116TH CONGRESS  
2D SESSION  

H. R. _____

To make improvements with respect to the pricing of cattle in the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. JOHNSON of South Dakota introduced the following bill; which was referred to the Committee on ______________________

A BILL

To make improvements with respect to the pricing of cattle in the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) IN GENERAL.—This Act may be cited as the “Price Reform in Cattle Economics Act” or the “PRICE Act”.

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

Sec. 1. Short title; table of contents.
Sec. 2. Membership of the Committee on Foreign Investment in the United States.

Sec. 3. Overtime and holiday fee relief for small meat, poultry, and egg processing plants.

Sec. 4. Interstate internet sales of certain State-inspected meat allowed.

Sec. 5. Interstate internet sales of certain State-inspected poultry allowed.

Sec. 6. Assistance for new and expanded livestock or meat processors.

Sec. 7. New and expanding livestock or meat processing grants.

Sec. 8. Research on meat and poultry processing facilities.

Sec. 9. Improving farm management knowledge and skills for livestock producers.

Sec. 10. Feasibility study on implementing requirements with respect to reported negotiated cash sales of cattle to individual packing plants.

Sec. 11. Cattle contract library.

Sec. 12. Dissemination to farm and agricultural workers of information and training on best practices used to respond to the COVID-19 pandemic.

Sec. 13. Cover crops planted due to prevented planting.


**SEC. 2. MEMBERSHIP OF THE COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES.**

Section 721(k)(2) of the Defense Production Act of 1950 (50 U.S.C. 4565(k)(2)) is amended—

1. by redesignating subparagraphs (H) through (J) as subparagraphs (I) through (K), respectively; and

2. by inserting after subparagraph (G) the following:

   “(H) The Secretary of Agriculture.”.

**SEC. 3. OVERTIME AND HOLIDAY FEE RELIEF FOR SMALL MEAT, POULTRY, AND EGG PROCESSING PLANTS.**

(a) DEFINITIONS.—In this section:

1. COVERED ACT.—The term “covered Act” means—
(A) the Federal Meat Inspection Act (21 U.S.C. 601 et seq.);

(B) the Poultry Products Inspection Act (21 U.S.C. 451 et seq.); and

(C) the Egg Products Inspection Act (21 U.S.C. 1031 et seq.).

(2) ESTABLISHMENT.—The term “establishment” means—

(A) a meat establishment subject to the requirements of the Federal Meat Inspection Act (21 U.S.C. 601 et seq.);

(B) a poultry establishment subject to the requirements of the Poultry Products Inspection Act (21 U.S.C. 451 et seq.); and

(C) an egg products processing plant subject to the requirements of the Egg Products Inspection Act (21 U.S.C. 1031 et seq.).

(3) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(4) SMALL ESTABLISHMENT; VERY SMALL ESTABLISHMENT.—The terms “small establishment” and “very small establishment” have the meaning given those terms in the final rule entitled “Pathogen Reduction; Hazard Analysis and Critical Control
(b) OVERTIME AND HOLIDAY FEES.—

(1) IN GENERAL.—Notwithstanding any other provision of law, for an inspection of an establishment conducted pursuant to a covered Act, the Secretary shall discount the rate charged—

(A) by not less than 30 percent of the overtime and holiday published rate in the case of a small establishment; and

(B) by not less than 75 percent of the overtime and holiday published rate in the case of a very small establishment.

(2) RULEMAKING; RETROACTIVE IMPLEMENTATION.—Not later than 60 days after the date of enactment of this Act, the Secretary shall—

(A) complete a rulemaking establishing the discounted rates required under paragraph (1); and

(B) implement those discounted rates to apply retroactively to the date of enactment of this Act.

(e) EFFECTIVENESS.—The Secretary—
(1) shall carry out subsection (b) until the total amount of funds appropriated pursuant to the authorization under subsection (d) are expended; and

(2) may carry out subsection (b) after those funds are expended only to the extent and in the amount provided in advance in appropriations Acts.

(d) FUNDING.—There is authorized to be appropriated to carry out this section, $58,000,000, to remain available until expended.

SEC. 4. INTERSTATE INTERNET SALES OF CERTAIN STATE-INSPECTED MEAT ALLOWED.

(a) IN GENERAL.—Section 301(c)(2) of the Federal Meat Inspection Act (21 U.S.C. 661(c)(2)) is amended, by inserting after the first sentence, the following: “For the purposes of this subparagraph, any retail store, restaurant, or similar retail-type establishment may sell over the internet and ship by carrier in commerce (other than for export to a foreign country) any State-inspected meat or meat food product, provided the meat or meat food product so inspected is shipped directly to household consumers and in normal retail quantities.”.

