117TH CONGRESS  
1ST SESSION  

S. ______

To amend the Packers and Stockyards Act, 1921, to establish a cattle contract library, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mrs. Fischer (for herself and Mr. Wyden) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Packers and Stockyards Act, 1921, to establish a cattle contract library, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Cattle Market Trans-
5 parency Act of 2021”.

6 SEC. 2. CATTLE CONTRACT LIBRARY.

7 (a) In General.—Title II of the Packers and Stock-
8 yards Act, 1921, is amended by inserting after section 223
9 (7 U.S.C. 198b) the following:
Subtitle C—Cattle Contracts

SEC. 231. DEFINITIONS.

In this subtitle:

“(1) BASE PRICE.—The term ‘base price’ means the price paid for cattle delivered to a packer, before application of any premiums or discounts, expressed in dollars per hundred pounds of carcass weight.

“(2) CONTRACT.—

“(A) IN GENERAL.—Subject to subpara-graph (B), the term ‘contract’ means any agreement, written or oral, between a packer and a producer for the purchase of fed cattle for slaughter.

“(B) EXCLUSION.—The term ‘contract’ does not include a contract for a negotiated purchase.

“(3) FED CATTLE.—The term ‘fed cattle’ means a steer or heifer that has been finished on a ration of roughage and feed concentrates, such as grains, protein meal, grass (forage), and other nutrient-rich feeds, prior to slaughter.

“(4) FORMULA MARKETING ARRANGEMENT.—

The term ‘formula marketing arrangement’ means the advance commitment of cattle for slaughter—
“(A) by any means other than through a negotiated purchase, negotiated grid purchase, or forward contract; and

“(B) using a method for calculating price—

“(i) under which the price is determined at a future date;

“(ii) the basis of which is a price established for a specified market, which may be based on any publicly reported price, including plant average price, regional price, downstream price, or some other mutually agreeable price source; and

“(iii) that may include a grid or nongrid price.

“(5) FORWARD CONTRACT.—The term ‘forward contract’ means—

“(A) an agreement for the purchase of fed cattle, executed in advance of slaughter, under which the base price is established by reference to—

“(i) prices quoted on the Chicago Mercantile Exchange; or

“(ii) other comparable publicly available prices; or
“(B) any other contract for the purchase
of fed cattle, executed in advance of slaughter,
as determined by the Secretary.

“(6) HEIFER.—The term ‘heifer’ means a bo-
vine female that has not given birth to a calf.

“(7) NEGOTIATED GRID PURCHASE.—The term
‘negotiated grid purchase’ means a purchase of fed
cattle by a packer from a producer under which—

“(A) the buyer-seller interaction results in
a negotiated base price, which may be adjusted
by premiums and discounts; and

“(B) the cattle are scheduled for delivery
to the packer not more than 14 days after the
date on which the agreement for purchase is
made.

“(8) NEGOTIATED PURCHASE.—The term ‘ne-
gotiated purchase’ means a purchase of fed cattle
(commonly known as a ‘cash’ or ‘spot market’ pur-
chase) by a packer from a producer under which—

“(A) the buyer-seller interaction that re-
sults in the purchase and the agreement on the
actual base price for the purchase occur on the
same day; and

“(B) the cattle are scheduled for delivery
to the packer not more than 14 days after the
date on which the agreement for purchase is made.

“(9) PACKER.—The term ‘packer’ has the meaning given the term in section 221 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1635d).

“(10) PRODUCER.—The term ‘producer’ means a person engaged in the business of selling cattle to a packer for slaughter.

“(11) STEER.—The term ‘steer’ means a bovine male castrated before reaching sexual maturity.

“(12) TYPE OF CONTRACT.—

“(A) IN GENERAL.—The term ‘type of contract’ means the classification of a contract for the purchase of cattle—

“(i) into 1 of the categories described in subparagraph (B); and

“(ii) by determining the base price of the cattle.

“(B) CATEGORIES.—The categories for classification of a type of contract are the following:

“(i) Formula marketing arrangement.

“(ii) Forward contract.

“(iii) Negotiated grid purchase contract.
“SEC. 232. CATTLE CONTRACT LIBRARY.

“(a) IN GENERAL.—Subject to the availability of appropriations to carry out this section, the Secretary shall establish and maintain a library or catalog of each type of contract offered by packers to producers for the purchase of all or part of the production of the producers of fed cattle (including cattle that are purchased or committed for delivery), including any schedules of premiums or discounts associated with the contract.

