

104TH CONGRESS
2D SESSION

H. R. 3794

To ensure the continued viability of livestock producers and the livestock industry in the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 11, 1996

Mr. JOHNSON of South Dakota (for himself, Mr. POMEROY, Mr. COBURN, Ms. KAPTUR, Mr. FROST, Mr. MCINNIS, and Mr. HILLIARD) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To ensure the continued viability of livestock producers and the livestock industry in the United States, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Cattle Industry Improvement Act of 1996”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Expedited implementation of Fund for Rural America.
- Sec. 3. Prohibition on noncompetitive practices.
- Sec. 4. Domestic market reporting.

- Sec. 5. Import and export reporting.
 Sec. 6. Protection of livestock producers against retaliation by packers.
 Sec. 7. Review of Federal agriculture credit policies.
 Sec. 8. Streamlining and consolidating the United States food inspection system.
 Sec. 9. Labeling system for meat and meat food products produced in the United States.
 Sec. 10. Spot transactions involving bulk cheese.

1 **SEC. 2. EXPEDITED IMPLEMENTATION OF FUND FOR**
 2 **RURAL AMERICA.**

3 Section 793(b)(1) of the Federal Agriculture Im-
 4 provement and Reform Act of 1996 (7 U.S.C.
 5 2204f(b)(1)) is amended by striking “January 1, 1997,”
 6 and all that follows through “October 1, 1999,” and in-
 7 serting “November 10, 1996, October 1, 1997, and Octo-
 8 ber 1, 1998,”.

9 **SEC. 3. PROHIBITION ON NONCOMPETITIVE PRACTICES.**

10 Section 202 of the Packers and Stockyards Act, 1921
 11 (7 U.S.C. 192), is amended—

12 (1) in subsection (g), by striking the period at
 13 the end and inserting “; or”; and

14 (2) by adding at the end the following:

15 “(h) Engage in any practice or device that the Sec-
 16 retary by regulation, after consultation with producers of
 17 cattle, lamb, and hogs, and other persons in the cattle,
 18 lamb, and hog industries, determines is a detrimental non-
 19 competitive practice or device relating to the price or a
 20 term of sale for the procurement of livestock or the sale
 21 of meat or other byproduct of slaughter.”.

1 **SEC. 4. DOMESTIC MARKET REPORTING.**

2 (a) PERSONS IN SLAUGHTER BUSINESS.—Section
3 203(g) of the Agricultural Marketing Act of 1946 (7
4 U.S.C. 1622(g)) is amended—

5 (1) by inserting “(1)” before “To collect”; and

6 (2) by adding at the end the following:

7 “(2) Each person engaged in the business of slaugh-
8 tering livestock who carries out more than 5 percent of
9 the national slaughter for a given species shall report to
10 the Secretary in such manner as the Secretary shall re-
11 quire, as soon as practicable but not later than 24 hours
12 after a transaction takes place, such information relating
13 to prices and the terms of sale for the procurement of live-
14 stock and the sale of meat food products and livestock
15 products as the Secretary determines is necessary to carry
16 out this subsection.

17 “(3) Whoever knowingly fails or refuses to provide
18 to the Secretary information required to be reported by
19 paragraph (2) shall be fined under title 18, United States
20 Code, or imprisoned for not more than 5 years, or both.

21 “(4) The Secretary shall encourage voluntary report-
22 ing by any person engaged in the business of slaughtering
23 livestock who carries out 5 percent or less of the national
24 slaughter for a given species.

25 “(5) The Secretary shall make information received
26 under this subsection available to the public only in the

1 aggregate and shall ensure the confidentiality of persons
2 providing the information.”.

3 (b) **ELIMINATION OF OUTMODED REPORTS.**—The
4 Secretary of Agriculture, after consultation with producers
5 and other affected parties, shall periodically—

6 (1) eliminate obsolete reports; and

7 (2) streamline the collection and reporting of
8 data related to livestock and meat and livestock
9 products, using modern data communications tech-
10 nology, to provide information to the public on as
11 close to a real-time basis as practicable.

