

Congress of the United States
Washington, DC 20515

March 26, 2008

The Honorable Michael Mukasey
Attorney General
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Attorney General Mukasey:

We are writing today to express our concern with an announced purchase in the U.S. cattle industry that will come before the U.S. Department of Justice Antitrust Division for review. As you may be aware, a Brazilian beef company, JBS Acquisitions, last week announced its desire to acquire two additional U.S. beef processors, thereby becoming the largest domestic processor. We are concerned that this purchase would reduce competition and live cattle prices in the U.S. cattle and beef industry by further limiting market choices and access for independent beef producers. There are strong antitrust implications to this acquisition, and we recommend that the U.S. Department of Justice thoroughly investigate the possible consequences that will result from this merger. Should there be evidence that competition in the U.S. cattle and beef industry is substantially reduced, we urge you to block the proposed purchase.

Last year, JBS established itself in the U.S. cattle industry by acquiring the Swift Company, making JBS the third-largest beef processor in the U.S. These new acquisitions will add the fourth and fifth largest U.S. cattle processors to its current operations by adding National Beef Packing Co., and Smithfield's beef division, thereby making JBS the largest processor in the cattle industry and leaving only two other major companies in the industry.

Allowing three of the top five largest beef processors to consolidate would be devastating to the cattle market. By limiting access to beef producers, independent producers will only have ready access to one beef processor and will confront unfavorable pricing due to the captive supply of cattle. Many independent cattle operations currently have access to only one processor, and further constraints on independent producers' options by limiting the number of buyers for their product would result in lower prices forced upon independent operators during a time of economic uncertainty. A vibrant, competitive marketplace requires many buyers and sellers, and can remain inefficient when run by only three major companies.

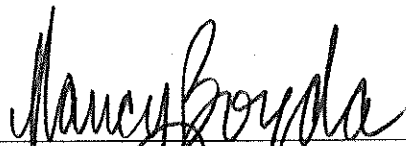
There is already significant market distortion occurring in the U.S. cattle industry. According to the Bureau of Labor Statistics' Consumer Price Index, U.S. beef prices have been increasing by 68% faster than overall inflation over the past decade. Further consolidation of the U.S. cattle industry leaves retailers, and ultimately consumers, with fewer options and likely higher prices for beef products. With the recent increase in prices across many commodities, we are skeptical about any benefit consolidation will bring to the American consumer. There are relatively few

industry leaves retailers, and ultimately consumers, with fewer options and likely higher prices for beef products. With the recent increase in prices across many commodities, we are skeptical about any benefit consolidation will bring to the American consumer. There are relatively few benefits from "economies of scale or scope" that will arise from merging these already large companies.


Pre-acquisition, if these three U.S. beef processors were to discuss their plans to buy cattle, they would be violating the antitrust laws against collusion providing grounds for prosecution. Post-acquisition, the same three companies could meet without breaking the law, but the consequences to the cattle market would be the same.

The Department of Justice is charged with guarding the public from mergers and acquisitions that threaten the free market. The proposed acquisition would give JBS/Swift control of roughly one third of the domestic market and a monopoly in many areas of the country. Only three sources will buy the vast majority of cattle, and establish the live cattle price. This consolidation threatens to grossly distort the current marketplace. We urge the U.S. Department of Justice to carefully consider the implications of this merger on the U.S. cattle industry, and the consequences it will have on beef producers who want nothing more than a fair and open marketplace for their product.


Sincerely,



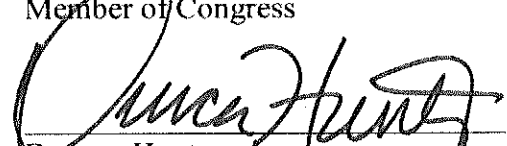
Nancy Boyda
Member of Congress



Barbara Cubin
Member of Congress



Stephanie Herseth Sandlin
Member of Congress




Duncan Hunter
Member of Congress



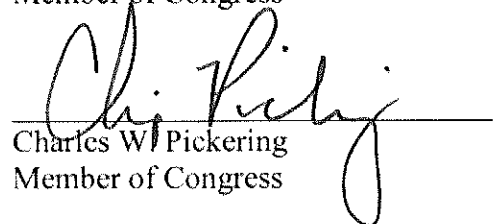
Steve Kagen
Member of Congress




Marcy Kaptur
Member of Congress



Dennis Moore
Member of Congress



Charles W. Pickering
Member of Congress



Earl Pomeroy
Member of Congress