

GIPSA Alleges JBS USA, LLC, fka Swift & Company and Swift Pork Company Violated the Packers and Stockyards Act

WASHINGTON, Oct. 7, 2010 - The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration (GIPSA) has found evidence that JBS USA, LLC (JBS), formerly known as Swift & Company and Swift Pork Company, Greeley, Colorado:

- Used an electronic probe known as the Fat-O-Meat'er to calculate the lean percent of processed hogs in order to adjust carcass merit payment to hog sellers and on occasion the Fat-O-Meat'er probe failed to obtain lean data for a particular carcass or carcasses in a lot. Additionally, lean percent was not calculated for carcasses with missing data;
- JBS purchased hogs on a carcass merit basis and provided inaccurate accountings to sellers in that JBS failed to disclose when missing Fat-O-Meat'er data prevented JBS from calculating the lean percent of a particular carcass or carcasses in a seller's lot and substituted an arbitrary lean value of 49% for carcasses with missing data;
- Hog sellers to JBS' plants received an automatic discount of \$1 to \$2 per hundredweight (cwt) for carcasses with missing Fat-O-Meat'er data and were unable to obtain possible premiums of up to \$5.30 cwt for those carcasses; and
- JBS' use of an undisclosed, arbitrary lean percent value of 49% to calculate carcass merit payments for carcasses with missing Fat-O-Meat'er data, versus a lean percent equal to the average of the remainder of the lot, reduced payments for hogs delivered to JBS' Worthington, Marshalltown, and Louisville plants by an estimated \$350,000 during the period of January 1, 2007, through November 30, 2007.

GIPSA filed a [complaint](#) against JBS on September 30, 2010. If the allegations are admitted, or proven in an oral hearing, JBS may be ordered to cease and desist from violating the P&S Act and assessed a civil penalty.

JBS engaged in the business of buying livestock in commerce and is a packer.

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 #81-10

Catherine M. Grasso 202-720-7201
Catherine.M.Grasso@usda.gov

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, 1400 Independence Ave., S.W., Washington, D.C. 20250-9410 or call (800) 795-3272(voice), or (202) 720-6382 (TDD).