



Watch Congress

Failure to reauthorize Livestock Mandatory Reporting could disrupt markets.

by **Wes Ishmael**

Arguably, cattle markets dodged another market depressing event in October when Congress temporarily extended authorization of Livestock Mandatory Reporting (LMR), but the law will expire in February without further action.

“Livestock Mandatory Reporting, or LMR, is critical to ranchers because it requires sale barns and packers to disclose the prices at which they buy livestock. This information is relied upon heavily by ranchers for transparency in livestock markets. Without an extension of LMR, ranchers would be in the dark over the value of their livestock because reporting would no longer be required by law,” explained Scott Bennett, director of congressional relations for the American Farm Bureau Federation, in that organization’s Dec. 9 Newswire.

LMR was established in 1999 to facilitate open, transparent price discovery and provide all market participants comparable levels of market information for slaughter cattle, swine, sheep, boxed beef, lamb meat and wholesale pork. Concerns about increasing industry concentration — more market information in fewer hands — prompted the legislation.

“It is important to appreciate with implementation of LMR a significant amount of market information is available in a manner much more trusted than was the case of voluntary reporting prior to LMR being implemented in April of 2001,” Glynn Tonsor, agricultural economist at Kansas State University, explained in testimony last summer in a hearing before the U.S. Senate Committee on Agriculture, Nutrition and Forestry.

“LMR, at best, can work as a mirror on markets, which themselves reflect fundamentals of supply and demand that underlie meat and livestock price levels,” Tonsor said. “Economists have long recognized the substantial value of reliable, accessible and timely market information because it critically guides all resource allocations.”

Proposed legislation

In December, the U.S. House of Representatives voted 418-9 to advance a bill (H.R. 5290), which would extend LMR authorization through Sept. 30, 2022. House Agriculture Committee Chairman David Scott (D-GA) introduced the bill, which was supported by Ranking Member Glenn “G.T.” Thompson (R-PA) and unanimously approved by the Committee.

Although LMR has strong support in the House, the U.S. Senate will also need to back the reporting before it becomes law.

“The Senate needs to pass a similar measure in order for the President to sign the bill into law, but we already know of several senators that oppose an extension of that timeframe. We continue to work with the Senate to ensure a timely reauthorization of LMR,” Bennett said. **HW**