

Kansas Cattlemen Promote Transparency in the Marketplace

As mandatory price reporting expires in September, Kansas Cattlemen's Association contacted the USDA and suggested modifications that are better suited to help the industry. There are two areas in which KCA made modification recommendations: voluntary/mandatory rule and the reporting requirements.

"First and foremost, if USDA is creating regulations for mandatory price reporting, it should be mandatory. It should not be a system in which the packing industry decides what information it is willing to voluntarily share and that information is then set in the regulation. Mandatory Price Reporting regulations should be put in place and enforced to best represent the needs of the industry as whole," KCA expressed.

KCA's second recommendation is to modify the current committed and delivery reporting requirements. Current regulations require that packers report committed cattle when the cattle are scheduled for delivery. However, that is a major flaw in the reporting system, as information on the delivery date itself and other important information is not required. Kansas Cattlemen believe that packers should be required to report priced formula and un-priced formula cattle be it contract, grid, high of the week, or any cattle committed to them. At the time of commitment, the packer should be required to provide the number of head that are committed, type of commitment, report the commitment as priced or un-priced, acknowledge the price and the basis (if applicable) as specified in the contract, and report the delivery date. The letter goes on to state that in addition, the USDA should require that packers report, daily, the number of head they have scheduled for each of the next 14 days, similar to the swine price reporting requirements. KCA contends that these modifications would allow the industry to know how many cattle the packers have lined up and are out of the market.

KCA also addressed the information required by the daily reporting form. "Current regulations mandate that the packer acknowledge the state in which the cattle are fed. With mandatory Country of Origin Labeling in place, it is essential to also require the country of origin at birth as well as the slaughter location. Adding additional fields to the reporting form to allow AMS, at their discretion, to include the issue or item under discussion (such as foreign born cattle or class of cattle) and then a field to show the value (premium or discount) associated with that issue would be beneficial to provide pertinent information to the industry."

By adding these modifications and renewing Mandatory Price Reporting, USDA will provide valuable and needed information to the industry. Kansas Cattlemen's Association will stay on top of this issue and has offered its willingness to work with AMS to create solutions and provide the industry with the best program possible.