(b) CONFORMING AMENDMENTS.—Section 301 of the Federal Meat Inspection Act (21 U.S.C. 661) is amended—
(1) in subsection (a)(1), by inserting before the period at the end the following: “or for distribution pursuant to the second sentence of paragraph (c)(2)”;

(2) in subsection (c)(2), in the first sentence, by inserting “or by” after “conducted at”.

SEC. 5. INTERSTATE INTERNET SALES OF CERTAIN STATE-INSPECTED POULTRY ALLOWED.

(a) IN GENERAL.—Section 5(c)(2) of the Poultry Products Inspection Act (21 U.S.C. 454(c)(2)) is amended, by inserting after the first sentence, the following: “For the purposes of this subparagraph, any retail store, restaurant, or similar retail-type establishment may sell over the internet and ship by carrier in commerce (other than for export to a foreign country) any State-inspected poultry product, provided the poultry product so inspected is shipped directly to household consumers and in normal retail quantities.”.

(b) CONFORMING AMENDMENTS.—Section 5 of the Poultry Products Inspection Act (21 U.S.C. 454) is amended—

(1) in subsection (a)(1), by inserting before the period at the end the following: “or for distribution pursuant to the second sentence of paragraph (c)(2)”;

and
(2) in subsection (c)(2), in the first sentence, by inserting “or by” after “conducted at”.

SEC. 6. ASSISTANCE FOR NEW AND EXPANDED LIVESTOCK OR MEAT PROCESSORS.

(a) IN GENERAL.—The Secretary of Agriculture (in this section referred to as the “Secretary”) may make or guarantee a loan for the purpose of—

(1) facilitating economic opportunity for livestock and meat producers seeking further processing capacity and diversification of processor ownership to increase competitiveness in the livestock and meat industry;

(2) increasing value-added opportunities for livestock and meat production through investment in processing capacity;

(3) improving, developing, or financing livestock and meat processing activity and employment including through the financing of working capital; or

(4) promoting the interstate trade and local sales of processed meat by financing improvements to meet relevant Federal, State, and local regulatory standards.

(b) ELIGIBILITY; GENERAL LIMITATIONS.—
(1) ELIGIBLE RECIPIENT.—An entity shall be eligible for a loan or guarantee under this section if the entity is—

(A) a public, private, or cooperative organization organized on a for-profit or nonprofit basis;

(B) an Indian tribe on a Federal or State reservation, or any other federally recognized Indian tribal group; or

(C) an individual.

(2) FACILITY LOCATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a facility constructed with proceeds from a loan made or guaranteed under this section shall be in a rural area.

(B) EXCEPTION.—A facility constructed with proceeds from a loan made or guaranteed under this section may be in a non-rural area if—

(i) the primary use of the loan involved is for the facility, and the facility will provide value-added processing for agricultural producers that are located within 300 miles of the facility;
(ii) the applicant demonstrates to the Secretary that the primary benefit of making the loan or guarantee will be to provide employment for residents of a rural area;

(iii) the loan involved will be used to increase the competitiveness of meat, poultry, or seafood processing in a region; and

(iv) the principal amount of the loan involved does not exceed $50,000,000.

(C) RURAL AREA DEFINED.—In this paragraph, the term “rural area” has the meaning given the term in section 343(a)(13) of the Consolidated Farm and Rural Development Act.

(3) LIMITATIONS.—

(A) LIMITATION ON AMOUNT OF LOAN INVOLVED.—A loan of more than $50,000,000 may not be made or guaranteed under this section.

(B) LIMITATION ON ELIGIBILITY.—A loan may not be made or guaranteed under this section to an entity that is owned in partnership or in whole by—

(i) a foreign entity; or
(ii) an entity that currently processes
over 5 percent of the daily harvest of any
species.

(c) Special Rules Applicable With Respect to
Cooperatives.—

(1) Limitation on amount of loan in-
volved.—

(A) In general.—Notwithstanding sub-
section (b)(3), a loan of not more than
$100,000,000 may be made or guaranteed for
a cooperative organization under this section.

(B) Conditions applicable if loan in-
volved is for more than $50,000,000.—A
loan of more than $50,000,000 may not be
made or guaranteed for a cooperative organiza-
tion under this section unless the loan is used
to carry out a project that—

(i) provides for the value-added proc-
essing of agricultural commodities; or

(ii) significantly increases competitive-
ness or increases capacity where insuffi-
cient capacity exists for livestock harvest
or meat processing, as determined by the
Secretary.

