

**UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA**

PACIFIC AGRI-PRODUCTS, INC.,

Plaintiff,

v.

JBS USA FOOD COMPANY  
HOLDINGS, JBS S.A., SWIFT BEEF  
COMPANY, JBS PACKERLAND, INC.,  
TYSON FOODS, INC., TYSON FRESH  
MEATS, INC., CARGILL, INC.,  
CARGILL MEAT SOLUTIONS  
CORPORATION, NATIONAL BEEF  
PACKING COMPANY, AND MARFRIG  
GLOBAL FOODS S.A.

Defendants.

Case No.

**CLASS ACTION COMPLAINT**

**DEMAND FOR JURY TRIAL**

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Plaintiff Pacific Agri-Products, Inc., individually and on behalf of a class of all persons and entities that purchased Beef, as that product is defined herein, directly from JBS S.A., JBS USA Food Company Holdings, Swift Beef Company, JBS Packerland, Inc., Tyson Foods, Inc., Tyson Fresh Meats, Inc., Cargill, Inc., Cargill Meat Solutions Corporation (a/k/a Cargill Protein), National Beef Packing Company, and/or Marfrig Global Foods S.A. (collectively, the “Defendants”) from at least as early as January 1, 2015 until the present (the “Class Period”), brings this action under the antitrust laws of the United States against Defendants, and demands a trial by jury.

## **I. NATURE OF ACTION**

1. This is an antitrust class action for injuries sustained to the business and property of Plaintiff and the members of the Plaintiff Class from Defendants’ violations of Section 1 of the Sherman Act, 15 U.S.C. § 1.

2. From at least as early as 2015 through the present, the Defendants entered into a combination, contract or conspiracy to fix, maintain and raise the price of Beef to supracompetitive levels. They engaged in their scheme using mechanisms that included suppressing throughput of fed cattle<sup>1</sup> thereby creating artificial Beef supply restraints. The conspiracy to suppress the throughput of fed cattle led to Beef prices paid by Plaintiff and direct purchaser class members being higher than they otherwise would have been in a competitive market.

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<sup>1</sup>Fed cattle are steers and heifers raised and fed for the production and sale of high-quality beef products. Fed-cattle does not include culled cows, which are primary used for dairy production, and then at the end of their dairy producing life, are slaughtered for lower quality ground beef.

3. Beef is meat from full-grown cattle that is approximately 2 years old. “Boxed beef” is a combination of cuts subject to USDA grading. Price is the primary competitive factor. “Beef” for purposes of this complaint is defined as “boxed beef” and case ready cuts, and does not include ground beef from culled cows.

4. The four Defendant families are the largest meatpacking companies in the world and the leading processors of the approximately 26,868 million pounds of boxed beef produced in the U.S. in 2018.

5. Defendants’ scheme succeeded, in part, due to the structure of the Beef industry. The Defendants purchase fed cattle from farmers, process it into Beef, and sell the Beef to Plaintiff and other direct purchasers. Slaughter and packing are essential parts of the Beef supply chain.

6. The Defendants account for over 80% of the Beef supplied to the wholesale market, thus collectively controlling a crucial component of the distribution chain. The meatpacking industry, therefore, is highly concentrated. This high industry concentration affords the Defendants market power with respect to both upstream fed cattle purchases and downstream Beef sales. As the “big four” players in this highly concentrated industry, the Defendants interact frequently at industry events and trade association meetings, and their respective executives are well-acquainted. The market is therefore highly conducive to collusion. The existence of the Defendants’ conspiracy is confirmed by at least one confidential witness account. A confidential witness previously employed by a Packing Defendant (“Witness 1”), has confirmed that each of the Defendants expressly agreed to reduce their respective purchase and slaughter volumes, which would have the effect of

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