

CONTENTS

<i>Foreword</i>	ix
<i>Preface</i>	xi

Chapter I

Government Agencies	1
A. U.S. Department of Justice	1
B. U.S. Department of Agriculture.....	3
1. Packers and Stockyards Program	6
2. Federal Grain Inspection Service	8
C. Federal Trade Commission	9
D. Food & Drug Administration.....	10
E. State Attorneys General	11
F. Role of Congress.....	12
1. 2008 Farm Bill	13

Chapter II

Agricultural Segments	17
A. Dairy	17
1. Overview of Dairy Industry	17
2. Objectives of the Federal Milk Marketing Orders	19
3. Key Features of the Federal Milk Marketing Orders	20
4. Cooperatives, MACs, and Independent Farmers.....	22
a. Cooperatives and Marketing Agencies in Common	22
b. Independent Farmers.....	24
5. Gaining Access to a Federal Order Pool	25
a. Regulated “Pool” Plants.....	25
b. Non-Pool Plants and Diversion Rights	27
c. Touching Base for Farmers.....	27
6. Plant Prices: Classified Pricing and Over-Order Premiums.....	28
a. Classified Pricing: Minimum Prices Paid by Plants	29
b. Over-Order Premiums.....	30
7. Farmer Prices – Pooling and Blend Prices	32
a. The Blend Price	32

b.	Economic Significance of the Blend Price and the Pool.....	34
B.	Crops and Fertilizer	34
1.	Overview	34
a.	Key Crops in the United States.....	35
b.	Background on Seed and Crop Protection Chemical Industries.....	37
2.	Seed	37
a.	Seed Production	39
b.	Seed Companies.....	41
3.	Crop Protection Chemicals.....	42
a.	Herbicides	43
b.	Insecticides	44
c.	Crop Protection Chemical Companies.....	45
4.	Genetically Modified Seed.....	47
a.	Input and Output Traits.....	49
b.	Trait Development.....	51
c.	Producers of Genetically Modified Seed.....	52
d.	Links between Seed and Crop Protection Chemicals ...	52
5.	Fertilizer	55
a.	Major Producers of Fertilizers	56
b.	Regulation of Fertilizers	59
C.	Organic Products.....	60
1.	Organic Foods	61
2.	Organic Crops	65
3.	Organic Farming, GMO Crops, and Crop Protection.....	66
D.	Livestock.....	67
1.	Pork	67
2.	Beef	71
3.	Poultry.....	74
E.	Grocers.....	77
Chapter III		
Packers & Stockyards Act Claims		
A.	Introduction.....	83
B.	Regulated Persons.....	83
C.	Proscribed Conduct.....	84
D.	Interpretations and Applications of the PSA	85
1.	Harm to Competition.....	86
2.	Rule-of-reason Framework.....	89
3.	Recent Amendments to the PSA	90

- E. Administration and Enforcement by the Secretary of Agriculture..... 91
 - 1. The USDA Regulations and GIPSA Rules 91
 - 2. Enforcement Proceedings..... 94
 - 3. Administrative Procedures 94
 - 4. The ALJ Hearing..... 96
 - 5. Consent Decisions 97
 - 6. Intra-agency Appeals..... 98
 - 7. Judicial Review 98
 - 8. Cease-and-Desist Orders and Fines..... 99
- F. Private Right of Action 100
 - 1. Standing..... 100
 - 2. Venue 100
 - 3. Relief..... 101
 - 4. Statute of Limitations 102
 - 5. Antitrust Injury..... 102

Chapter IV

- The Capper-Volstead Act and Defenses**..... 105
- A. History of the Capper-Volstead Act 105
 - 1. The Statute and Its Requirements..... 108
 - 2. Who is a Qualified Member? 110
 - a. Members Must Be Producers or Farmers 110
 - b. Even One Non-Producer Can Destroy the Exemption..... 111
 - c. Lower Courts’ Strict Interpretation of Membership ... 112
 - 3. Permissible and Impermissible Conduct 113
 - a. The Capper-Volstead Act Does Not Immunize Predatory Behavior 114
 - b. Multiple Cooperatives May Work Together..... 116
 - c. Supply Management Policies Still in Question 117
 - 4. Other Related Defenses..... 119
 - a. State Action Doctrine..... 119
 - b. Noerr-Pennington Doctrine..... 122

