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8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**

10 (1) ANNA MASON;
11 (2) BARRY MASON;
12 (3) MITCHELL MASON;
13 (4) JONATHAN TIPTON;
14 (5) and all others similarly situated,
15 Plaintiffs,

16 v.

17 (1) TYSON FOODS, INC.;
18 (2) TYSON CHICKEN, INC.;
19 (3) TYSON BREEDERS, INC.;
20 (4) TYSON POULTRY, INC.;
21 (5) PILGRIM'S PRIDE CORPORATION;
22 (6) PERDUE FARMS, INC.;
23 (7) KOCH FOODS, INC.;
24 (8) KOCH MEAT CO, INC., d/b/a KOCH
25 POULTRY CO.;
26 (9) SANDERSON FARMS, INC.;
27 (10) SANDERSON FARMS, INC. (FOOD
28 DIVISION);
(11) SANDERSON FARMS, INC.
(PROCESSING DIVISION); and,
(12) SANDERSON FARMS, INC.
(PRODUCTION DIVISION),

Defendants.

CASE NO.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiffs ANNA MASON, BARRY MASON, MITCHELL MASON, AND JONATHAN TIPTON (collectively, "Plaintiffs"), on behalf of themselves and all other similarly situated broiler chicken growers, bring this antitrust and unfair competition action seeking treble damages under Section 1 of the Sherman Antitrust Act and Section 202 of the Packers and Stockyards Act, demanding a trial by jury of all issues so triable. Plaintiffs allege the following, based upon

1 personal knowledge as to matters relating to themselves, and upon information and belief and
2 the investigation of counsel as to all other matters:

3 **I. NATURE OF THE ACTION**

4 1. This is a class action brought on behalf of a proposed class of broiler chicken (“Broiler”)
5 growers, also known as poultry growers (referred to herein as “Growers”), against vertically-integrated
6 poultry company defendants (“live poultry dealers” or “Integrators”), which operate Broiler processing
7 plants (“Complexes”), concerning the Integrators’ anticompetitive, collusive, predatory, unfair, and bad
8 faith conduct in the domestic market for Broiler growing services (also referred to herein as “Broiler
9 Grow-Out Services”). This case involves agreements by Defendants (defined below) and their Co-
10 Conspirators (defined more fully, *infra*, and together with Defendants, the “Cartel”)—dating back to at
11 least 2008—not to compete for Broiler Grow- Out Services, with the purpose and effect of fixing,
12 maintaining, and/or stabilizing Grower compensation below competitive levels.

13 2. As part of the scheme, the Cartel members illegally agreed to share detailed data on
14 Grower compensation with one another, with the purpose and effect of artificially depressing Grower
15 compensation below competitive levels. By disclosing their highly sensitive and confidential
16 compensation rates to each other, they suppressed competition for Broiler Grow-Out Services and drove
17 down compensation to all Growers. By sharing this information on a frequent and contemporaneous
18 basis, the Cartel has been able to keep Grower compensation lower than it would have been in a
19 competitive market, and to keep the increased profits for themselves. This illegal information exchange,
20 combined with other anticompetitive conduct alleged herein, drove down Grower compensation
21 nationwide. The members of the Cartel recognized the benefits of sharing this highly sensitive,
22 proprietary and otherwise confidential Grower compensation information with each other, but not with
23 the Growers themselves.

24 3. In furtherance of their agreement not to compete for Broiler Grow-Out Services, Cartel
25 members also agreed not to solicit Growers associated with other Integrators. By agreeing not to
26 compete for the services of one another’s Growers, the Cartel members attempted to insulate
27 themselves from normal competitive pressures that could potentially erode the effects of their
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1 information sharing agreement. This illegal “no poach” agreement inoculated the Cartel against
2 potential cheating by its members on the Cartel’s compensation suppression scheme and furthered its
3 efforts to artificially suppress Grower compensation below competitive levels.

4 4. These agreements (together, the “Scheme”) were designed to keep Growers, as author
5 Christopher Leonard noted in *The Meat Racket: The Secret Takeover of America’s Food Business*, “in
6 a state of indebted servitude, living like modern-day sharecroppers on the ragged edge of bankruptcy.”

7 **II. PARTIES**

8 5. Plaintiffs Mitchell (“Mitch”) and Anna Mason (collectively, “the Masons”) began
9 providing Broiler-Grow Out Services for Defendant Wayne Farms (defined *infra*) in 1986 in Alabama.
10 The Masons initially invested \$20,000 in upgrades so they would be able to receive Broilers. Then,
11 around 1996, the Masons had to invest \$80,000 more for a ventilation system. The Masons exited the
12 industry in 2014 after their field representative closed down two of their Broiler Grow-Out houses and
13 said that they would not be receiving any more Broiler chicks due to their refusal to implement
14 additional upgrades. The Masons believe that Wayne Farms wanted them to build new houses so that
15 they would go into debt.

