



Cattle Price Discovery and Transparency Act Summary

Section 1 - Short Title: Cattle Price Discovery and Transparency Act

Section 2 - Definitions:

Livestock Mandatory Reporting Definitions are added for “Fed Cattle”, “Heifer”, “negotiated grid purchase”, “regional mandatory minimums”, and “steer”, and redesignates paragraphs of existing definitions as appropriate.

Cattle Reporting Definitions are amended by revising the definition for “formula marketing arrangement”, and by adding “contract”, “type of contract”, and redesignating paragraphs of existing definitions where appropriate.

Section 3 - 14 Day Slaughter Reporting: Requires that a packer report the number of cattle scheduled to be delivered for slaughter each day for the next 14-day period. This tool can be used by producers to project estimated slaughter numbers and packers’ needs for cattle.

Section 4 - Daily Formula Base Price Reporting: Requires USDA to report the base price information for cattle purchased through formula marketing arrangements. By reporting base price information for formulas, producers will be able to better understand formula transactions. This codifies previous action USDA took earlier this year.

Section 5 - Carcass Weight Reporting: Requires USDA to determine the minimum time frame to report daily average carcass weights of cattle after they are chilled. This will provide producers better insight into the dressing percentages and yield of their cattle after they have been processed.

Section 6 - Cattle Contracts Library: Requires USDA to create and maintain a library of marketing contracts between packers and producers. Requires packers to supply this information to USDA and for it to be published in a user-friendly way

Section 7 - Clarification to Confidentiality: The proposal preserves confidentiality requirements in the underlying law, but requires USDA to find ways to regularly disclose all information required by LMR. The legislation makes clear that all information should be reported in a manner that ensures confidentiality, and adds “Nothing in this section permits the Secretary, or any officer or employee of the Secretary, to withhold from the public the information [required to be reported under LMR].”

Section 8 - Regional Mandatory Minimum Levels of Negotiated Trade: Requires the Secretary, in consultation with the Chief Economist, to establish mandatory levels of negotiated cash and negotiated grid transactions for each USDA AMS designated cattle region, seek public comment on those levels, then implement. Under this new program, covered packers—on a plant by plant basis—will be required to procure a certain amount of cattle from the cash market.

Section 9 - Increase Packer Penalty: Aligns beef/swine packer maximum penalty with poultry dealer’s maximum penalty for violations of Packers and Stockyards Act.