UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

IN RE PORK ANTITRUST LITIGATION	Civil No. 18-cv-1776 (JRT/HB)
	CONSUMER INDIRECT PURCHASER PLAINTIFFS' SECOND AMENDED CONSOLIDATED CLASS ACTION COMPLAINT
	DEMAND FOR JURY TRIAL
This Document Relates to: All Consumer Indirect Purchaser Actions	**(REDACTED VERSION)**

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

TABLE OF CONTENTS

Page

I. NATURE OF ACTION 1

II. SUMMARY OF PARTIES 7

III. FACTUAL ALLEGATIONS 8

A. Agri Stats enabled competitors to directly exchange, and restrain, supply and cost. 8

1. Agri Stats' detailed pricing reports provide competitors with a view of the entire market, removing all question of competition on price. 9

2. Beyond the pricing reports themselves, Agri Stats allowed the pork processors to directly access sales data through a "sales data miner" tool. 21

3. Just in case weekly sales reports and data mining were not enough to ensure the lack of pricing competition, Agri Stats also provided colorful graphs to highlight any differences in competitors' prices. 26

4. The Operations Profit Report provided competitors with information on the profitability of their competitors – allowing a further means to detect any cheating on the cartel. 30

5. The Agri Stats Swine Processing Report provided detailed information regarding costs of the competitors. 34

B. Agri Stats' collection and standardization process provided pork processors the unparalleled ability to monitor, or discipline co-conspirators for not complying with their collusive agreement. 39

1. Agri Stats audited the data to ensure co-conspirators could not cheat on the agreement. 40

2. Agri Stats guaranteed to the co-conspirators that its competitors were equally participating in the scheme. 43

3. Agri Stats acted as a gatekeeper, preventing public access to the reports, ensuring that the conspiracy went undetected. 46

DOCKET ALARM

Find authenticated court documents without watermarks at docketalarm.com.

C. Agri Stats reports were easily deanonymized by the pork processors. 47

D. Agri Stats succeeded in orchestrating the pork conspiracy because it leveraged its success in the chicken industry, and because both industries are controlled by the same companies. 50

1. Agri Stats is a repeat offender, playing a crucial role in a similar price-fixing and supply constraint conspiracy in the sale of chickens. 50

2. The same companies own both chickens and pigs. 52

E. Defendants' conspiracy had its intended effect, with pork processors lowering supply during the class period both in the aggregate, and individually. 53

F. Defendants' conspiracy had the intended effect of raising prices of pork during the class period. 61

1. The average hog wholesale price experienced an unprecedented increase beginning in 2009. 62

2. The pork cut-out composite price experienced a dramatic increase beginning in 2009 and continuing throughout the class period. 63

3. Pork processors' margin increased beginning in 2009 showing a statistically significant break from the pre-class period. 63

4. Defendants' revenues increased beginning in 2009, even taking into account defendant-specific costs. 65

5. Overcharges due to the cartel were passed through to the indirect purchaser class. 67

G. The structure of the pork processing industry allowed the conspiracy to succeed. 69

1. The pork industry is nearly fully vertically integrated, which allowed the scheme to succeed. 70

2. The level of concentration in the pork industry was optimal for the alleged collusive scheme. 72

DOCKET ALARM Find authenticated court documents without watermarks at docketalarm.com.

3. Barriers to entry helped to keep competitors out of the pork integration market and ensure the success of the conspiracy..... 77

H. Defendants actively concealed the conspiracy and plaintiffs did not and could not have discovered defendants' anticompetitive conduct. 77

IV. PLAINTIFFS ALLEGE VIOLATIONS UNDER BOTH THE *PER SE* AND RULE OF REASON STANDARDS OF THE SHERMAN ACT 81

1. The Unlawful Agreements 82

2. Defendants' information exchanges had the likely effect of harming competition. 84

a. Defendants have market power in the market for pork. 84

b. There are high barriers to entry in the market for pork for meat consumption. 84

c. The defendants have market power in the market for pork for meat consumption..... 84

3. The market for pork is the type of market where the information exchanges orchestrated by Agri Stats are likely to harm competition. 85

a. The pork market features few sellers 85

b. Pork is a fungible market 86

c. The pork market features price-based competition..... 86

d. Demand for pork is relatively inelastic 87

e. The pork market features a trend towards price uniformity..... 87

4. Defendants' information exchanges corrupted the competitive process. 88

V. JURISDICTION AND VENUE..... 90

VI. PARTIES 91

DOCKET ALARM Find authenticated court documents without watermarks at docketalarm.com.

A. Plaintiffs 91
B. Defendants 99
VII. CLASS ACTION ALLEGATIONS 102
VIII. ANTITRUST INJURY 108
IX. CAUSES OF ACTION 110
X. REQUEST FOR RELIEF 167
XI. JURY TRIAL DEMANDED 168

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.