

USDA To Investigate Non-Reporting of Price in Livestock Sales

WASHINGTON, Sept. 10, 1998 -- The U.S. Department of Agriculture wants to know if livestock transactions conditioned on the non-reporting of price should be prohibited.

USDA has received information that some livestock transactions are conditioned on an agreement that the transaction price not be reported to the Department and to public or private reporting services, resulting in inaccurate and incomplete price information for all buyers and sellers.

"At a time when cattlemen are being squeezed between high costs and low market prices, we are going to take a hard look at anything that might adversely impact prices," said Mike Dunn, assistant secretary for marketing and regulatory programs. "So the Grain Inspection, Packers and Stockyards Administration will evaluate this practice in order to determine whether it violates the law and to assess the need for regulatory action."

In today's Federal Register, USDA will publish an Advance Notice of Proposed Rulemaking soliciting public comment from all sectors of the livestock and meat packing industries concerning the practice of non-reporting of price as a condition of the purchase or sale of livestock. The notice also seeks specific information on how frequently this practice occurs and how different segments of the industry are affected by it.

USDA already has undertaken a number of measures to deal with areas of concern in the livestock industry, including

- strengthening GIPSA's ability to ensure competition through additional legal and investigative resources;
- creating an Advisory Committee on Agricultural Concentration and implementing many committee recommendations; and
- establishing a hotline to register and investigate complaints.

An original and two copies of all public comments on this issue should be submitted on or before December 9, 1998, to the Deputy Administrator, Packers and Stockyards Programs, GIPSA, USDA, Stop 3641, 1400 Independence Avenue, SW., Washington, D.C. 20250-3641. Comments may also be sent by fax to (202) 205-3941 or by e-mail to PSP.GIPSA@USDA.GOV.

End GIPSA Release #61-98

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