12 (c) **DEFINITION OF “CAPTIVE SUPPLY”.**—For the
13 purpose of regulations issued by the Secretary of Agri-
14 culture relating to reporting under the Agricultural Mar-
15 keting Act of 1946 (7 U.S.C. 1621 et seq.) and the Pack-
16 ers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), the
17 term “captive supply” means livestock obligated to a pack-
18 er in any form of transaction in which more than 7 days
19 elapses from the date of obligation to the date of delivery
20 of the livestock.

21 **SEC. 5. IMPORT AND EXPORT REPORTING.**

22 (a) **EXPORTS.**—Section 602(a)(1) of the Agricultural
23 Trade Act of 1978 (7 U.S.C. 5712(a)(1)) is amended by
24 inserting after “products thereof,” the following: “and
25 meat food products and livestock products (as the terms

1 are defined in section 2 of the Packers and Stockyards
2 Act, 1921 (7 U.S.C. 182)),”.

3 (b) IMPORTS.—

4 (1) IN GENERAL.—The Secretary of Agriculture
5 and the Secretary of Commerce shall, using modern
6 data communications technology to provide the in-
7 formation to the public on as close to a real-time
8 basis as practicable, jointly make available to the
9 public aggregate price and quantity information on
10 imported meat food products, livestock products, and
11 livestock (as the terms are defined in section 2 of
12 the Packers and Stockyards Act, 1921 (7 U.S.C.
13 182)).

14 (2) FIRST REPORT.—The Secretaries shall re-
15 lease to the public the first report under paragraph
16 (1) not later than 60 days after the date of enact-
17 ment of this Act.

18 **SEC. 6. PROTECTION OF LIVESTOCK PRODUCERS AGAINST**

19 **RETALIATION BY PACKERS.**

20 (a) RETALIATION PROHIBITED.—Section 202(b) of
21 the Packers and Stockyards Act, 1921 (7 U.S.C. 192(b)),
22 is amended—

23 (1) by striking “or subject” and inserting “sub-
24 ject”; and

1 (2) by inserting before the semicolon at the end
2 the following: “, or retaliate against any livestock
3 producer on account of any statement made by the
4 producer (whether made to the Secretary or a law
5 enforcement agency or in a public forum) regarding
6 an action of any packer”.

7 (b) SPECIAL REQUIREMENTS REGARDING ALLEGA-
8 TIONS OF RETALIATION.—Section 203 of the Packers and
9 Stockyards Act, 1921 (7 U.S.C. 193), is amended by add-
10 ing at the end the following:

11 “(e) SPECIAL PROCEDURES REGARDING ALLEGA-
12 TIONS OF RETALIATION.—

13 “(1) CONSIDERATION BY SPECIAL PANEL.—The
14 President shall appoint a special panel consisting of
15 3 members to receive and initially consider a com-
16 plaint submitted by any person that alleges prohib-
17 ited packer retaliation under section 202(b) directed
18 against a livestock producer.

19 “(2) COMPLAINT; HEARING.—If the panel has
20 reason to believe from the complaint or resulting in-
21 vestigation that a packer has violated or is violating
22 the retaliation prohibition under section 202(b), the
23 panel shall notify the Secretary who shall cause a
24 complaint to be issued against the packer, and a
25 hearing conducted, under subsection (a).

1 “(3) EVIDENTIARY STANDARD.—In the case of
2 a complaint regarding retaliation prohibited under
3 section 202(b), the Secretary shall find that the
4 packer involved has violated or is violating section
5 202(b) if the finding is supported by a preponder-
6 ance of the evidence.”.

7 (c) DAMAGES FOR PRODUCERS SUFFERING RETAL-
8 IATION.—Section 203 of the Packers and Stockyards Act,
9 1921 (7 U.S.C. 193) (as amended by subsection (b)), is
10 amended by adding at the end the following:

11 “(f) DAMAGES FOR PRODUCERS SUFFERING RETAL-
12 IATION.—

13 “(1) IN GENERAL.—If a packer violates the re-
14 taliation prohibition under section 202(b), the pack-
15 er shall be liable to the livestock producer injured by
16 the retaliation for not more than 3 times the amount
17 of damages sustained as a result of the violation.

