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UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS:

RESPONDENT

3. Respondent National Association of Animal Breeders, Inc., is a non-profit corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Missouri, with its office and principal place of business located in Madison, Wisconsin.

4. Respondent is a trade association with about twenty-four Members that are in the business of collecting, processing, freezing, marketing or selling dairy cattle semen for artificial insemination. Except to the extent that competition has been restrained as alleged herein, many of Respondent's Members have been and are now in competition among themselves and with other artificial insemination organizations.

5. Respondent's Members buy dairy bulls from dairy farmers and breeders that are not members of NAAB (collectively "Non-Members") to produce semen for artificial insemination.

6. Respondent's Members account for over ninety percent of dairy cattle semen sales in the United States.

JURISDICTION

7. Respondent conducts business for the pecuniary benefit of its Members and is therefore a "corporation" as defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

8. The acts and practices of Respondent, including the acts and practices alleged herein, are in or affecting "commerce" as defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

NAAB ENTERS INTO A CRADA WITH USDA TO COOPERATE WITH A PROJECT TO DEVELOP TECHNOLOGY THAT PREDICTS THE GENETIC MERIT OF DAIRY BULLS

9. In September 2006, NAAB entered into a CRADA with USDA. NAAB agreed therein to contribute funds and certain logistical support to a USDA laboratory project that would develop technology to determine the genomic predicted transmitting ability ("GPTA") of a dairy bull.

10. The GPTA of a dairy bull is determined by analyzing the genetic makeup of the bull. It consists of information about the commercially relevant traits, such as milk yield, that the bull is expected to transmit to its daughters.

11. The USDA laboratory substantially developed the technology that generates GPTAs for dairy bulls by April 2008.

12. The new GPTA technology became the best indicator of a dairy bull's commercial value for transmitting genetic traits.

13. The traditional method to predict the ability of a dairy bull to transmit commercially desirable traits, such as milk yield, to its daughters involves observing the traits of several dozen daughters of the bull when they start producing milk. This method is costly and takes about four to

23. The Resolution expired on February 28, 2013. After the Resolution expired, GPTAs became available to New Members for a fee