

117TH CONGRESS  
1ST SESSION

# H. R. 5609

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

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## 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

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## 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”.

1 **SEC. 2. CATTLE CONTRACT LIBRARY.**

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

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

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

14 “(b) INFORMATION COLLECTION.—

15 “(1) IN GENERAL.—To maintain the library or  
16 catalog established under subsection (a), the Sec-  
17 retary shall obtain information from each packer on  
18 each type of contract of the packer by requiring a  
19 filing or other form of information submission from  
20 each packer.

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

25 “(A) the type of contract;

26 “(B) the duration of the contract;

1 “(C) all contract summary information;

2 “(D) provisions in the contract that may  
3 affect the price of cattle covered by the contract  
4 including—

5 “(i) base price;

6 “(ii) schedules of premiums or dis-  
7 counts; and

8 “(iii) transportation arrangements;

9 “(E) the total number of cattle covered by  
10 the contract solely committed to the packer  
11 each week within the 6-month and 12-month  
12 periods following the date of the contract, by  
13 reporting region;

14 “(F) in the case of a contract in which a  
15 specific number of cattle are not solely com-  
16 mitted to the packer—

17 “(i) an indication that the contract is  
18 an open commitment; and

19 “(ii) any weekly, monthly, annual, or  
20 other limitations on the number of cattle  
21 that may be delivered to the packer under  
22 the contract; and

23 “(G) a description of the provisions in the  
24 contract that provide for expansion in the com-  
25 mitted numbers of fed cattle to be delivered

1 under the contract for the 6-month and 12-  
2 month periods following the date of the con-  
3 tract.

4 “(c) AVAILABILITY OF INFORMATION.—

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

13 “(2) REPORTS REQUIRED.—Beginning not later  
14 than 30 days after the date on which the library or  
15 catalog is established under subsection (a), the Sec-  
16 retary shall make publicly available weekly or  
17 monthly reports for producers and other interested  
18 persons, which shall include—

19 “(A) based on the information collected  
20 under subsection (b)(2)(E), the total number of  
21 fed cattle committed under contracts for deliv-  
22 ery to packers within the 6-month and 12-  
23 month periods following the date of the report,  
24 organized by reporting region and type of con-  
25 tract;

1           “(B) based on the information collected  
2           under subsection (b)(2)(F), the number of con-  
3           tracts with an open commitment along with any  
4           weekly, monthly, annual or other limitations on  
5           the number of cattle that may be delivered  
6           under such contracts; and

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

13          “(d) MAINTENANCE OF LIBRARY OR CATALOG.—In-  
14          formation in the library or catalog established under sub-  
15          section (a) about types of contracts that are no longer of-  
16          fered or in use shall be labeled as inactive in the library  
17          or catalog.

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

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

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

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

3           “(g) PRODUCER EDUCATION GRANTS.—

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

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

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

19           “(B) can quickly and accurately publish  
20 and disseminate information and analysis of rel-  
21 evant Department of Agriculture data in a  
22 manner that benefits producer decision making;  
23 and

24           “(C) collaborate with trade associations or  
25 other organizations with a demonstrated ability

1 to provide educational programs on markets  
2 and risk management.

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

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

10 **SEC. 3. DEFINITIONS.**

11 Section 221 of the Agricultural Marketing Act of  
12 1946 (7 U.S.C. 1635d) is amended—

13 (1) by amending paragraph (3) to read as fol-  
14 lows:

15 “(3) FORMULA MARKETING ARRANGEMENT.—  
16 The term ‘formula marketing arrangement’ means  
17 the advance commitment of cattle for slaughter—

18 “(A) by any means other than through a  
19 negotiated purchase, negotiated grid purchase,  
20 or a forward contract; and

21 “(B) using a method for calculating price  
22 under which the price is determined at a future  
23 date.”;

1           (2) by redesignating paragraphs (5), (6), (7),  
2           and (8) as paragraphs (6), (7), (8), and (10), re-  
3           spectively;

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

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

9                   “(A) the base price for the cattle is deter-  
10                  mined by seller-buyer interaction on a day;

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

15                   “(C) the base price is subject to adjust-  
16                  ment by premiums and discounts after deliv-  
17                  ery.”; and

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

20           “(9) TYPE OF CONTRACT.—The term ‘type of  
21           contract’ means the classification of contracts for  
22           the purchase of fed cattle based on the mechanism  
23           used to determine the base price for the fed cattle  
24           committed to a packer under the contract, including  
25           formula purchases, negotiated grid purchases, for-



1       ward contracts, and other purchase agreements, as  
2       determined by the Secretary.”.

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