

# Ranchers back bill to improve transparency in cattle market

Legislation requires meat-packing companies to maintain library of marketing contracts

By KATY NESBITT  
For the EO Media Group

**P**ENDLETON — Oregon ranchers frustrated with low cattle prices and a market skewed toward meat packers are looking at legislation in the U.S. Senate for relief.

The bill, introduced March 2 by Sen. Deb Fischer, R-Neb. and co-sponsored by Ron Wyden, D-Ore., would require the Secretary of Agriculture, in consultation with the department's chief economist, to establish regionally sufficient levels of negotiated cash and negotiated grid trade.

The legislation also requires the U.S. Department of Agriculture to create and maintain a publicly available library of marketing contracts between packers and producers and to report all Livestock Mandatory Reporting information.

Finally, the bill would mandate that packers report the number of cattle scheduled to be delivered for slaughter each day for the next 14 days to the USDA and require the department to report this information on a daily basis.

Todd Nash, Oregon Cattlemen's Association vice president and a Wallowa County rancher, said that when Fischer first submitted the proposed legislation in 2020, he called Wyden's Eastern Oregon field office and asked for support.

"I think it is a good piece of legislation," Nash said. "Much to my pleasure Kathleen Cathey called me back and said that Ron was going to cosponsor it."

OCA President Tom Sharp said his organization had a discussion with Oregon's other U.S. senator, Jeff Merkley, in late March and he is considering supporting the act,



Cattle grazing in the sagelands east of Baker City.

S. John Collins/Baker City Herald File Photo

but hasn't yet taken a position.

A similar bill was introduced in the House of Representatives by Rep. Vicky Hartzler, R-Mo.

"We know Rep. Kurt Schrader has endorsed the act and Rep Cliff Bentz has announced his endorse-

ment," Sharp said, naming two of Oregon's congressman. Bentz, of Ontario, represents the state's Second Congressional District, which includes all of Oregon east of the Cascade Mountains.

Included in the bill, Sharp said, is a provision for fair price discovery.

"What the act asks for is a certain amount of cash trade rather than a formula or contract trade situation that has dominated the cattle pricing market for many years," Sharp said.

Through Livestock Market Reports, Nash said one can learn

what different classes of animals are selling for — bred cows, steers, bulls, feedstock and even cattle sold through special programs and branding like Painted Hills Natural Beef.

But live cattle is a different story, and a much murkier one.

Nash said, "At two large processing plants in Washington half of the cattle come from Canada — we have no idea what kind of deals are being made and we don't know what live cattle markets are worth. The transparency act would require packers to negotiate some trade on live cattle."

Fischer and Wyden's bill asks for 30% of sales to be negotiated, while a bill from Sen. Chuck Grassley calls for a higher number of 50%. That higher percentage worries Seneca rancher Jack Southworth.

"Increased transparency always

sounds good, but 50 percent on a cash trade makes me head shy," Southworth said.

Southworth said meat packers need a consistent supply of cattle, and he's concerned that if arrangements are made ahead of time to

force this high percentage it could stifle the market.

"A blanket prescription might make it worse rather than better," Southworth said. "Forcing a certain amount to be cash traded feels like a square peg in a round hole."

Sharp said this bill is important to the Cattlemen's Association because Oregon is a beef and cattle producing state, not a packing state, and the fair price discovery is an important provision in the bill.

"Many rural communities depend upon cattle as their prime source of economy," Sharp said.

Nash said the problem producers

want to address is the wide spread between boxed beef prices — what consumers pay — and the price of live cattle.

"We've seen near record box beef prices for quite some time, but live cattle prices never catch up," Nash said.

In 2014 and 2015, Nash said the elevated the price of boxed beef was passed on to retailers and cattle were bringing in a lot of money at the time.

"It was a healthy time to be in the livestock business," Nash said. "Since the fall of 2015 we saw live cattle prices crash, but retail prices never went down and there has been manipulation within the packing business."

Overall, Sharp said prices at the producer level and at the auction market are depressed and near the same levels as 20 to 30 years ago.

"It becomes difficult to sustain your business," Sharp said.

That's why Nash said he is hoping the legislation under consideration in Washington, D.C., can give producers a point of negotiation.

"We wish we weren't in a spot to put any mandates on anybody, but with the concentration of these large feeders and large packers it's taken small producers out of the equation," Nash said. "We need to look out for small livestock producers who have been really struggling these last few years."

According to Hank Stern, Oregon press secretary for Wyden, the bill is headed to the Senate's Agriculture Committee.

"This legislation would help Oregon ranchers by restoring a fair market balance that increases competition and transparency so corporate meat packers aren't ripping off cattle ranches by unfairly driving down livestock prices," Wyden said. "That balance is especially key so cattle ranchers can continue growing their small businesses here in our state and to ensure Oregonians struggling to put food on the table are paying fair meat prices at the grocery store."