

Comparison of the New Grassley/Tester Bill and Fischer/Wyden Bill
As they Relates to the Thin Cash Market
(Working Paper: Updated October 11, 2021)
Prepared by R-CALF USA

Both Bills apply only to packers with multiple plants and require cattle slaughter within 14 days.

New Grassley/Tester Bill (S.949)	Fischer/Wyden Bill (New Congress: S.543)
Establishes a minimum percentage of negotiated cash purchases in federal law.	Delegates to USDA the authority to set minimum purchases through federal agency rulemaking.
Sets minimum cash purchase requirement by each packing plant at 50%.	Delegates to USDA the authority to establish the level of minimum purchases but allows USDA to set those minimums as low as the average levels they had been during the past three years.
The minimum purchase requirement applies only to negotiated cash market sales, for which the price of the animal is known at the time of the sale.	The minimum purchase requirements USDA would establish apply to both negotiated cash market sales and negotiated grid market sales, even though the latter is different because it is typically based on a not-yet published reported cash price for the current week.
Requires each packing plant to achieve the 50% minimum on a weekly basis. Dairy and foreign-born cattle are not included.	Delegates to the USDA the authority to set regional minimums for each week but suggests USDA could use a longer period.
The 50% minimum cash purchase level applies to each packing plant regardless of which cattle procurement region the packer purchases from.	Delegates to USDA the authority to establish different minimums in each region and directs USDA to consider the volume of pre-existing contractual arrangements in each region before determining minimum purchasing requirements.
The minimum cash purchase requirement would take effect upon enactment of the bill.	Delegates to USDA the authority to establish the effective date of minimum purchase requirements but states it must be done within two years.
Prevents sales from producers who are affiliated with a packer subject to the bill from counting toward the minimum cash percentage.	The Bill is silent on this issue.
Grants to each State the authority to set minimum cash purchase requirements at a higher level than required by federal law.	The Bill is silent on this issue.