(2) Intangible Assets.—
(A) IN GENERAL.—In determining whether a cooperative organization is eligible for a loan or guarantee under this section, the Secretary may consider the market value of a properly appraised brand name, patent, or trademark of the cooperative.

(B) ACCOUNTS RECEIVABLE.—In the sole discretion of the Secretary, if the Secretary determines that the action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government, the Secretary may take accounts receivable as security for the obligations entered into in connection with a loan made or guaranteed under this section, and a borrower may use accounts receivable as collateral to secure such a loan.

(3) PURCHASE OF COOPERATIVE STOCK.—

(A) IN GENERAL.—The Secretary may make or guarantee a loan in accordance with this section to an individual farmer or rancher for the purpose of purchasing capital stock of a farmer or rancher cooperative established for the purpose of processing an agricultural commodity.
(B) PROCESSING CONTRACTS DURING INITIAL PERIOD.—A cooperative described in subparagraph (A) with respect to which a farmer or rancher receives a guarantee to purchase stock under subparagraph (A) may contract for services to process agricultural commodities or otherwise process value-added agricultural products, during the 5-year period beginning on the date the cooperative commences operations, in order to provide adequate time for the planning and construction of the processing facility of the cooperative.

(C) FINANCIAL INFORMATION.—A farmer or rancher from whom the Secretary requires financial information as a condition of making or guaranteeing a loan under subparagraph (A) shall provide the information in the manner generally required by commercial agricultural lenders in the geographical area in which the farmer or rancher is located.

(d) CONDITIONS APPLICABLE WITH RESPECT TO USING LOAN INVOLVED FOR REFINANCING.—A borrower may use 25 percent of a loan made or guaranteed under this section to refinance a loan made for a purpose described in subsection (a) if—
(1) the borrower is current and performing with respect to the loan to be refinanced;

(2) the borrower has not defaulted on any payment required to be made with respect to the loan to be refinanced;

(3) none of the collateral for the loan to be refinanced has been converted; and

(4) there is adequate security or full collateral for the loan to be refinanced.

(e) LOAN APPRAISAL.—The Secretary may require that any appraisal made in connection with a loan made or guaranteed under this section be conducted by a specialized appraiser that uses standards that are similar to standards used for similar purposes in the private sector, as determined by the Secretary.

(f) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2021 through 2023.

SEC. 7. NEW AND EXPANDING LIVESTOCK OR MEAT PROCESSING GRANTS.

(a) IN GENERAL.—The Secretary of Agriculture may make grants to—

(1) expand, diversify, and increase competition in livestock or meat processing activities;
(2) improve compliance with livestock and meat processing statutes (including the regulations issued thereunder), such as the Federal Meat Inspection Act (21 U.S.C. 661) and the Poultry Products Inspection Act (21 U.S.C. 454);

(3) provide relief from financial barriers to entry into the livestock and meat processing industry; and

(4) update, expand, or otherwise improve existing facilities.

(b) ELIGIBLE GRANTEES.—An entity shall be eligible for a grant under this section if the entity is—

(1) a governmental entity;

(2) a public, private, or cooperative organization organized on a for-profit or nonprofit basis; or

(3) an Indian tribe on a Federal or State reservation or any other federally recognized Indian tribal group.

(c) USE OF FUNDS.—An entity to which a grant is made under this section may use the grant funds for a livestock or meat producing business opportunity, or a new or expanded processing project, that—

(1) identifies and analyzes business opportunities, including feasibility studies as required for creditworthiness;
(2) identifies, trains, and provides technical assistance to existing or prospective rural entrepreneurs and managers or processing facilities;

(3) provides technical assistance to gain compliance with Federal, State, or local regulations;

(4) conducts regional, community, and local economic development planning and coordination, and leadership development; or

(5) establishes a center for training, technology, and trade that will provide training to livestock or meat processing employees.

(d) Limitations on Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2021 through 2023.

SEC. 8. RESEARCH ON MEAT AND POULTRY PROCESSING FACILITIES.

Subtitle K of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310 et seq.) is amended by inserting the following:

“SEC. 1473I. RESEARCH ON MEAT AND POULTRY PROCESSING FACILITIES.

“(a) In General.—The Secretary, acting through the Director of the National Institute of Food and Agriculture, shall make competitive grants to land-grant col-
leges and universities to conduct and publish research on
the feasibility of establishing new and expanding existing
meat and poultry processing facilities.

