

Meadowbrook Farms Cooperative Charged with Restraining Commerce

WASHINGTON, June 22, 2007 - The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration (GIPSA) has filed a complaint against Meadowbrook Farms Cooperative (Meadowbrook), Belleville, Ill. GIPSA has found evidence that Meadowbrook engaged in conduct that violated the Packers and Stockyards (P&S) Act.

In February 2007, Meadowbrook sent letters to other meatpacking companies, incorrectly warning those companies that Meadowbrook's producer-members were under a temporary restraining order prohibiting them from selling pigs to anyone other than Meadowbrook. While its producer-members were under a temporary restraining order at that time, the order only required producers to comply with their agreement to meet their hog-supply commitment to Meadowbrook. GIPSA alleges that Meadowbrook, by sending letters to other meatpacking companies, inhibited the ability of the named producer-members to sell hogs that were not committed to Meadowbrook. This conduct, according to GIPSA, is a deceptive practice and restraint of commerce in violation of the P&S Act.

According to USDA rules, Meadowbrook has 20 days after service of the complaint (June 8, 2007) to respond in accordance with the P&S Act. If Meadowbrook fails to answer, the allegations are considered admitted. Meadowbrook may be ordered to cease and desist from violating the P&S Act and assessed a civil penalty if the allegations are admitted or proven in an oral hearing.

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.

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Catherine M. Grasso 202-720-7201

Catherine.M.Grasso@usda.gov