“(b) INFORMATION COLLECTION.—

“(1) IN GENERAL.—To maintain the library or catalog established under subsection (a), the Secretary shall obtain information from each packer on each type of existing contract of the packer by requiring a filing or other form of information submission from each packer.

“(2) CONTRACTED CATTLE NUMBERS.—Information that shall be submitted to the Secretary by a packer under paragraph (1) shall include, with respect to each existing contract of a packer—

“(A) the type of contract; and

“(B) a description of the provisions in the contract that provide for expansion in the numbers of fed cattle to be delivered under the contract for the 6-month and 12-month periods following the date of the contract.
“(c) Availability of Information.—

“(1) In general.—The Secretary shall make available to producers and other interested persons information on the types of contracts in the library or catalog established under subsection (a), including notice (on a real-time basis, if practicable) of the types of contracts that are being offered by packers to, and are open to acceptance by, producers for the purchase of fed cattle.

“(2) Monthly report.—

“(A) In general.—Beginning 30 days after the library or catalog is established under subsection (a), the Secretary shall make the information obtained each month in the library or catalog available in a monthly report to producers and other interested persons.

“(B) Contents.—The monthly report described in subparagraph (A) shall include—

“(i) an estimate by the Secretary of the total number of fed cattle committed under contracts for delivery to packers within the 6-month and 12-month periods following the date of the report, organized by reporting region and type of contract; and
“(ii) an estimate by the Secretary of the total maximum number of fed cattle that may be delivered within the 6-month and 12-month periods following the date of the report, based on the provisions described in subsection (c)(2)(B) in existing contracts, organized by reporting region and type of contract.

“(d) MAINTENANCE OF LIBRARY OR CATALOG.—Information in the library or catalog established under subsection (a) about types of contracts that are no longer offered or in use shall be removed from the library or catalog.

“(e) CONFIDENTIALITY.—The reporting requirements for packers under this section shall be subject to the confidentiality protections provided under section 251 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1636).

“(f) VIOLATIONS.—It shall be unlawful and a violation of this Act for any packer to willfully fail or refuse—

“(1) to provide to the Secretary accurate information required under this section; or

“(2) to comply with any other requirement of this section.
“(g) Authorization of Appropriations.—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this section.”.

(b) Conforming Amendment.—Section 201 of the Packers and Stockyards Act, 1921 (7 U.S.C. 191), is amended by striking “When used in this Act” and inserting “Unless specified otherwise, in this Act.”.

SEC. 3. CASH MARKET ACQUISITION OF CATTLE.

(a) Sense of the Senate.—It is the sense of the Senate that all participants in the fed cattle market have a responsibility to contribute to regionally sufficient levels of negotiated trade of fed cattle in all cattle feeding regions in order to achieve robust price discovery.

(b) Cash Market Acquisition of Cattle.—Title II of the Packers and Stockyards Act, 1921 (7 U.S.C. 191 et seq.) (as amended by section 2), is amended by adding at the end the following:

“Subtitle D—Cash Market Acquisition of Cattle

SEC. 241. DEFINITIONS.

“In this subtitle:

“(1) Negotiated grid purchase.—The term ‘negotiated grid purchase’ means a purchase of fed cattle by a packer from a producer under which—
“(A) the buyer-seller interaction results in a negotiated base price, which may be adjusted by premiums and discounts; and

“(B) the fed cattle are scheduled for delivery to the packer not more than 14 days after the date on which the agreement for purchase is made.

“(2) NEGOTIATED PURCHASE.—The term ‘negotiated purchase’ means a purchase of fed cattle (commonly known as a ‘cash’ or ‘spot market’ purchase) by a packer from a producer under which—

“(A) the buyer-seller interaction that results in the purchase and the agreement on the actual base price for the purchase occur on the same day; and

“(B) the fed cattle are scheduled for delivery to the packer not more than 14 days after the date on which the agreement for purchase is made.

“(3) PACKER.—

“(A) IN GENERAL.—The term ‘packer’ has the meaning given the term in section 221 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1635d).
“(B) EXCLUSION.—The term ‘packer’ does not include a packer that slaughters cattle at only 1 livestock processing plant.

“(4) PRODUCER.—The term ‘producer’ means a person engaged in the business of selling cattle to a packer for slaughter.

