

# The Cattle Market

*Running the enclosure algorithm on the beef in your kitchen*

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I did not learn this pattern from a book. I grew up watching it. Long before I ever wrote a word about cannabis, I watched what happened to the people who raised cattle and grew the feed: the open market that once fed families slowly closing around them, the price a rancher was paid drifting further and further from the price on the package, the squeeze tightening year after year while a handful of companies in the middle did better and better. That is where my eye was trained. It is why, decades later, I recognized the very same move in cannabis, in water, in one commodity after another.

Beef is near record prices today, and ranchers are still going out of business. Both of those things are true at the same time, and the second one should make the first one impossible. If the people who raise cattle were the ones setting the price, high prices would mean good years on the ranch. Instead the herd is shrinking and the families are selling out. The money is real. It is simply being collected in the middle, by very few hands. I have watched this happen for over three decades. Here is the pattern, in seven steps.

## **Step 1 TARGET** | *find shared value not yet owned*

Start with what an open cattle market looks like, because it is not ancient history. Into the early 1980s, ranchers raised cattle and sold them into a genuinely competitive market: many buyers, local and regional packers, live auctions where the price was discovered out loud in front of everyone. No single firm could dictate what a steer was worth, because there was always another buyer down the road. That open price, set by many hands, was the commons. It was valuable, and it was not yet owned.

## **Step 2 REFRAME** | *call the commons a tragedy*

Then comes the story that makes consolidation sound like progress. Small and mid-size packers are recast as inefficient, old-fashioned, even

unsafe; bigger plants are sold as modern, cheaper, better for the shopper. Efficiency becomes the magic word. Who could be against cheaper meat? The reframe does its job: it turns the steady disappearance of independent packers from something to mourn into something to celebrate.

**Step 3 ABSTRACT** | *turn it into a countable unit*

Next the living animal and the open auction are replaced by units the packer controls. The steer becomes the boxed-beef cutout, a graded, standardized number. Price discovery moves off the open cash market and into private formula contracts and captive supply, cattle the packer already controls through advance agreements, so that fewer and fewer animals actually trade in the open where anyone can see the price. You cannot fence what you cannot measure, and once the market is reduced to formulas and cutout values, the measuring is done by the people doing the fencing.

**Step 4 TITLE** | *vest the unit in a private owner*

Now the ownership. Through four decades of mergers, control of beef packing was vested in four companies, Tyson, Cargill, JBS, and National Beef. Together they now slaughter and pack roughly eighty-five percent of America's beef, up from about thirty-six percent in 1980.<sup>1</sup> They own the chokepoint, the plants every animal must pass through to become food. A rancher can own the land, the herd, and the labor, and still have only a handful of possible buyers, sometimes only one within driving distance.

**Step 5 INVERT** | *make the old custom a crime*

The rancher's old independence is quietly turned into dependence, and the eater's old knowledge is taken away. Selling outside the packer's formula can mean no bid at all. And the custom of simply knowing where your beef came from was removed by law: mandatory country-of-origin labeling for beef was repealed in 2015, so that beef born and raised abroad could be processed here and, under the old rule, labeled "Product of USA."<sup>2</sup> The everyday act of choosing American beef from your own region, something every shopper once could do, was made impossible by the label itself.

**Step 6 TOLL** | *charge for access, dump the cost downstream*

Here is the tollbooth, and here is where the money you noticed goes. As the four firms tightened their grip, the spread between what ranchers are

paid for cattle and what shoppers pay for beef widened sharply.<sup>3</sup> The cattle producer's share of the consumer beef dollar fell to about thirty-seven percent in 2020, the lowest on record.<sup>4</sup> Cattle feeders sued all four packers, alleging they conspired to suppress the price paid for fed cattle; JBS alone has paid tens of millions to settle.<sup>5</sup> The cost is dumped downstream in both directions at once: onto ranchers, who are driven out until the national herd sits at multi-decade lows, and onto the family at the grocery store, who pays more and is told it is just the weather.

