

Senate Reauthorizes Mandatory Livestock Price Reporting

Legislation must be signed by president by Sept. 30, 2015.

The Senate has reauthorized Mandatory Livestock Price Reporting through 2020. Mandatory Price Reporting requires meat packers to report to USDA the prices they pay for cattle, hogs and sheep purchased from farmers and ranchers for slaughter, as well as the prices they receive for the sale of wholesale beef, pork and lamb. Mandatory Price Reporting also requires USDA to issue daily, weekly and monthly livestock and meat market reports. USDA publishes twice-daily reports with information on pricing, contracting for purchase, supply and demand conditions for livestock, livestock production and livestock products.

National Cattlemen's Beef Association (NCBA) President Philip Ellis, a Wyoming cattle producer, said this information provides producers greater transparency in market conditions.

"Transparency is essential to the functioning of our livestock markets, and our ability as producers to make decisions critical to our profitability," he said. "We appreciate the Senate's reauthorization of this provision before it expired at the end of the month. Unfortunately, due to the actions of Senator Stabenow, not only does this legislation lack the status of an essential service, the bill differs substantially from the House version; subjecting producers to further delay and uncertainty."

In contrast to the House version, the Senate's Mandatory Price Reporting legislation does not make the program an essential government service, rendering the program vulnerable to future government shutdowns. Due to these differences, the legislation now must be conferenced with the House, and signed by the president prior to expiration on Sept. 30, 2015.

"For American's cattlemen and women, market transparency is not a luxury," adds Ellis. "Cattle markets are complex and ever-changing, and cattle producers like myself rely on the information provided by price reporting to make informed decisions. The actions of Senator Stabenow have ensured that cattle producers will not have access to this critical market information in the event of a government shutdown."

The Livestock Mandatory Reporting Act of 1999 changed a voluntary reporting system for hogs, cattle and other livestock at slaughter to a requirement for meat processors to report detailed price and sales data. The law requires packers to submit to USDA regional and national data on a daily and weekly basis for hogs and similar information for cattle and lambs. It also required USDA to establish a library of the types of contracts offered by packers to pork producers for the purchase of hogs, including future delivery purchases.

