

The Honorable Pat Roberts
Chairman
Committee on Agriculture
328A Russell Senate Office Building
Washington, DC, 20510

The Honorable Debbie Stabenow
Ranking Member
Committee on Agriculture
328A Russell Senate Office Building
Washington, DC, 20510

Dear Chairman Roberts and Ranking Member Stabenow:

On behalf of our cattle producer members, we write today in support of S. 4647, the Cattle Market Transparency Act of 2020, introduced by Senator Deb Fischer. The undersigned organizations thank you for your continued efforts to support cattle producers across the nation through the duration of the COVID-19 pandemic and the subsequent downturn in the U.S. cattle markets. As the cattle industry works to rebuild from a series of “black swan” events, producers still face real and pressing challenges related to marketing cattle. As you know, in today’s business climate information is the key to success. The cattle industry is no different. We believe S. 4647 benefits all sectors of the cattle industry in the following ways;

1. Regional Cash Minimum – S.4647 requires the Secretary of Agriculture to establish regionally sufficient levels of negotiated trade, seek public comment on those levels, and implement processes to monitor and maintain said levels within the next 12 months. Should a packer, as defined in the bill, fail to meet their minimums - they will face the civil penalty already in law of up to \$10,000 per violation. This bill component benefits our members by increasing price discovery to robust levels that are appropriate for their respective regions. Robust price discovery is critical to ultimately help ensure better price determination.
2. Beef Contract Library – this legislation requires USDA to create and maintain a packer supplied library of marketing contracts between packers and producers. As previously noted, cattlemen depend on access to many forms of information to make successful marketing decisions. The contract library - though not a new or novel idea within other livestock sectors - will bring new and additional transparency within the beef cattle industry, giving cattlemen awareness and access to information they can use to negotiate favorable contracts.
3. 14 Day Slaughter Reporting –S. 4647 would require a packer to report the number of cattle scheduled to be delivered for slaughter each day for the next 14 days. This provides cattlemen a mechanism to have awareness of the number of animals scheduled to be harvested, leveling the playing field for them when negotiating cattle trade, as packers have access to current and ongoing cattle on feed inventories. Currently, the cattle industry does have a “committed cattle” reporting requirement, but this report only provides aggregate volumes of committed cattle for seven days, limiting transparency in the marketplace.
4. Confidentiality – under current law, USDA is required to report information in a manner that ensures confidentiality. In other words, the agency must report and find a way to satisfy confidentiality rather than only report information if confidentiality is maintained. However, USDA afforded themselves the flexibility to not report via regulation. As a result, some regional reports are suppressed even though the data is still being collected. Moreover, a 2019 USDA report provided recommendations USDA could adopt via rulemaking to avoid regional reports being withheld due to confidentiality guidelines. When asked why they have not adopted those recommendations USDA has stated that they “need more input.” S. 4647 makes it clear 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, [statistics, and documents] described in...(LMR)

In closing, cattle market transparency – specifically, fed cattle market price discovery has been a headline issue for cattle industry members over the majority of the past decade. The items in Senator Fischer’s bill such as the cattle contract library and clarification of USDA-LMR confidentiality guidelines to avoid non-reporting of USDA-LMR collected data will aid in increasing cattle market transparency for all producers. Additionally, directing USDA-AMS to establish regionally negotiated cash plus negotiated grid marketing volume minimum thresholds will enhance price discovery goals and commitments for the betterment of all cattle producers.

Let us be clear, the thousands of cattle producers our respective organizations represent do not ask for any type of market manipulation or guaranteed profit. We simply ask for the information to be made readily available to allow cattle producers the ability to make informed and educated decisions that will best benefit their operation. S. 4647 represents a balanced approach between providing key information and transparency for cattle producers while maintaining confidentiality for the packing sector of the beef industry. We would respectfully request that the Cattle Market Transparency Act of 2020 be given full and fair consideration by the Senate Agriculture Committee and a hearing be scheduled on this bill at the first appropriate date possible.

Once again, thank you for your time and attention to this matter and for your service to the agricultural producers of the United States.

Sincerely,

Alabama Cattlemen’s Association
Arkansas Cattlemen’s Association
Georgia Cattlemen’s Association
Iowa Cattlemen’s Association
Illinois Beef Association
Minnesota State Cattlemen’s Association
Mississippi Cattlemen’s Association
Missouri Cattlemen’s Association
Nebraska Cattlemen
New Mexico Cattle Growers Association
North Dakota Stockmen’s Association
Ohio Cattlemen’s Association
Oregon Cattlemen’s Association
South Dakota Cattlemen’s Association
Tennessee Cattlemen’s Association
Wisconsin Cattlemen’s Association
Wyoming Stock Growers Association