

**Before the  
UNITED STATES DEPARTMENT OF AGRICULTURE  
Washington, D.C. 20250**

**Poultry Growing Tournament Systems:  
Fairness and Related Concerns**

**Docket No. AMS-FTPP-22-046**

**WRITTEN SUBMISSION OF  
FEDERAL TRADE COMMISSION CHAIR LINA M. KHAN**

**I. Introduction<sup>1</sup>**

I appreciate the opportunity to respond to the Department of Agriculture's request for

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Evidence suggests that the market power that poultry companies wield is significant. Research shows that these poultry processors can dictate

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Poultry companies require growers to bear most of the capital costs of production, including land, buildings, and equipment.<sup>14</sup> They mandate detailed and unique specifications for poultry houses and equipment, including square footage, ventilation capacity, watering systems, waste management, and more. Farmers have noted that these requirements often have the effect of locking growers into exclusive relationships with particular firms.<sup>15</sup> Processors also regularly require growers to update their facilities and equipment.<sup>16</sup> Research has shown that many

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While disclosure is an important step, the severe degree of concentration that typifies local and regional poultry markets requires more. For these reasons, I strongly support USDA's plan to pair its disclosure rule with further policy development and rulemaking that addresses unfair, deceptive, and discriminatory contract terms and business practices through specific prohibitions and limitations.<sup>27</sup>

## **V. Remediating the Harms Caused by Unfair Contract Terms**

As noted above, the FTC Act implicates many of the same concerns as the Packers and Stockyards Act. In particular, the FTC Act bans "unfair methods of competition in or affecting commerce, and unfair . . . acts or practices in or affecting commerce."<sup>28</sup> The Packers and Stockyards Act makes it unlawful for packers, swine contractors, and poultry dealers to "engage in or use any unfair . . . practice or device."<sup>29</sup> Below, I highlight several examples where the FTC has used its unfairness authorities, both through (a)-1 (i)9al exRan 4MCID(i)-2 (c)-1 (e)-1 ( o)5 (r)-2 ( d(S)1 (4 T

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