Inclusive Competition and Market Integrity Under the Packers and Stockyards Act

Overview:

On March 5, 2024, the U.S. Department of Agriculture's (USDA) Agricultural Marketing Service (AMS) issued the Inclusive Competition and Market Integrity Under the Packers and Stockyards Act <u>final rule</u>. The purpose of the rule is to promote inclusive competition and market integrity in the livestock, meat, poultry, and live poultry markets.

USDA's rule protects livestock producers and poultry growers (covered producers) from unjust discrimination, undue prejudices, and deception by packers, swine contractors, and live poultry dealers (regulated entities) as follows:

- **Discrimination.** Prohibits actions that inhibit market access or actions that are otherwise adverse to covered producers on the following basis:
 - Race, color, religion, national origin (including ethnicity), sex (including sexual orientation and gender identity, as well as pregnancy), disability, marital status, or age.
 - The covered producer's status as a cooperative.
 - Exclusions: Religious meats. Tribal governmental functions.
- **Retaliation.** Prohibits retaliatory and adverse actions that interfere with lawful communications, assertion of rights, associational participation, and other protected activities.

Specifically, the following activities by producers are protected from retaliation:

- *Communicating with a government entity or official* for redress of grievances with respect to livestock or poultry.
- *Refusing a request of the regulated entity to engage in a communication* with a government entity or official that is not required by law.
- Asserting the right to form or join, or to refuse to form or join, a producer or grower association or organization, or cooperative.
- *Communicating* with a person for the purposes of *improving production or marketing* of livestock or poultry.
- *Communicating* with a regulated entity, another covered producer, or with a commercial entity or consultant, for the purpose of *exploring or entering into a business relationship*.
- *Supporting or participating as a witness* in any proceeding under the Act or in any proceeding that relates to an alleged violation of any law by a regulated entity.
- Asserting any of the rights granted under Act or this part or asserting contract rights.

- **Deception.** Prohibits regulated entities from employing *false or misleading statements or omissions of material information* in contract formation, performance, and termination; and prohibits regulated entities from providing *false or misleading information* regarding refusal to contract.
- **Compliance.** Requires recordkeeping to support USDA monitoring, evaluation, and enforcement. The rule is effective 60 days from publication in the *Federal Register*.

Learn more on the AMS Inclusive Competition <u>webpage</u>. Questions about the rule may be submitted to <u>AMS-AskPSD@usda.gov</u>.

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