

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Norfolk Division**

IN RE PEANUT FARMERS
ANTITRUST LITIGATION

Case No. 2:19-cv-00463-RAJ-LRL

**SECOND AMENDED CLASS ACTION COMPLAINT
AND DEMAND FOR JURY TRIAL**

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Plaintiffs bring this action on behalf of themselves individually and on behalf of a plaintiff class (the “Class”) consisting of Peanut farmers in the United States who sold raw, harvested Runner Peanuts to Peanut shelling companies from at least January 1, 2014 through the present (the “Class Period”). Plaintiffs bring this action for treble damages under the antitrust laws of the United States against Defendants, and demand a trial by jury.

I. NATURE OF ACTION

1. Peanut shelling companies (or shellers) play a vital role in the peanut production process. The majority of Peanut crops are processed in some manner prior to reaching customers. Once Peanut farmers harvest their crops, approximately 90% of the Peanuts are usually moved to a buying point and sold to a shelling plant. Inside the shelling plant, the Peanuts are processed and packaged into sacks for shipment or storage. The Peanut shellers are responsible for marketing and selling the shelled product to food companies or other manufacturers.

2. As used in this Complaint, “Peanut” or “Peanuts” refers to all peanuts that are raw and harvested and ready to be sold to shellers. “Peanuts” includes all four of the major types of peanuts: runner, Spanish, Valencia, and Virginia.

3. As used in this Complaint, “Runner,” “Runners,” or “Runner Peanuts” refers to the runner type of peanuts that are raw and harvested and ready to be sold to shellers.

4. Defendants Birdsong Corporation (“Birdsong”) and Golden Peanut Company, LLC (“Golden Peanut”) are the two largest players in the shelling industry in the United States and together hold 80-90% of the total Peanut shelling market share. Defendant Olam Peanut Shelling Company, Inc., f/k/a McCleskey Mills, Inc. (“Olam” and together with Birdsong and Golden Peanut, “Defendants”) is the third largest participant in the United States Peanut shelling industry and holds at least 10% of the total Peanut Shelling market share.

5. Since January 2014, the prices paid by shellers to Peanut farmers for Runners have remained remarkably flat and unchanged, despite significant supply disruptions such as Hurricane Michael, a Category 5 hurricane that hit a significant amount of Peanut crops in the Florida panhandle/southern Georgia and Alabama area in 2018.

6. From 2011 to 2013, the Peanut industry experienced drastic weather-related price changes that made it difficult for Defendants and McCleskey Mills (now known as Olam) to manage risk and plan for production. Upon information and belief, and as alleged in this Complaint, Defendants and McCleskey Mills thereafter conspired and colluded with one another to stabilize and depress Runner prices. Among other things, during the relevant time period, Defendants over-reported Peanut and Runner inventory numbers to the USDA to create the false impression of an oversupplied market. Defendants capitalized on the perceived oversupply to offer artificially low Runner prices to farmers. Defendants also under-reported Peanut and Runner prices to the USDA to further suppress prices and keep them low and less volatile.

7. In addition, Defendants offered nearly identical shelling contracts, often within the same day of one another, limiting the negotiating power and pricing options for farmers. Upon information and belief, these contracts are released following National Peanut Buying Points Association conferences, which are sponsored and attended by Golden Peanut, Birdsong, and Olam.

8. The Peanut shelling industry is particularly susceptible to a conspiracy due to a lack of pricing transparency. Unlike other agricultural commodities, there is no futures market for Peanuts. Rather, Peanut prices are set through private contracting between shellers and farmers, although farmers rarely have negotiating power over contractual terms. As the dominant players in this industry, Defendants dictate the prices offered to Plaintiffs and Class members.

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