Chapter V

- Mergers and Collaborations**..... 125
- A. Dairy 127
 - 1. Product Markets 127
 - 2. Geographic Markets 131
 - 3. Competitive Effects..... 134

B. Crops.....	141
1. Corn and Soybean Seed.....	144
2. Cotton Seeds.....	146
3. Other Seed Crops	147
4. Trait Providers.....	147
C. Fertilizers	149
1. Market Definition	149
2. Recent and Proposed Mergers in Fertilizer Industry	152
D. Poultry and Livestock Processors	155
1. Market Definition.....	155
2. Competitive Effects.....	160
3. Grocers & Supermarkets	162
a. Product Market Definition	162
b. Geographic Market	166
c. Competitive Effects	167
4. Food Distribution	168
5. Buyer Power.....	169
a. Harm to Competition	169
b. DOJ Merger Enforcement and Policy.....	171
6. Conclusion.....	175

Chapter VI

Monopolization Issues	177
A. Introduction.....	177
B. Monopolization.....	178
1. Monopoly Power	178
2. Relevant Market	181
3. Exclusionary Conduct	184
4. Monopolization in Agriculture and Food.....	184
C. Monopsony & Predatory Buying.....	186
D. Antitrust Injury	190
E. Attempted Monopolization	192
F. Conspiracy to Monopolize.....	194

Chapter VII

Pricing Issues	195
A. Agreements among Competitors regarding Price	196
1. Price Fixing	196
2. Market Division and Allocation	197
3. Bid Rigging	197

- 4. Special Consideration for Agricultural Industry Pricing Agreements..... 197
 - a. Immunity from Conspiracy for Cooperatives..... 198
 - b. Packers and Stockyard Act..... 200
- 5. Prior Cartel Cases..... 200
 - a. Lysine 201
 - b. Vitamins..... 203
 - c. Tomatoes..... 205
 - d. Beef..... 206
 - e. Lettuce 207
 - f. Potatoes..... 208
 - g. Mushrooms 209
 - h. Chicken 210
 - i. Chocolate 211
 - j. Dairy 213
 - k. Eggs 215
 - l. Quarter Horses 216
 - m. Seafood 218

Chapter VIII

Consumer Protection Issues in the Regulation & Sale of Food Products..... 221

- A. General Food Labeling Issues..... 221
 - 1. Division of Responsibility Among Government Agencies..... 221
 - a. Federal Food, Drug, and Cosmetic Act 222
 - b. Meat and Poultry Inspection Acts..... 223
 - c. Organic Foods Production Act 224
 - d. Food Allergen Labeling and Consumer Protection Act..... 225
 - e. Federal Alcohol Administration Act..... 226
 - f. Federal Trade Commission Act and the 1954 Memorandum of Understanding between the FTC and the FDA..... 227
 - g. Fair Packaging and Labeling Act..... 229
 - h. State Laws..... 229
 - 2. “Label” versus “Labeling” in the Special Case of Websites 230
 - 3. The Basic Elements of a Label..... 231
- B. Misbranding..... 232
 - 1. Baseline Standard..... 232

2. Specific Types of Misbranding	233
C. Labeling Enforcement and Challenges	233
1. Agencies' Role in Labeling and Enforcement of Labeling.....	233
2. Competitor Claims	235
a. National Advertising Division Cases.....	236
b. Lanham Act Claims	236
D. Consumer Fraud Lawsuits	237
E. "Natural" Product Labeling	243
1. FDA Policy.....	243
2. USDA Policy.....	243
3. FTC Policy	244
4. Consumer Fraud Class Actions	245
F. Health Claims Labeling	247
G. Organic Foods.....	249
1. Organic Foods Production Act of 1990.....	249
2. National Organic Program.....	250
3. "100 Percent Organic"	251
4. "Organic"	251
5. "Made with" Organic	252
6. Products Containing Less than 70 Percent Organic Ingredients.....	252
7. Preemption of State Law Claims.....	252
H. Emerging Issues in Consumer Fraud Class Actions regarding Food Labels	253
1. "GMOs," Transparency and the "Right to Know"	254
I. FDA	254
J. Legislative Response: Vermont Act 120 Gives Way to the National Bioengineered Food Disclosure Standard.....	255
K. GMO-Related Litigation.....	257
1. Pictures, Vignettes and the Take-Away Messages.....	258
Conclusion	259
<i>Table of Cases</i>	261
<i>Index</i>	277