

Analysis to Aid Public Comment  
In the Matter of National Association of Animal Breeders, Inc.  
File No. 1510138

The Federal Trade Commission ("Commission") has accepted, subject to final approval, an Agreement Containing Consent Order ("Consent Agreement") from the National Association of Animal Breeders, Inc. ("NAAB"). NAAB is a trade association of cattle artificial insemination firms.

Dairy production in the United States is dependent on volume from more than 9.3 million cows, the market for which relies on services provided by NAAB member breeders. In 2008, the Commission found that NAAB's restraints on competition among its regular members had dampened competition in the market for dairy breeding services.

This matter reaffirms the longstanding rule that competitors that compete among themselves, while typically serving the public interest, must not adopt rules or regulations that unreasonably restrain competition. This matter also illustrates that industry groups that obtain valuable government benefits may not establish rules or regulations that unreasonably restrain competition.



## II. The Proposed Order

The Proposed Order has the following substantive provisions. Paragraph II requires NAAB to cease and desist from restraining the ability of its members to obtain, disclose, provide, use or sell any technology or information resulting from research projects conducted by, or pursuant to, an agreement to which NAAB is a party. The Proposed Order also prohibits NAAB from restraining price-related competition among its members relating to the sale or acquisition of bulls or bull semen.

A proviso to Paragraph II specifies that the Proposed Order does not prohibit NAAB from engaging in any conduct that is reasonably necessary to achieve procompetitive benefits or efficiencies relating to NAAB's operation or to the operation of its members, provided that such benefits or efficiencies likely would offset the anticompetitive harms.

Paragraph III requires that for five years NAAB notify the Commission if it adopts or modifies any regulation that restrains the ability of its members to obtain, disclose, provide, sell or use any technology or information resulting from any research project.

Paragraph V of the Proposed Order requires that NAAB implement an antitrust compliance program to ensure compliance with the Proposed Order and the antitrust laws.

Paragraphs IV and VI-VIII of the Proposed Order impose certain standard reporting and compliance requirements on NAAB.

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