Agriculture by Marcia Merry

Cartel consolidates control of meat

Thanks to their friends at the Departments of Justice and Agriculture, anti-trust laws aren't being enforced.

The latest news in the meat trade, is the consolidation of control over U.S. meat packing by so few individuals and companies, that an anti-trust investigation is in order if national food security is to be restored. As of March, an agreement has been reached for ConAgra, the international company that already is the largest poultry processor in the United States, to buy out Monfort of Colorado, Inc., the fourth-largest U.S. beef-packing company. Monfort is now independently owned and specializes in lamb, as well as beef. The deal is to be completed by June.

The line-up of top meat processors now will be: First, Iowa Beef Processors (IBP), a division of Armand Hammer's Occidental Petroleum; second, Cargill, Inc., the cartel company that now plays a monopoly role in U.S. beef supplies through its recent additions to its Spencer meat division; and third, ConAgra. There are a few others.

The irony of the acquisition of Monfort by ConAgra is that Kenneth Monfort and his wife, now owners, fought hard in the courts on grounds of anti-trust law over the past three years to enjoin Cargill, the grain cartel giant, from acquiring the meat packing division of Land-O-Lakes, the famous dairy cooperative. Kenneth Monfort is well known as a fighter among western cattlemen and independent meat packers.

Monfort won his case in the lower courts, but Cargill got its way in the higher courts—just as the company is accustomed to doing wherever it operates around the world. In Argentina, for example, Cargill dominates the entire poultry business, from farm to exports. After Monfort lost his anti-trust battle last fall, it appears he decided to give up his own independent feedlots and processing plants, and incorporate them with ConAgra. Monfort will receive 10.8 million shares of ConAgra stock, valued at $365.5 million.

As of 1983, it was estimated that IBP, Cargill (Excel division), and Spencer (now owned by Cargill) controlled an estimated 70% of the national market for boxed beef—the form of chilled beef in pre-cut units, rather than carcasses, that now supplies the major urban areas of the country with fresh beef. At that time, Monfort's share of this market was 6%. The assimilation of its operations into ConAgra may change the respective shares of control, but retain the cartel-style domination by a few companies. ConAgra, based in Omaha, Nebraska, will be one of the largest and most diversified meat suppliers in the world.

The events of the past few years and months show the direction of consolidation of processing and distribution that constitutes a *de facto* danger to reliable meat supplies for the public. Fifteen years ago, Armand Hammer reportedly said, "Beef will be the oil of the '80s." Since Hammer acquired IBP, he has systematically bought out independent processing plants, driven down wages, and set low prices to cattle producers—take it or leave it—that established cutthroat standards throughout the trade. The story told in *The Jungle*, the exposé about U.S. abattoirs by muckraker Sinclair Lewis, is nothing compared to Armand Hammer's practices. For example, in Iowa, locals report that he has brought in Vietnamese families from Texas to live in trailer courts and work the night shift for peon-wages.

Meanwhile, thanks to the protection from friends of Hammer, Cargill, and the other food cartel interests in the Departments of Agriculture and Justice, there has been no anti-trust enforcement in the food processing industry, in contrast to the frenzy of divestiture in oil, transportation, communications, and other industries over the same time period.

From Dec. 14 to March 16, IBP locked out the 2,800 workforce at its flagship plant in Dakota City, Nebraska, because, according to IBP spokesmen, the company felt the workers might disrupt operations. On Dec. 13, the labor contract expired between IBP and Local 222 of the United Food and Commercial Workers Union, and IBP wanted to coerce concessions.

ConAgra will acquire extensive facilities developed by Monfort. It is not known exactly how they will be integrated with its existing poultry, fish, pork, and beef processing operations. But ConAgra's methods of consolidation are almost as infamous as those of Armand Hammer.

When ConAgra bought up the 13-plant Armour meat-processing company a few years ago, it closed all 13 plants on a Friday, then reopened 12 the following Monday after forcing large concessions from the workforce. An Armour plant in Pittsburgh never reopened. The average wage scale at the Armour plants before they were sold was $10.69 an hour; ConAgra proposed $5.50 an hour.