

Union Calendar No.

117TH CONGRESS
1ST SESSION

H. R. 5609

[Report No. 117-]

To amend the Agricultural Marketing Act of 1946, to establish a cattle contract library, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 19, 2021

Mr. JOHNSON of South Dakota (for himself, Mr. CUELLAR, Mr. MANN, Mr. LUCAS, Mr. ALLEN, Mrs. HINSON, Mr. ARMSTRONG, Mr. SMITH of Missouri, Mr. KELLY of Mississippi, Ms. CRAIG, Mrs. FISCHBACH, Mrs. MILLER-MEEKS, Mr. HAGEDORN, Mr. ROUZER, Mrs. HARTZLER, Mr. SMITH of Nebraska, Ms. SPANBERGER, and Mr. SOTO) introduced the following bill; which was referred to the Committee on Agriculture

OCTOBER --, 2021

Committed to the Committee of the Whole House on the State of the Union,
and ordered to be printed

A BILL

To amend the Agricultural Marketing Act of 1946, 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 Contract Li-
5 brary Act of 2021”.

6 **SEC. 2. CATTLE CONTRACT LIBRARY.**

7 Chapter 2 of subtitle B of the Agricultural Marketing
8 Act of 1946 (7 U.S.C. 1635d et seq.) is amended by add-
9 ing at the end the following:

10 **“SEC. 224. CATTLE CONTRACT LIBRARY.**

11 “(a) IN GENERAL.—Not later than 90 days after the
12 enactment of this Act, the Secretary shall establish and
13 maintain a library or catalog of each type of contract of-
14 fered by packers to producers for the purchase of all or
15 part of the producers’ production of fed cattle (including
16 cattle that are purchased or committed for delivery), in-
17 cluding any schedules of premiums or discounts associated
18 with the contract.

19 “(b) INFORMATION COLLECTION.—

20 “(1) IN GENERAL.—To maintain the library or
21 catalog established under subsection (a), the Sec-
22 retary shall obtain information from each packer on
23 each type of contract of the packer by requiring a
24 filing or other form of information submission from
25 each packer.

1 “(2) CONTRACTED CATTLE INFORMATION.—In-
2 formation submitted to the Secretary by a packer
3 under paragraph (1) shall include, with respect to
4 each contract of a packer—

5 “(A) the type of contract;

6 “(B) the duration of the contract;

7 “(C) all contract summary information;

8 “(D) provisions in the contract that may
9 affect the price of cattle covered by the contract
10 including—

11 “(i) base price;

12 “(ii) schedules of premiums or dis-
13 counts; and

14 “(iii) transportation arrangements;

15 “(E) the total number of cattle covered by
16 the contract solely committed to the packer
17 each week within the 6-month and 12-month
18 periods following the date of the contract, by
19 reporting region;

20 “(F) in the case of a contract in which a
21 specific number of cattle are not solely com-
22 mitted to the packer—

23 “(i) an indication that the contract is
24 an open commitment; and

1 “(ii) any weekly, monthly, annual, or
2 other limitations on the number of cattle
3 that may be delivered to the packer under
4 the contract; and

5 “(G) a description of the provisions in the
6 contract that provide for expansion in the com-
7 mitted numbers of fed cattle to be delivered
8 under the contract for the 6-month and 12-
9 month periods following the date of the con-
10 tract.

11 “(c) AVAILABILITY OF INFORMATION.—

12 “(1) LIBRARY CONTENTS.—The Secretary shall
13 make publicly available in a user-friendly format a
14 summary of the information collected for each type
15 of contract under subsection (b), including notice
16 (on a real-time basis, if practicable) of the types of
17 contracts that are being offered by packers to, and
18 are open to acceptance by, producers for the pur-
19 chase of fed cattle.

20 “(2) REPORTS REQUIRED.—Beginning not later
21 than 30 days after the date on which the library or
22 catalog is established under subsection (a), the Sec-
23 retary shall make publicly available weekly or
24 monthly reports for producers and other interested
25 persons, which shall include—

1 “(A) based on the information collected
2 under subsection (b)(2)(E), the total number of
3 fed cattle committed under contracts for deliv-
4 ery to packers within the 6-month and 12-
5 month periods following the date of the report,
6 organized by reporting region and type of con-
7 tract;

8 “(B) based on the information collected
9 under subsection (b)(2)(F), the number of con-
10 tracts with an open commitment along with any
11 weekly, monthly, annual or other limitations on
12 the number of cattle that may be delivered
13 under such contracts; and

14 “(C) based on the information collected
15 under subsection (b)(2)(G), the total maximum
16 number of fed cattle that may be delivered
17 within the 6-month and 12-month periods fol-
18 lowing the date of the report, organized by re-
19 porting region and type of contract.

