

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

Case No.: 9:21-cv-82018

SONIC INDUSTRIES SERVICES INC.,

Plaintiff,

v.

AGRI STATS, INC., CLEMENS FOOD  
GROUP, LLC, THE CLEMENS FAMILY  
CORPORATION, HORMEL FOODS  
CORPORATION, HORMEL FOODS, LLC,  
JBS USA FOOD COMPANY, SEABOARD  
FOODS LLC, SMITHFIELD FOODS, INC.,  
TRIUMPH FOODS, LLC, TYSON FOODS,  
INC., TYSON PREPARED FOODS, INC., AND  
TYSON FRESH MEATS, INC.,

Defendants.

JURY DEMAND

**COMPLAINT AND DEMAND FOR JURY TRIAL**

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Plaintiff<sup>1</sup> Sonic Industries Services Inc. brings this action against the Defendants identified below, for their illegal conspiracy, which increased the prices of pork sold in the United States beginning at least as early as 2009 and continuing through the present. Plaintiff brings this action for treble damages and injunctive relief under Section 1 of the Sherman Act.

## I. NATURE OF ACTION

1. Defendants—other than Agri Stats—are the leading suppliers of pork in an industry with more than \$20 billion in annual sales. The United States pork industry is highly concentrated, with a small number of large companies controlling supply. Together with their co-conspirators, Defendants collectively control approximately 80% of the wholesale pork market.

2. Defendant Agri Stats, Inc. (“Agri Stats”) is a specialized information-sharing service that, among other things, obtains data from participating industry producers and develops comprehensive reports based on that data. Agri Stats provides its reports and findings to the participating industry producers.

3. Defendants Clemens Food Group, LLC, The Clemens Family Corporation (“Clemens”); Hormel Foods Corporation and Hormel Foods, LLC (“Hormel”); JBS USA Food Company (“JBS”); Seaboard Foods LLC (“Seaboard”); Smithfield Foods, Inc. (“Smithfield”); Triumph Foods, LLC (“Triumph”); and Tyson Foods, Inc., Tyson Prepared Foods, Inc., and Tyson Fresh Meats, Inc. (“Tyson”) (collectively referred to at times as “pork integrator Defendants”) and Agri Stats entered into a conspiracy from at least 2009 through the present (the “Relevant Period”) to fix, raise, maintain, and stabilize the price of pork.<sup>2</sup> Defendants implemented their conspiracy

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<sup>1</sup> “Plaintiff”, as used herein, shall include assignors identified in Paragraph 15 where appropriate.

<sup>2</sup> For purposes of this complaint, “pork” includes all pork products, regardless of the form in which they are sold, and all products containing pig meat, whether purchased fresh or frozen, including but not limited to smoked ham, sausage, and bacon. In this complaint, “pork” and “swine” are often used interchangeably.

by, among other things, coordinating with each other to restrict output and limit production, with the intended purpose and expected result of increasing and stabilizing pork prices in the United States. In furtherance of the conspiracy, Defendants exchanged detailed, competitively sensitive, and closely guarded non-public information about prices, capacity, sales volume, and demand, including through their co-conspirator, Defendant Agri Stats.

4. Beginning at least as early as 2009 through the present, Agri Stats began providing highly sensitive benchmarking reports to the pork integrator Defendants. Benchmarking allows competitors to compare their profits or performance against that of other companies. However, Agri Stats reports are unlike those of other lawful industry reports. Agri Stats gathers detailed financial and production data from each of the pork integrator Defendants and their Co-Conspirator Indiana Packers, standardizes this information, and produces customized reports and graphs for the conspirators. The type of information available in these reports is not the type of information that competitors would provide to one another in a normal, competitive market.

5. Agri Stats collected the pork integrator Defendants' competitively sensitive supply and pricing data and intentionally shared that information through the detailed reports it provided them. On at least a monthly basis, and often far more frequently (*e.g.*, weekly or every other week), Agri Stats provides the pork integrator Defendants with current and forward-looking sensitive information (such as profits, costs, prices, and slaughter information), and regularly provides the keys to deciphering which data belongs to which participant. The effect of this information exchange allowed Defendants to coordinate their anticompetitive conduct, monitor each other's production, and thereby control pork supply and price in furtherance of their anticompetitive scheme.

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