“(b) USE OF FUNDS.—A land-grant college or uni-
versity receiving a grant under subsection (a) shall use
grant funds to conduct research that identifies—

“(1) regional differences and availability of live-
stock in underserved locations;

“(2) opportunities for varying sizes and scales
of processing in various locations;

“(3) the advantages and disadvantages of scale;

and

“(4) the approval process (including required
inspections) for marketing meat and poultry prod-
ucts under the Federal Meat Inspection Act (21
U.S.C. 601 et seq.) or the Poultry Products Inspec-
tion Act (21 U.S.C. 451 et seq.) or under State law.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There
are authorized to be appropriated to carry out this section
$10,000,000 for each of fiscal years 2021 through 2023.”.

SEC. 9. IMPROVING FARM MANAGEMENT KNOWLEDGE AND
SKILLS FOR LIVESTOCK PRODUCERS.

The Food, Agriculture, Conservation, and Trade Act
of 1990 is amended by inserting after section 1672E (7
U.S.C. 5925g) the following:
``SEC. 1672F. IMPROVING FARM MANAGEMENT KNOWLEDGE AND SKILLS FOR LIVESTOCK PRODUCERS.

``(a) IN GENERAL.—The Secretary shall make competitive extension and education grants for the purpose of improving the farm management knowledge and skills of livestock producers.

``(b) SELECTION CRITERIA.—In selecting grant recipients under this section, the Secretary shall give priority to applicants that—

``(1) demonstrate an ability to work directly with livestock producers;

``(2) collaborate with farm management educational programs and associations; and

``(3) include in such application a description of the curriculum the applicant is seeking to carry out to educate livestock producers on risk management through futures market participation, crop insurance products, and other strategies.

``(c) ADMINISTRATION.—Paragraphs (4), (7), (8), and (11)(B) of subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 3157(b)) shall apply with respect to the making of grants under this section.

``(d) DEFINITION.—In this section, the term ‘livestock’ has the meaning given such term in section 1501(a) of the Agricultural Act of 2014 (7 U.S.C. 9081(a)).
“(e) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2020 through 2023.”.

SEC. 10. FEASIBILITY STUDY ON IMPLEMENTING REQUIREMENTS WITH RESPECT TO REPORTED NEGOTIATED CASH SALES OF CATTLE TO INDIVIDUAL PACKING PLANTS.

(a) In General.—The Secretary of Agriculture, acting through the Office of the Chief Economist, shall conduct a study on the feasibility of the implementation of requirements with respect to negotiated cash sales of cattle to individual packing plants required to be reported under chapter 2 of subtitle B of the Agricultural Marketing Act of 1946 (7 U.S.C. 1635d et seq.). Such study shall assess the feasibility of implementing each of the following requirements with respect to such sales:

1. All packing plants purchase at least 50 percent of the average weekly number of livestock to be slaughtered by such packing plant through negotiated cash sales under which the sellers of such livestock are required to deliver such livestock to the packers involved within 14 days.

2. All packing plants purchase at least 30 percent of the average weekly number of livestock to be slaughtered by such packing plant through nego-
tiated cash sales under which the sellers of such livestock are required to deliver such livestock to the packers involved within 14 days.

(3) Assessments of the value of livestock be collected before paying negotiated cash sellers to encourage sufficient price discovery in individual regions.

(4) The establishment of various regional targets for cash sales within a 14-day delivery window at individual packing plants in order to achieve sufficient price discovery.

(5) The creation and compensation of a pool of negotiated cash market traders to incentivize cash sales for greater price discovery.

(6) The potential for increased prices due to changes made by the Secretary to confidentiality rules that prohibit reporting in any given region or window.

(7) Any other requirement that would encourage sufficient price discovery, as determined by the Secretary.

(b) CONSIDERATIONS.—The study under subsection (a) shall assess, with respect to each proposed requirement studied under such subsection—
(1) the impact on producers, processors, and
other market participants subject to regulation
under the Packers and Stockyards Act, 1921 (7
U.S.C. 181 et seq.);

(2) the economic cost and benefit to various
segments of the meatpacking industry, including cow
calf producers, stockers, backgrounders, farmer feed-
ers, custom feeders, and other market participants,
as determined by the Secretary;

(3) the economic cost and benefits of premiums
paid and received for quality factors of fed cattle;

(4) the economic cost and benefits for cattle
producers of various sizes, including the impact on
producers from various regions;

(5) the economic cost and benefits of price dis-
coverey to the beef industry and supply chain as a
whole;

(6) the economic outcomes for consumers of
beef;

(7) the implementation cost to the Department
of Agriculture; and

(8) the proposed enforcement mechanism or
mechanisms.

