beef), Richmond, Virginia. PM Beef operates a packing plant in Windom, Minnesota. PM Beef is engaged in the business of buying livestock in commerce for purposes of slaughter; engaged in the business of slaughtering cattle and manufacturing or preparing meat or meat products for sale or shipment in commerce, and is a packer subject to the Packers and Stockyards (P&S) Act.

GIPSA alleges that PM Beef issued NSF checks; failed to pay, when due, for livestock purchases; operated as a slaughtering packer while insolvent; and purchased livestock on credit from livestock sellers without obtaining a written acknowledgement from the sellers that they were waiving their rights under the trust provisions of the P&S Act. As of February 28, 2006, PM Beef was insolvent by nearly \$16 million.

Failure to file an answer to GIPSA's complaint within the time allowed constitutes an admission of the allegations. If the allegations are admitted, or proven in an oral hearing, PM Beef may be ordered to cease and desist from violating the P&S Act and be assessed a civil penalty.

The P&S Act is a fair trade practice and payment protection law that promotes fair and competitive marketing environments for the livestock, meat, and poultry industries.

GIPSA Release #85-06

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