



BRIAN E. FROSH, MARYLAND ATTORNEY GENERAL

PRESS RELEASE

FOR IMMEDIATE RELEASE

Media Contacts:
press@oag.state.md.us
410-576-7009

Attorney General Frosh Fights to Increase Transparency in Poultry Industry

Rule Would Make It Easier for Small Growers to Compete for Fair Pricing Terms from Large Processors

BALTIMORE, MD (August 8, 2022) – Maryland Attorney General Brian E. Frosh today joined a bipartisan coalition of 10 attorneys general in fighting for increased transparency in the poultry industry. The coalition submitted a comment [letter in support of the USDA's proposed rule](#), *Transparency in Poultry Grower Contracting and Tournaments*, to increase transparency and reduce the information imbalance between farmers and processors in the poultry industry, which would make it easier for small poultry farmers to compete for fair pricing terms from large poultry processors. The USDA is proposing the rule under its authority in the Packers and Stockyards (P&S) Act of 1921, which was enacted to address unfair, deceptive, and anticompetitive practices in meat markets.

“Maryland supports its poultry farmers. This rule will bring them fairer prices and help stop anticompetitive conduct in the poultry industry,” said Attorney General Frosh.

The current poultry system is dominated by contract growing arrangements and a “tournament system.” Contract growing arrangements are created between growers (i.e., poultry farmers) and processors, guaranteeing the processor will provide and accept poultry from the grower. However, contracts do not stipulate how many birds or what price growers will receive for them, leaving growers unsure of how much money they will make or if they are being treated fairly in comparison to other growers.

The current USDA proposed rule will require poultry processors to certify how many birds a grower will receive, what other growers are receiving, and what the market has looked like previously for growers in each tournament. Providing growers with more information about the tournament system and the contract they are entering into will allow growers to make more informed choices and increase processor accountability in the poultry industry.

In addition to the rule that Attorney General Frosh supported today, USDA is expected to issue two more [proposed rules](#) that are anticipated to 1) provide greater clarity to and strengthen enforcement of unfair and deceptive practices, undue preferences, and unjust prejudices, as well

as 2) clarify that parties need not demonstrate harm to competition in order to bring legal action under of the P&S Act.

Joining Attorney General Frosh in filing the comment letter are the attorneys general of California, Delaware, Idaho, Illinois, Iowa, Minnesota, Nevada, North Carolina, and Pennsylvania.

<https://www.marylandattorneygeneral.gov/press/2022/080822a.pdf>