

**GIPSA  
Press  
Release**

United States  
Department of  
Agriculture

Grain Inspection,  
Packers and  
Stockyards  
Administration

STOP 3601  
1400 Independence Ave., SW  
Washington, D.C.  
20250-3601

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GIPSA Release 162-12

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**National Beef Packing Company, LLC  
Is Assessed a Civil Penalty of \$32,500**

WASHINGTON, June 18, 2012 – The U.S. Department of Agriculture’s Grain Inspection, Packers and Stockyards Administration (GIPSA) entered into a consent decision with National Beef Packing Company, LLC (National Beef), Kansas City, Mo. on June 12, 2012. National Beef has been ordered to cease and desist from:

- failing to disclose or make known to livestock sellers an accurate accounting of the cattle purchased by National Beef, including but not limited to failing to adequately identify and correct data errors prior to determining the final pricing of cattle purchased by National Beef pursuant to quality-based pricing grids;
- failing to disclose or make known to livestock sellers, the correct freight charge deductions taken on cattle purchased by National Beef pursuant to quality-based pricing grids;
- failing to disclose or make known to livestock sellers data errors that affect the prices National Beef pays for cattle purchased pursuant to quality-based pricing grids; and
- failing to maintain and operate an accurate scale for the purpose of determining livestock carcass weights including but not limited to operating a scale that fails to meet the applicable accuracy tolerances for dynamic monorail scales contained in the General Code, Scale Code, and Weights Code of the 2009 edition of the National Institute of Standards and Technology (NIST) Handbook 44, “Specifications, Tolerances, and Other Technical Requirements for Weighing and Measuring Devices.”

National Beef has been assessed a civil penalty of \$32,500.

The consent decision resolves charges that were filed on June 11, 2012, in which GIPSA alleged that, National Beef:

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Office of Civil Rights, Office of Adjudication, 1400 Independence Ave., S.W., Washington, D.C. 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 Relay voice users).

- incorrectly disclosed to livestock sellers the freight charge it was deducting in grid-based pricing calculations;
- used incorrect boxed beef sales data for the week ending May 3, 2008, which resulted in underpayments and overpayments to some producers whose cattle were priced using National Beef's quality-based pricing grids during the time period of May 5, 2008 through May 31, 2008;
- incorrectly calculated the threshold values that it used in some of its quality-based pricing grids during the time period of June 23, 2008 through July 19, 2008, which resulted in underpayments and overpayments to some producers whose cattle were priced using National Beef's quality-based pricing grids during that time period; and
- failed to maintain and operate an accurate scale for the purpose of determining livestock carcass weights at National Beef's slaughter facility in Liberal, Kan., in that on August 11, 2010 and August 12, 2010, National Beef's scale at the Liberal plant failed to meet applicable accuracy tolerances for dynamic monorail scales established by NIST Handbook 44. The use of an inaccurate scale may have resulted in overpayments to some cattle sellers whose cattle were weighed on August 11, 2010, and may have resulted in overpayments and underpayments to some cattle sellers whose cattle were weighed on August 12, 2010.

The P&S Act is a fair trade practice and payment protection law that promotes fair and competitive marketing environments for the livestock, meat, and poultry industries.

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