

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

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HOUSE CONCURRENT RESOLUTION NO. 1018

Introduced by: Representatives Kloucek, Bradford, Burg, Hanson (Gary), Hargens, Lange, Nachtigal, Peterson (Jim), Sigdestad, Valandra, and Van Norman and Senators Duxbury, Hutmacher, and Volesky

1 A CONCURRENT RESOLUTION, Urging certain changes related to the implementation of the
2 federal Livestock Mandatory Price Reporting Act.

3 WHEREAS, the federal Livestock Mandatory Price Reporting Act of 1999 established price
4 reporting requirements for livestock packers and other entities in an effort to promote equity and
5 fair competition in the livestock packing industry; and

6 WHEREAS, the federal Livestock Mandatory Price Reporting Act has the potential to lead
7 to improvements in the openness and fairness of operations in the livestock and packing
8 industries. However, certain practices used in the implementation of the Act must be adjusted
9 in order to ensure proper disclosure of information in accordance with the original intent of the
10 Act; and

11 WHEREAS, the "3/60" price reporting guideline suspends the reporting requirements if there
12 were fewer than three actively participating entities in the market during the reporting period or
13 if any participant controlled more than sixty percent of the market during the reporting period,
14 a practice that in many situations serves to prevent the reporting of information that the framers

1 of the Act likely intended to be subject to the reporting requirements; and

2 WHEREAS, the 3/60 rule was not included in the Mandatory Price Reporting Act nor in
3 proposed regulations, but was incorporated at the request of the Office of Management and
4 Budget without the opportunity for comment or input by producers and the public; and

5 WHEREAS, the problems resulting from the 3/60 rule demonstrate the degree of
6 concentration within the livestock and meat industries; and

7 WHEREAS, although the Mandatory Price Reporting Act and final regulations encourage
8 voluntary reporting by packers that are not required to report under the mandatory guidelines
9 and procedures, there is currently an effort to abandon the voluntary reporting program; and

10 WHEREAS, information that is not required to be reported under the 3/60 rule is currently
11 being reported under the voluntary reporting system, and smaller packers not under the
12 mandatory guidelines are encouraged to report under the voluntary program; and

13 WHEREAS, because the legislative intent of the Mandatory Price Reporting Act was to
14 provide more, not less, information, the repeal of the 3/60 rule and the continuation of the
15 voluntary reporting system are necessary in order to achieve the original purposes of the Act:

16 NOW, THEREFORE, BE IT RESOLVED, by the House of Representatives of the Seventy-
17 sixth Legislature of the State of South Dakota, the Senate concurring therein, that the South
18 Dakota Legislature urges the federal Administration and the Congress to ensure proper
19 enforcement of the Livestock Mandatory Price Reporting Act of 1999 by the United States
20 Department of Agriculture, including a continuation of the voluntary reporting program to allow
21 small packers and producers to report their prices and a repeal of the 3/60 mandatory price
22 reporting rule.