

## Reparations

Claims for reparations, seeking reimbursement for damages, may be filed against stockyard operators, commission firms, auction markets, dealers, and order buyers.

## Penalties for Violations

Formal actions brought for violations of the P&S Act may be settled in one of several different ways:

- Cease and desist orders.
- Suspension of business operations.
- Civil penalties up to a maximum of \$11,000 per violation; \$27,000 for violation of poultry trust provisions.
- Permanent injunctions, fines, and jail sentences for actions taken through the Justice Department.

Please direct comments or questions about this publication to:

United States Department of Agriculture  
Grain Inspection, Packers and Stockyards Administration  
1400 Independence Avenue S.W.  
Washington DC 20250-3601  
(202) 720-0219

[www.gipsa.usda.gov](http://www.gipsa.usda.gov)

GIPSA Toll-Free HOTLINE  
1-800-998-3447



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June 2007

# USDA

**Grain Inspection,  
Packers and Stockyards  
Administration**

# Packers & Stockyards Act

**United States  
Department of Agriculture**

[www.gipsa.usda.gov](http://www.gipsa.usda.gov)



In the words of the Congress, the purpose of the Packers and Stockyards Act (P&S Act) is “to assure fair competition and fair trade practices, to safeguard farmers and ranchers . . . to protect consumers . . . and to protect members of the livestock, meat, and poultry industries from unfair, deceptive, unjustly discriminatory and monopolistic practices.” The Grain Inspection, Packers and Stockyards Administration (GIPSA), through its Packers and Stockyards Program (P&SP), administers the P&S Act.

## History

The P&S Act, enacted on August 15, 1921, was the result of years of concern about anticompetitive activities among meat packers. The legislation gave the Secretary of Agriculture authority to regulate livestock marketing activities at public stockyards and the operations of meat packers and live poultry dealers. The law also authorized the U.S. Department of Agriculture (USDA) to regulate stockyard operators and market agencies at the stockyards, and to issue reparation awards for monetary damages for violations of the law.

The P&S Act has been updated several times to keep pace with a changing industry. The first major amendment to the P&S Act was in 1958, when Congress expanded USDA’s jurisdiction to all auction markets operating in commerce. Before 1958, only auction markets with an area of 20,000 square feet or more were covered. In addition, jurisdiction over market agencies and dealers was expanded to include all of their livestock activities in commerce, including those away from stockyards.

Over the years, the P&S Act has been further amended. In 1976, the P&S Act was amended to increase financial protection to livestock producers and to expand USDA jurisdiction. This amendment (1) required meat packers with annual livestock purchases of over \$500,000 to be bonded; (2) provided

trust protection for producers in the event of nonpayment for livestock by a meat packer; (3) expanded USDA’s jurisdiction over wholesale brokers, dealers, and distributors marketing meat in commerce; and (4) authorized P&SP to assess civil penalties of not more than \$10,000 per violation. In subsequent legislation the civil penalty amount was increased to \$11,000 for packers, swine contractors, stockyard owners, market agencies, or dealers, and \$27,000 for live poultry dealers. In 1987, the P&S Act was amended to provide trust protection to live poultry sellers and contract growers in the event of nonpayment for poultry by live poultry dealers.

In 2000, the P&S Act was amended to require P&SP to perform an annual assessment of the cattle and hog industries, and in 2002, the P&S Act was amended to expand USDA’s jurisdiction to include swine contractors, and to require P&SP to establish and maintain a library of each type of swine contract offered by packers to swine producers.

## Who Benefits from the Packers and Stockyards Act?

Livestock producers, poultry growers, consumers, and all firms or individuals engaged in the business of marketing, processing, and distributing livestock, meat, and poultry benefit from the P&S Act.

## Who is Subject to the Packers and Stockyards Act?

Those engaged in the business of marketing livestock, meat, and poultry in commerce are subject to the P&S Act. Stockyards, commission firms, livestock auctions, order buyers, livestock dealers, meat packers, meat brokers, meat wholesalers and distributors, swine contractors, and live poultry dealers are included.

## Who is Not Subject to the Packers and Stockyards Act?

Farmers and ranchers are not subject to the P&S Act when buying livestock for their own feeding purposes, or when marketing their own livestock.

## Enforcement Procedures

P&SP monitors industry activities and conducts regulatory compliance reviews and investigations to determine whether subject persons and firms are in compliance with the P&S Act and regulations issued under the P&S Act. Violations are resolved according to their seriousness as follows:

**Notice of Violations**—Official notice is given to regulated entities regarding alleged violations found. Violations are corrected, when practical, without resorting to legal proceedings.

**Stipulation Agreements**— Legal agreement citing violation(s) found, the civil penalty amount GIPSA will accept in settlement of the alleged violation(s) without pursuing a formal action, and a statement for signature by the alleged violator, agreeing to pay the civil penalty and waive the right to a hearing.

**Administrative Actions**—These legal actions are taken within USDA. A complaint, alleging specific violations, is filed against a firm or individual. The accused party has a right to a hearing before an Administrative Law Judge. The judge’s decision may be appealed to the USDA Judicial Officer. The accused party may appeal the Judicial Officer’s ruling to a U.S. Appeals Court, and further to the Supreme Court of the United States.

**Court Actions**—Legal action may be taken, through the Justice Department, in a U.S. District Court against those subject to the P&S Act.