### **Step 7 NATURALIZE** | *erase the memory of the commons*

The last step is the one that protects all the others. We are told beef is expensive because of drought, or feed costs, or inflation, anything except the shape of the market itself. The four-firm chokepoint becomes invisible, just “how the beef industry works.” And the open auction of 1980, the competitive market that is well within living memory, is forgotten, so that the fenced version looks like the only version there ever was.

## **The loop**

Then it loops, exactly as the algorithm predicts. The margin captured at the chokepoint funds the next round: more plant acquisitions, vertical integration down into feeding and up into retail, expansion into chicken and pork, and the lobbying and legal firepower to keep the arrangement in place. Concentration pays for more concentration.

## **Who pays for this fence**

Enclosure concentrates the gain and disperses the cost, and here the cost lands on the people with the least leverage: the ranching family that loses four generations of work, the rural town that loses its independent packer and the jobs around it, and the household at the checkout, often the woman doing the week's shopping, who watches the same ground beef climb out of reach. The ranchers and the eaters are on the same side of this fence. The four firms in the middle are on the other.

## **The counter-algorithm**

The hopeful part is that for this commons the counter-move is not theoretical, it is already law, just barely enforced. The Packers and Stockyards Act of 1921 was written for precisely this, to stop a handful of meatpackers from rigging the livestock market; the cattle barons of a century ago ran the same play.<sup>6</sup> Reviving it is a choice, not an invention. In 2024 the USDA finalized new rules under that act to protect producers and proposed clearer definitions of unfair practices, and it rewrote the “Product of USA” label so the words have to be true.<sup>7</sup> Antitrust suits are moving, federal scrutiny of the packers has drawn attention from administrations of both parties, and investment in new independent and local processing is slowly rebuilding the missing competition. And the simplest counter-step costs nothing: remember out loud that the open cattle market is not a fantasy. It was normal, in this country, in living memory. Buying from a local rancher or a cooperative is one family voting to keep it real.

## **The fence around your hamburger**

This is the whole program, run on dinner. A competitive market targeted, consolidation reframed as efficiency, the animal abstracted into a cutout number, the chokepoint titled to four firms, the rancher's independence and the eater's knowledge turned into things they are no longer allowed to have, a toll collected in the widening spread, and the memory of anything different quietly erased. Once you have seen the seven steps run on your hamburger, you will see them on your power bill, your seeds, your medicine, and your water. That is the point of learning the pattern. The fence is easier to take down while you can still remember the field.

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## **Notes and Sources**

1. On the Big Four packers controlling roughly 85% of U.S. beef processing, up from about 36% in 1980: [Farm Action, “Meatpacking: Four Corporations, Total Control”](#); USDA Economic Research Service, “Concentration in the U.S. Meatpacking Industry” (Jan. 2024).
2. Mandatory country-of-origin labeling (COOL) for beef and pork was repealed in December 2015 following a WTO ruling; on the “Product of USA” label and its 2024 revision, see USDA.
3. On the widening spread between cattle prices and wholesale/retail beef: USDA Economic Research Service, [ERS Amber Waves \(Jan. 2024\)](#).

4. Cattle producers' share of the consumer beef dollar fell to about 37% in 2020, a record low: R-CALF USA and the Coalition for a Prosperous America, [“Beef Prices: Blame the Packers, Not America's Ranchers.”](#)
5. Cattle feeders' antitrust class action against the four packers (alleging suppression of fed-cattle prices and CME manipulation); JBS settled for \$52.5M (2022) and \$25M (2023): [Beef Magazine](#).
6. Packers and Stockyards Act of 1921 (7 U.S.C. § 181 et seq.), USDA Agricultural Marketing Service: [the Act \(PDF\)](#); overview at the National Agricultural Law Center.
7. USDA 2024 reforms under the Packers and Stockyards Act, including the Inclusive Competition and Market Integrity Rule (March 2024) and the revised “Product of USA” label: [Federal Register](#).
8. The seven-step framework is set out in the companion piece, “The Enclosure Algorithm,” and its history in “The Quiet Fence.”

*Spot the Fence is a recurring Hold in Common series that runs the enclosure algorithm on one commons at a time. Figures were checked against the sources above; the framing is the project's own.*