“(5) REGIONAL MANDATORY MINIMUM.—The term ‘regional mandatory minimum’ means, for each reporting region (as designated by the Agricultural Marketing Service), of the number of transactions and quantity of cattle purchased for slaughter by a packer in that region each slaughter week, the minimum number of such transactions and the minimum percentage of such cattle, respectively, that are required to be purchased through negotiated purchases or negotiated grid purchases from producers.

“(6) SLAUGHTER WEEK.—The term ‘slaughter week’ has the meaning given the term ‘current slaughter week’ in section 212 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1635a).

“SEC. 242. REGIONAL MANDATORY MINIMUMS.

“(a) IN GENERAL.—Not later than 2 years after the date of enactment of this subtitle, the Secretary, in consultation with the Chief Economist, shall establish—
“(1) regional mandatory minimums for the purpose of enhancing price discovery and transparency for cattle market participants; and
“(2) methods for establishing those regional mandatory minimums, which shall be publicly available.
“(b) PUBLIC INPUT.—In carrying out subsection (a), the Secretary shall make all proposed regional mandatory minimums and proposed methods for establishing those minimums subject to a notice and comment period.
“(c) DURATION.—Regional mandatory minimums established for each reporting region under subsection (a)(1)—
“(1) may be weekly or on another periodic basis, as determined by the Secretary; and
“(2) shall be applicable for not more than a 24-month period.
“(d) CONSIDERATIONS.—In carrying out subsection (a) for each reporting region, the Secretary, in consultation with the Chief Economist, shall consider the following factors:
“(1) The number of packers in the reporting region.
“(2) The availability of cattle in the reporting region.
“(3) Pre-existing contractual arrangements of packers in the reporting region.

“(4) The number of pricing transactions (pens of cattle sold) in the reporting region.

“(e) INITIAL REQUIREMENT.—The initial regional mandatory minimums established for each reporting region under subsection (a)(1) shall be not less than the average percentage of negotiated purchases and negotiated grid purchases in that region from the 3 previous calendar years.

“(f) BIENNIAL REVIEW.—On establishing regional mandatory minimums under subsection (a)(1), the Secretary—

“(1) shall review the regional mandatory minimums not less frequently than once every 2 years; and

“(2) may, in consultation with the Chief Economist, modify the regional mandatory minimums after—

“(A) making the proposed modification subject to a notice and comment period; and

“(B) consulting with representatives of the United States cattle and beef industry.
“(g) **ENFORCEMENT.**—On establishing regional mandatory minimums under subsection (a)(1), the Secretary shall—

“(1) regularly monitor compliance by packers with those regional mandatory minimums; and

“(2) enforce this section in accordance with section 203.

“(h) **COST-BENEFIT ANALYSIS.**—Not later than 3 years after establishing regional mandatory minimums under subsection (a)(1), the Secretary, in consultation with the Chief Economist, shall conduct a quantifiable, data-driven cost-benefit analysis regarding the operation and effect of those regional mandatory minimums.”.

**SEC. 4. 14-DAY CATTLE SLAUGHTER.**

(a) **DEFINITION OF CATTLE COMMITTED.**—Section 221(1) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1635d(1)) is amended by striking “7-day” and inserting “14-day”.

(b) **MANDATORY REPORTING FOR LIVE CATTLE.**—Section 222(c) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1635e(c)) is amended—

(1) in paragraph (1)—

(A) by striking subparagraphs (B) and (C); and
(B) by redesignating subparagraph (D) as subparagraph (B);
(2) by redesignating paragraph (2) as paragraph (3); and
(3) by inserting after paragraph (1) the following:

“(2) PRIOR DAY REPORTING.—

“(A) IN GENERAL.—The corporate officers or officially designated representatives of each packer processing plant shall report to the Secretary, for each business day of the packer processing plant, not later than 10:00 a.m. Central Time on each reporting day, the information from the prior business day described in subparagraph (B).

“(B) INFORMATION REQUIRED.—The information required under subparagraph (A) shall be, with respect to the prior business day, the number of cattle, organized by cattle type, scheduled for delivery to a packer processing plant for slaughter for each of the next 14 calendar days.”.

SEC. 5. PUBLIC AVAILABILITY OF INFORMATION.

Section 251(a) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1636(a)) is amended—
(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(2) in the matter preceding subparagraph (A) (as so redesignated), by striking “The Secretary shall make available to the public information” and inserting the following:

“(1) IN GENERAL.—The Secretary shall make available to the public all information”; and

(3) by adding at the end the following:

“(2) EFFECT.—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 paragraph (1).”.