(c) REPORT TO CONGRESS.—Not later than 1 year
after the date of the enactment of this Act, the Secretary
of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on the findings of the study conducted under subsection (a).

**SEC. 11. CATTLE CONTRACT LIBRARY.**

Section 222 of the Packers and Stockyards Act, 1921 (7 U.S.C. 198a) is amended—

1. in the heading by striking “SWINE” inserting “CATTLE AND SWINE”;

2. in subsection (a)—
   
   (A) by striking “swine producers” and inserting “cattle producers and swine producers”;

3. (2) in subsection (a)—

   (A) by striking “production of swine” and inserting “production of cattle and swine”; and

4. (B) by striking “including swine” and inserting “including cattle and swine”;

5. (3) in subsection (b), by striking “available to swine producers” and inserting “available to cattle producers and swine producers”; and

6. (4) in subsection (d)—

   (A) in paragraph (1), by inserting “cattle” and “swine” each place it appears in subparagraphs (A) and (B);
(B) in paragraph (2)—

(i) in the heading, by striking “SWINE” and inserting “CATTLE AND SWINE”;

(ii) by inserting “cattle and” before “swine” each place it appears in subparagraphs (B), (C), and (D).

SEC. 12. DISSEMINATION TO FARM AND AGRICULTURAL WORKERS OF INFORMATION AND TRAINING ON BEST PRACTICES USED TO RESPOND TO THE COVID-19 PANDEMIC.

(a) In General.—Section 502(i)(1)(B) of the Rural Development Act of 1972 (7 U.S.C. 2662(i)(1)(B)) is amended—

(1) in the subparagraph heading, by inserting “AND AGRICULTURAL WORKER” before “SAFETY”;

(2) in the matter preceding clause (i)—

(A) by inserting “and agricultural worker” before “safety education”; and

(B) by striking “timber harvesters, and farm families” and inserting “agricultural processors and handlers, timber harvesters, farm families, and other participants in the agricultural supply chain”;
(3) in clause (iii), by striking “dermititis” and inserting “dermatitis”;
(4) in clause (v), by striking “and” at the end;
(5) in clause (vi), by striking the period and inserting “; and”; and
(6) by adding at the end the following:
“(vii) other relevant health and safety guidance, guidelines, requirements, or information.”.

(b) Appropriation.—Out of any money in the Treasury of the United States not otherwise expended, there are appropriated to the Secretary of Agriculture $50,000,000 for the purpose of disseminating information related to the COVID-19 pandemic under section 502(i)(1)(B) of the Rural Development Act of 1972.

c) Rural Health Disruption Prioritization Flexibility.—Section 6101(a) of the Agricultural Act of 2018 (132 Stat. 4726-4727; Public Law 115–334) is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

sec. 13. Cover crops planted due to prevented planting.

Section 508A(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1508a(c)) is amended—
(1) by amending subparagraph (B) of paragraph (1) to read as follows:

“(B) SECOND CROP PLANTED.—The producer may plant a second crop on the same acreage for harvest in the same crop year and collect one of the following:

“(i) Subject to paragraphs (4) and (5), an indemnity payment established by the Corporation for the first crop, but not to exceed 35 percent of the prevented planting guarantee for the acreage for the first crop.

“(ii) An indemnity that is equal to 100 percent of the prevented planting guarantee for the acreage for the first crop, if each of the following conditions are met:

“(I) The Secretary determines that the acres planted are in an area with low hay or forage supplies due to widespread excessive moisture, flood, drought, or other factors.

“(II) The second crop will be planted with an intended use of ani-
mal feed that is hayed, grazed, or chopped.

“(III) The second crop will be donated or used by the producer.”;

and

(2) in paragraph (3)—

(A) by inserting “a second crop planted as described in paragraph (1)(B)(ii) or” before “double cropping”; and

(B) by striking “make an election under paragraph (1)(B)” and inserting “makes an election under paragraph (1)(B)(i)”.

SEC. 14. EMERGENCY USE OF CRP LAND DURING PANDEMIC.


(1) in the matter preceding item (aa), by striking “or other emergency,” and inserting “or other emergency (including a pandemic),”; and

(2) in item (cc), by inserting “or pandemic” after “natural disaster event”.
