

WASHINGTON, DC – The *Wall Street Journal's* editorial board ran the following [editorial](#) in the May 15, 2023 edition of the paper:

### "The Big Meat Conspiracy Theory Unravels"

**Tyson Foods loses money, which doesn't sound like a monopoly.**

By [The Editorial Board](#)

Remember when President Biden and progressives last year accused meat packers of colluding to fatten their profits. Are they now conspiring to lose money? [Tyson Foods](#) last week reported its first quarterly loss since 2009 as meat prices tumbled. Here's a lesson in market economics, Mr. President.

Tyson's stock plunged after it reported anemic sales and downgraded its forecast. The quarterly loss at the largest U.S. meat supplier marks a stunning reversal from 2021 and early last year when it earned record profits amid a run-up in meat prices. What happened?

Well, meat supply increased as packers ramped up production and increased wages for employees to meet demand. But producer costs for cattle and chicken have remained elevated. At the same time, consumer demand for pricier cuts of beef and pork has declined as inflation ate into purchasing power. All of this has shrunk Tyson's margins.

As we explained in ["Carving Up Biden's Inflation Beef"](#) (Jan. 7, 2022), the gusher of pandemic transfer payments swelled demand for more expensive meat products and contributed to a labor shortage that constrained production. When supply exceeds demand, business margins increase as markets ration scarce goods via prices.

Yet Democrats alleged a corporate conspiracy. Mr. Biden claimed that rising meat prices and profits reflect "the market being distorted by a lack of competition" and "capitalism without competition isn't capitalism; it's exploitation." Massachusetts Sen. Elizabeth Warren accused Tyson of abusing its "corporate market power and raking in record profits by jacking up meat prices."

If markets were "distorted," the culprit was pandemic transfer payments that were a disincentive to work. As these programs lapsed, hiring became easier. Competition for workers and market share raised supplier costs while pushing down prices and profits. Meat prices fell 0.4% in April and are up only 0.3% over the past 12 months.

Tyson's stock has fallen by nearly half over the past year and is trading at the lowest levels since 2015. This doesn't look like an antitrust conspiracy or market oligopoly, but the meat packers and their shareholders will never get an apology from Washington.