18 “(2) ENFORCEMENT.—The liability may be en-
19 forced either by complaint to the Secretary, as pro-
20 vided in subsection (e), or by suit in any court of
21 competent jurisdiction.

22 “(3) OTHER REMEDIES.—This subsection shall
23 not abridge or alter a remedy existing at common
24 law or by statute. The remedy provided by this sub-
25 section shall be in addition to any other remedy.”.

1 **SEC. 7. REVIEW OF FEDERAL AGRICULTURE CREDIT POLI-**
2 **CIES.**

3 The Secretary of Agriculture, in consultation with the
4 Secretary of the Treasury, the Chairman of the Board of
5 Governors of the Federal Reserve System, and the Chair-
6 man of the Board of the Farm Credit Administration,
7 shall establish an interagency working group to study—

8 (1) the extent to which Federal lending prac-
9 tices and policies have contributed, or are contribut-
10 ing, to market concentration in the livestock and
11 dairy sectors of the national economy; and

12 (2) whether Federal policies regarding the fi-
13 nancial system of the United States adequately take
14 account of the weather and price volatility risks in-
15 herent in livestock and dairy enterprises.

16 **SEC. 8. STREAMLINING AND CONSOLIDATING THE UNITED**
17 **STATES FOOD INSPECTION SYSTEM.**

18 (a) PREPARATION.—In consultation with the Sec-
19 retary of Agriculture, the Secretary of Health and Human
20 Services, and all other interested parties, the President
21 shall prepare a plan to consolidate the United States food
22 inspection system that ensures the best use of available
23 resources to improve the consistency, coordination, and ef-
24 fectiveness of the United States food inspection system,
25 taking into account food safety risks.

1 (b) SUBMISSION.—Not later than 1 year after the
2 date of enactment of this Act, the President shall submit
3 to Congress the plan prepared under subsection (a).

4 **SEC. 9. LABELING SYSTEM FOR MEAT AND MEAT FOOD**
5 **PRODUCTS PRODUCED IN THE UNITED**
6 **STATES.**

7 (a) LABELING.—Section 7 of the Federal Meat In-
8 spection Act (21 U.S.C. 607) is amended by adding at
9 the end the following:

10 “(g) LABELING OF MEAT OF UNITED STATES ORI-
11 GIN.—

12 “(1) IN GENERAL.—The Secretary shall develop
13 a system for the labeling of carcasses, parts of car-
14 carcasses, and meat produced in the United States
15 from livestock raised in the United States, and meat
16 food products produced in the United States from
17 the carcasses, parts of carcasses, and meat, to indi-
18 cate the United States origin of the carcasses, parts
19 of carcasses, meat, and meat food products.

20 “(2) ASSISTANCE.—The Secretary shall provide
21 technical and financial assistance to establishments
22 subject to inspection under this title to implement
23 the labeling system.

1 “(3) AUTHORIZATION OF APPROPRIATIONS.—
2 There are authorized to be appropriated such sums
3 as are necessary to carry out this subsection.”.

4 **SEC. 10. SPOT TRANSACTIONS INVOLVING BULK CHEESE.**

5 (a) IN GENERAL.—The Secretary of Agriculture shall
6 collect and publicize, on a weekly basis, statistically reli-
7 able information, obtained from all cheese manufacturing
8 areas in the United States, on prices and terms of trade
9 for spot transactions involving bulk cheese, including in-
10 formation on the national average price, and regional aver-
11 age prices, for bulk cheese sold through spot transactions.

12 (b) CONFIDENTIALITY.—All information provided to,
13 or acquired by, the Secretary under this section shall be
14 kept confidential by each officer and employee of the De-
15 partment of Agriculture, except that general weekly state-
16 ments may be issued that are based on the reports of a
17 number of spot transactions and that do not identify the
18 information provided by any person.

19 (c) FUNDING.—The Secretary may use funds that
20 are available for dairy market data collection to carry out
21 this section.

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