

Testimony of Ed Greiman
On Behalf of the National Cattlemen's Beef Association
Regarding Reauthorization of Mandatory Price Reporting
Wednesday, April 22nd, 2015
House Committee on Agriculture
Subcommittee on Livestock and Foreign Agriculture
Rep. David Rouzer – Chairman
Rep. Jim Costa – Ranking Member

Mr. Chairman, Ranking Member Costa, my name is Ed Greiman and I am a cattle feeder from Iowa. I also chair NCBA's Cattle Marketing and International Trade Committee and have led our efforts on discussing Mandatory Price Reporting for four years. We spent those four years looking at price discovery and the overall market conditions we are seeing across the country. The bottom line is that MPR is an important tool for overall market transparency and we support its reauthorization.

The National Cattlemen's Beef Association (NCBA) is a strong supporter of the Livestock Mandatory Reporting program which was authorized as part of the original Livestock Mandatory Reporting Act of 1999. Mandatory price reporting is a valuable tool to cattle producers who rely on it to get a feel for what their cattle may be worth, and it allows them to better formulate their marketing plan. The cattle price transparency that comes with mandatory livestock price reporting is an important component in formulating price discovery, as well as enhancing competition in the marketplace.

While NCBA is supportive of reauthorizing Mandatory Price Reporting, we would like to see mandatory price reporting made an essential function of government so the reports will continue in the event of another government shutdown. These reports have a significant impact on the bottom line for many producers. To go without them leaves producers in a situation where it is much harder to discern what is taking place in the market.

As an owner and manager of a relatively small beef operation, I am not engaged in the beef market 100 percent of the time. The beef market is complex and volatile. Prices are influenced by not only the supply and demand of fed cattle, but also the world economy. With a market so diverse, it is hard to stay up on the current prices of beef and fed cattle. The market information supplied by MPR is valuable in that it gives me the ability to make informed decisions. Many smaller producers don't have exposure to the daily complexities of cattle trade. There are times in the year that I am looking at opportunities to sell a large portion of my fed cattle with a packer. At these times I need to be able to reference what has been done by other producers and packers to get an understanding of what the market is. Though the information is general in nature, it gives me a starting point to evaluate from. MPR allows all cattle producers the chance to competitively sell into this complex market. Once a year I find myself having to sell cull cows from our cow/calf side of the operation. Our cows are above average, so selling direct to the packer is advantageous. However, when one only visits this market twice a year, it is impossible to stay in touch. MPR allows me to get a bid from a packer and then take a look at past marketings to see if it is competitive. MPR doesn't necessarily get me more money, but allows free access to information and fair trade.

In summary, NCBA strongly supports reauthorization of Mandatory Price Reporting, and we look forward to working with you to further improve the program.