

## **Resolution to Support the 50/14 Bill**

**WHEREAS:** The United States live cattle industry is the single largest segment of American agriculture, generating about \$67 billion in cash receipts annually; and

**WHEREAS:** The fed cattle spot market or cash market is the most important market for the entire U.S. live cattle industry as it is where a competitive price is established for all fed cattle; and

**WHEREAS:** The price discovered in the spot market for fed cattle translates into prices for nearly all cattle sold throughout the live cattle supply chain, regardless of age or weight; and

**WHEREAS:** The volume of fed cattle sold in the spot market has shrunk over the past several years, hitting an historical low of less than 22% of fed cattle slaughter in 2015, and it fell even further in the first quarter of 2021 – to only 20%.

**WHEREAS:** The U.S. cattle industry has long recognized that the shrinking spot market is reducing competition in the U.S. cattle industry, but no voluntary or other industry-led correction efforts have made any meaningful improvements.

**NOW THEREFORE BE IT RESOLVED:** The XXXXXXXXXX supports Senate Bill 949 introduced by Senators Charles Grassley and Jon Tester that will restore the competitiveness of the fed cattle spot market by requiring beef packers to purchase at least 50% of their cattle needs in the competitive spot market and to slaughter those cattle within 14 days.