16 6. Plaintiff Barry Mason began providing Broiler Grow-Out Services for Defendant
17 Tyson (defined *infra*) in fall 1994 in Alabama. Mr. Mason purchased five chicken houses from his
18 father so he could continue the family business. Mr. Mason initially invested \$365,000 for the five
19 chicken houses and 69 acres of land. Four years later, additional required cost Mr. Mason \$250,000.
20 At some point, Defendant Koch (defined *infra*) bought the Tyson Complex for which Mr. Mason
21 provided Broiler Grow-Out Services, at which point Mr. Mason began providing Broiler Grow-Out
22 Services for Koch. Koch required Mr. Mason to upgrade brooders and vent doors which cost another
23 \$100,000. Koch refused to provide Mr. Mason with Broilers unless he made the required upgrades.
24 Throughout his time providing Broiler Grow-Out Services, he was barely able to make ends meet with
25 the compensation provided by Tyson and Koch. Mr. Mason sold his Broiler Grow-Out houses and
26 property in 2019, following two years of Koch interfering in the sale. Mr. Mason lost money on the
27 sale and it was not profitable as a result of the Defendants misconduct.
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1 7. Plaintiff Jonathan “Cody” Tipton began providing Broiler Grow-Out Services for
2 Defendant Pilgrim’s (defined *infra*) in Alabama in 2013. Mr. Tipton took over his father’s farm. Mr.
3 Tipton initially borrowed \$20,000, using his truck as collateral, to upgrade the field, water, and feed
4 lines. During the course of his time providing Broiler Grow-Out Services, Pilgrim’s required that Mr.
5 Tipton make further investments to his Broiler houses. Throughout his time providing Broiler Grow-
6 Out Services, he was barely able to make ends meet with the compensation provided by Pilgrim’s. Mr.
7 Tipton’s Broiler business has never been profitable. Mr. Tipton attempted to switch Integrators, but
8 neither Wayne’s (defined *infra*) nor Koch (defined *infra*) would hire him. Mr. Tipton ultimately exited
9 the industry when Pilgrim’s refused to provide him with more Broilers unless he made additional
10 upgrades, but Mr. Tipton could not afford the upgrades. Due to the debt caused by raising Broilers,
11 Mr. Tipton lost his house, three vehicles, tractor, an off-road vehicle, and all his equipment, and he
12 owes approximately \$150,000.

13 8. Defendant Tyson Foods, Inc. is a Delaware corporation headquartered in Springdale,
14 Arkansas that collusively shares nonpublic information through Agri Stats and otherwise engages in the
15 conduct alleged herein with the aim and effect of suppressing Grower compensation below competitive
16 levels. Tyson Foods, Inc. is the largest Integrator in the country, operating thirty-three Complexes
17 located throughout the United States, and processing some 35.4 million Broilers weekly. Tyson
18 accounts for nearly 22% of the total number of Broilers processed in the United States.

19 9. Defendant Tyson Chicken, Inc. is a Delaware corporation headquartered in Springdale,
20 Arkansas (and a wholly owned subsidiary of Tyson Foods, Inc.) that collusively shares nonpublic
21 information through Agri Stats and otherwise engages in the conduct alleged herein with the aim and
22 effect of suppressing Grower compensation below competitive levels.

23 10. Defendant Tyson Breeders, Inc. is a Delaware corporation headquartered in Springdale,
24 Arkansas (and a wholly owned subsidiary of Tyson Foods, Inc.) that collusively shares nonpublic
25 information through Agri Stats and otherwise engages in the conduct alleged herein with the aim and
26 effect of suppressing Grower compensation below competitive levels.

27 11. Defendant Tyson Poultry, Inc. is a Delaware corporation headquartered in Springdale,
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1 Arkansas (and a wholly-owned subsidiary of Tyson Foods, Inc.) that collusively shares nonpublic
2 information through Agri Stats and otherwise engages in the conduct alleged herein with the aim and
3 effect of suppressing Grower compensation below competitive levels.

4 12. Defendants Tyson Foods, Inc., Tyson Chicken, Inc., Tyson Breeders, Inc. and Tyson
5 Poultry, Inc., are collectively referred to herein as “Tyson.”

6 13. Defendant Pilgrim’s Pride Corporation is a Delaware corporation headquartered in
7 Greeley, Colorado (“Pilgrim’s”) that collusively shares nonpublic information through Agri Stats and
8 otherwise engages in the conduct alleged herein with the aim and effect of suppressing Grower
9 compensation below competitive levels. JBS USA Holdings, Inc. holds a 75.3% controlling interest in
10 Pilgrim’s. JBS USA Holdings, Inc. and Pilgrims are subsidiaries of JBS SA, a Brazilian corporation
11 headquartered in Sao Paulo, Brazil. Pilgrim’s is the second largest Integrator in the country, operating
12 twenty-six Complexes located throughout the United States and processing 33.1 million Broilers
13 weekly, and accounting for more than 20% of the Broilers sold in the United States.

14 14. Defendant Perdue Farms, Inc. (“Perdue”) is a Maryland corporation headquartered in
15 Salisbury, Maryland that collusively shares nonpublic information through Agri Stats and otherwise
16 engages in the conduct alleged herein with the aim and effect of suppressing Grower compensation
17 below competitive levels. Perdue is the third largest Integrator in the country, operating twelve
18 Complexes located throughout the United States and processing 12.01 million Broilers weekly, and
19 accounting for more than 7% of the Broilers sold in the United States.

20 15. Defendant Koch Foods, Inc. is a Delaware corporation headquartered in Park Ridge,
21 Illinois that collusively shares nonpublic information through Agri Stats and otherwise engages in the
22 conduct alleged herein with the aim and effect of suppressing Grower compensation below
23 competitive levels. Koch Foods, Inc. is the fourth largest Integrator in the country, operating eight
24 Complexes located throughout the United States and processing 12 million Broilers weekly, and
25 accounting for more than 7% of the Broilers sold in the United States.

26 16. Defendant Koch Meat Co., Inc., d/b/a Koch Poultry Co., is an Illinois corporation
27 headquartered in Park Ridge, Illinois (and is a wholly-owned subsidiary of Koch Foods, Inc.) that
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