



Department of Justice

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DEPARTMENT OF JUSTICE STATEMENT ON THE ABANDONMENT OF THE JBS/NATIONAL BEEF TRANSACTION

WASHINGTON – The Department of Justice issued the following statement today after JBS and National Beef announced the abandonment of the JBS/National Beef transaction, which the Department had filed suit to block in October:

“The Antitrust Division welcomes this decision. Had the acquisition gone forward, it would have combined two of the top four U.S. beef packers resulting in lower prices paid to cattle suppliers and higher beef prices for consumers. The decision to abandon the transaction will preserve competition in the purchase of cattle that has been critical to ensuring competitive prices to the nation’s thousands of producers, ranchers and feedlots. It will also preserve competition in the sale of boxed beef to grocers, food service companies and ultimately American consumers. The Department remains vigilant in protecting competition in this industry with more than \$50 billion in total commerce at stake.”

The Department intends to move to terminate the pending litigation.

Background

On Oct. 20, 2008, the Department filed an antitrust lawsuit in the U.S. District Court in Chicago to block the proposed acquisition, alleging that the deal would result in lower prices paid to cattle suppliers and higher beef prices for consumers. At that time, Attorneys General of Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Texas and Wyoming joined the Department’s lawsuit. On Nov. 7, 2008, the states of Arizona, Connecticut, New Mexico and Mississippi joined the lawsuit as well.

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