

## **USDA Issues Annual Report on Livestock and Poultry Industries**

WASHINGTON, March 20, 2009 - The U.S. Department of Agriculture today issued the 2008 Annual Report of the Packers and Stockyards Program. The report assesses the general economic state of the livestock and poultry industries; describes changing business practices in those industries; and identifies market operations or activities that appear to raise concerns under the Packers and Stockyards Act.

Key highlights of the report, prepared by USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA), include:

- In 2008, USDA regulated 1,326 livestock markets, 4,685 dealers, 126 live poultry dealers, and 339 bonded and slaughtering packers under the Act.
- USDA increased industry compliance with the Act from 73 percent in 2007 to 80 percent in 2008.
- USDA decreased the average number of days comprising an investigation to 77 days in 2008 from an average of 165 days in 2006. GIPSA closed 1,267 investigations in 2008.
- USDA achieved a record \$1.6 million in restitution to livestock sellers who were unpaid from financial failures at livestock markets and by dealers.
- USDA levied \$750,000 in penalties in fiscal year 2008, compared to \$100,000 in FY 2005.
- The four largest packers' share of business volume has remained relatively constant over the last 5 years. In 2008, concentration levels in the slaughter industry were 80 percent for fed cattle; 65 percent for hogs; and 70 percent for sheep and lamb slaughterers.
- To continue to increase industry compliance with the Act by implementing standardized business processes for key activities; modernizing its management information systems; and centralizing processing of industry annual reports.

To enhance the enforcement of the P&S Act, USDA is preparing new regulations on production and poultry contracts, swine contractors, feed weighing standards for swine contractors, and financial protection for livestock sellers. USDA also plans to provide to Congress legislative proposals to amend the Packers and Stockyards Act to increase administrative authority for the Department under the Act, and to increase protections for livestock sellers.

The report is available on [GIPSA's web site](http://www.gipsa.usda.gov) at [www.gipsa.usda.gov](http://www.gipsa.usda.gov).

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