GIPSA Alleges Fergus Falls Livestock Auction Market, Inc. and Joe Varner Failed to Properly Maintain and Make Timely Deposits of Proceeds into Their Custodial Account for Shippers' Proceeds Resulting in a Shortage

WASHINGTON, April 21, 2009 - The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration (GIPSA) has found evidence that Fergus Falls Livestock Auction Market, Inc. (Fergus) under its manager, Joe Varner (Varner), Fergus Falls, Minnesota:

- failed to properly maintain its Custodial Account for Shippers' Proceeds endangering payment to livestock sellers; and
- failed to deposit in its custodial account, in a timely fashion, an amount equal to the proceeds receivable from the sale of consigned livestock resulting in a shortage of funds available to pay shippers their net proceeds.

On March 6, 2009, GIPSA filed a complaint against Fergus and Varner. If the allegations are admitted, or proven in an oral hearing, Fergus and Varner may be ordered to cease and desist from violating the Packers and Stockyards (P&S) Act, suspended and assessed a civil penalty.

Fergus is engaged in the business of a market agency selling livestock in commerce on a commission basis, operates as a posted stockyard, and is registered with the Secretary of Agriculture as a market agency to sell livestock in commerce on a commission basis.

Varner is president,100% shareholder, and the manager of Fergus. Varner is also the 100% owner of nine other auction markets and 50% owner of an additional six auction markets. The other markets are not a part of this action.

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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