



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 “Approved Pricing Mechanism”, “Fed Cattle”, “mandatory minimum”, “negotiated grid purchase” and redesignates paragraphs of existing definitions as appropriate.
- Cattle Reporting Definitions are amended by revising the definition for “cattle committed”, “formula marketing agreement” and by adding “covered contract”, “covered packer”, “heifer” and “steer”, 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 - Expedited 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 5 - Mandatory Reporting of Cutout Yield: Mandates current voluntary annual reporting of cut yield data and codifies USDA daily reporting of boxed beef cutout values. This will ensure producers have accurate information about the wholesale value packers are receiving when selling their product.

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 - Mandatory Minimums: Requires the Secretary to establish 5-7 regions that encompass the entire continental United States and to establish minimum levels of purchases that covered packers must make through approved pricing mechanisms that contribute to price discovery and are transparent. Approved pricing mechanisms include fed cattle purchases through negotiated cash, negotiated grid, at stockyards, and through trading systems where multiple buyers and sellers can make and accept bids.

The Secretary must 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 through approved pricing mechanisms. This bill establishes a maximum penalty for covered packers of \$90,000 for mandatory minimum violations.