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[Fee Exempt Per Gov. Code § 6103]

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
11 **COUNTY OF LOS ANGELES**

13 **THE PEOPLE OF THE STATE OF CALIFORNIA,**

14 Plaintiff,

15 v.

17 **WESTERN VALLEY MEAT COMPANY,**

18 Defendant.

Case No. **24STCV21330**

**COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF**

(BUS. & PROF. CODE, § 17200 et seq.)

21 The People of the State of California (“People”), by and through Rob Bonta, Attorney General of  
22 the State of California, allege the following on information and belief:

23 **INTRODUCTION**

24 1. Cargill Meat Solutions Corporation seeks to sell its beef processing plant in Fresno  
25 to Central Valley Meat Holding Company, as described in the Asset Purchase Agreement  
26 between the parties, dated April 26, 2024 (the “Proposed Acquisition”).

27 2. Based on his investigation, the Attorney General is concerned that the Proposed  
28 Acquisition could risk adversely impacting competition in the market for the purchase of culled

1 cattle in the San Joaquin Valley. The Attorney General is also concerned that the Proposed  
2 Acquisition could have negative effects on the labor market in the beef slaughter and processing  
3 industry. To promote fair competition and prevent unfair business practices, the Attorney General  
4 therefore brings this action.

### 5 **DEFENDANT**

6 3. Defendant Western Valley Meat Company (“Defendant” or “WVM”) is a  
7 California corporation with its principal place of business in Hanford, California.

### 8 **JURISDICTION AND VENUE**

9 4. This Court has jurisdiction over Defendant, as it transacts business in Los Angeles  
10 County and throughout the State of California and did so at all times relevant to this action.

11 5. Venue is proper, as the violations of law alleged in this Complaint occurred in Los  
12 Angeles County and elsewhere in the State of California.

### 13 **FACTUAL ALLEGATIONS**

#### 14 **I. CALIFORNIA’S CULLED CATTLE MARKET**

15 6. Cows are culled from the herd when they stop producing enough milk to offset the  
16 cost of their feeding and care. Dairy farmers sell their culled cows to slaughter and processing  
17 facilities.

18 7. California’s two largest predominantly culled-cattle slaughter plants are located in  
19 the San Joaquin Valley.

20 8. Cargill Meat Solutions Corporation, a Delaware corporation, (“Cargill”) operates  
21 one these beef-processing facilities, located in Fresno, California. In 2022 and 2023, Cargill’s  
22 Fresno, California facility processed more than 300,000 head of culled cattle annually, according  
23 to federal government data maintained by the United States Department of Agriculture (USDA).

24 9. WVM operates the other large culled-cattle slaughter plant in California, located in  
25 Hanford. Similar to Cargill’s Fresno plant, WVM’s Hanford facility processed more than 300,000  
26 head of culled cattle annually in 2022 and 2023, according to USDA data.

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1 **II. PROPOSED ACQUISITION**

2 10. In an agreement dated April 26, 2024, WVM agreed to purchase Cargill's Fresno,  
3 California beef processing facility. The transaction is to be executed pursuant to the Asset  
4 Purchase Agreement, entered into on the same date between Cargill on the one hand, and Western  
5 Valley Meat Company, West Valley Investments LLC, and Central Valley Meat.

6 11. Based on his investigation, the Attorney General is concerned that the Proposed  
7 Acquisition may have potential anticompetitive impacts on (1) the market for the purchase of  
8 culled cattle in the San Joaquin Valley and (2) the employees who will be affected by the  
9 Proposed Acquisition.

10 **III. COMPETITIVE IMPACT CONCERNS**

11 12. If the Proposed Acquisition were consummated, WVM would own and operate the  
12 largest culled-cattle slaughter plant in the San Joaquin Valley. It might have sufficient market  
13 power to charge anticompetitive rates for the purchase of culled cattle from dairy farmers.  
14 Further, were WVM to close the plant, capacity would be reduced, increasing the chance of  
15 anticompetitive effects. WVM has not made any agreement to keep the plant operating and the  
16 capacity available for dairy farmers.

17 13. The Attorney General is therefore concerned that the Proposed Acquisition will  
18 reduce competition in California's culled cattle market. This concern is exacerbated by the fact  
19 that the market for culled cattle is geographically constrained due to transportation costs.

20 14. At the time the Proposed Acquisition was announced, Cargill's Fresno beef  
21 processing plant employed approximately 880 workers. WVM publicly stated that it currently  
22 intended to retain approximately 700 of these employees when it acquires the plant. Between June  
23 5-7, 2024, layoff notices were already issued to 178 employees who WVM did not intend to  
24 retain.

25 15. In addition to these immediate layoffs, the Attorney General is concerned that, by  
26 becoming one of the major employers in the beef processing industry, WVM could set  
27 anticompetitive wages and labor conditions for its employees in the San Joaquin Valley.

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1 **FIRST CAUSE OF ACTION**  
2 **Violation of the Unfair Competition Law**  
3 **(California Business and Professions Code section 17200 et seq.)**

4 16. The People incorporate by reference and reallege the preceding allegations in  
5 paragraphs 1-15 as though fully set forth herein.

6 17. The People allege that the Proposed Acquisition, if consummated, may lessen  
7 competition in the market for the purchase of culled cattle in the San Joaquin Valley and have  
8 negative effects on other markets, such as the market for labor in the beef slaughter and  
9 processing industry.

10 **PRAYER FOR RELIEF**

11 WHEREFORE, the People pray for judgment as follows:

12 1. That Defendant, its successors, agents, representatives, employees, assigns, and all  
13 persons who act in concert with them be permanently enjoined from engaging in unfair  
14 competition as defined in Business and Professions Code section 17200;

15 2. That the Court assess a civil penalty of \$2,500 against Defendant for each  
16 violation of Business and Professions Code section 17200 in an amount according to proof, under  
17 the authority of Business and Professions Code section 17206;

18 3. That the People recover its costs of suit, including all costs of investigation; and

19 4. For such other and further relief that the Court deems just and proper.

20 Dated: August 21, 2024

Respectfully submitted,

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24 Senior Assistant Attorney General  
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26 Supervising Deputy Attorney General

27 

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