20 “(d) MAINTENANCE OF LIBRARY OR CATALOG.—In-
21 formation in the library or catalog established under sub-
22 section (a) about types of contracts that are no longer of-
23 fered or in use shall be labeled as inactive in the library
24 or catalog.

1 “(e) CONFIDENTIALITY.—The publication of infor-
2 mation under this section shall be subject to the confiden-
3 tiality protections provided under section 251 of the Agri-
4 cultural Marketing Act of 1946 (7 U.S.C. 1636).

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

7 “(1) to provide to the Secretary accurate infor-
8 mation required under this section; or

9 “(2) to comply with any other requirement of
10 this section.

11 “(g) PRODUCER EDUCATION GRANTS.—

12 “(1) IN GENERAL.—The Secretary, acting
13 through the Administrator of the Agricultural Mar-
14 keting Service and in coordination with the Director
15 of the National Institute of Food and Agriculture,
16 shall make competitive grants to eligible entities for
17 producer outreach and education efforts on best uses
18 of cattle market information, including information
19 made available through the livestock mandatory re-
20 porting program and the catalog or library estab-
21 lished under subsection (a).

22 “(2) SELECTION CRITERIA.—In selecting grant
23 recipients under this section, the Secretary shall give
24 priority to eligible entities that—

1 “(A) demonstrate an ability to work di-
2 rectly with cattle producers;

3 “(B) can quickly and accurately publish
4 and disseminate information and analysis of rel-
5 evant Department of Agriculture data in a
6 manner that benefits producer decision making;
7 and

8 “(C) collaborate with trade associations or
9 other organizations with a demonstrated ability
10 to provide educational programs on markets
11 and risk management.

12 “(3) ELIGIBLE ENTITY.—The term ‘eligible en-
13 tity’ means an entity listed in subsection (b)(7) of
14 the Competitive, Special, and Facilities Research
15 Grant Act (7 U.S.C. 3157(b)(7)).

16 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated to the Secretary such
18 sums as are necessary to carry out this section.”.

19 **SEC. 3. DEFINITIONS.**

20 Section 221 of the Agricultural Marketing Act of
21 1946 (7 U.S.C. 1635d) is amended—

22 (1) by amending paragraph (3) to read as fol-
23 lows:

1 “(3) FORMULA MARKETING ARRANGEMENT.—

2 The term ‘formula marketing arrangement’ means

3 the advance commitment of cattle for slaughter—

4 “(A) by any means other than through a

5 negotiated purchase, negotiated grid purchase,

6 or a forward contract; and

7 “(B) using a method for calculating price

8 under which the price is determined at a future

9 date.”;

10 (2) by redesignating paragraphs (5), (6), (7),

11 and (8) as paragraphs (6), (7), (8), and (10), re-

12 spectively;

13 (3) by inserting after paragraph (4) the fol-

14 lowing:

15 “(5) NEGOTIATED GRID PURCHASE.—The term

16 ‘negotiated grid purchase’ means a purchase of fed

17 cattle by a packer from a producer under which—

18 “(A) the base price for the cattle is deter-

19 mined by seller-buyer interaction on a day;

20 “(B) the cattle are scheduled for delivery

21 to the packer not more than 14 days after the

22 date on which the agreement for purchase is

23 made; and

1 “(C) the base price is subject to adjust-
2 ment by premiums and discounts after deliv-
3 ery.”; and

4 (4) by inserting after paragraph (8) the fol-
5 lowing:

6 “(9) TYPE OF CONTRACT.—The term ‘type of
7 contract’ means the classification of contracts for
8 the purchase of fed cattle based on the mechanism
9 used to determine the base price for the fed cattle
10 committed to a packer under the contract, including
11 formula purchases, negotiated grid purchases, for-
12 ward contracts, and other purchase agreements, as
13 determined by the Secretary.”.