



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 21, 2015

H.R. 2051 **Mandatory Price Reporting Act of 2015**

*As ordered reported by the House Committee on Agriculture
on April 30, 2015*

SUMMARY

H.R. 2051 would reauthorize, through fiscal year 2020, reports that are produced by the U.S. Department of Agriculture (USDA) on the marketing and prices of cattle, swine, lambs, and products of such livestock. Current authority to produce those reports ends on September 30, 2015. The bill also would require the Secretary of Agriculture to begin daily reporting of certain negotiated purchases of swine and to conduct a study on the need to report on livestock prices to the federal government.

CBO estimates that implementing this bill would cost \$36 million over the 2016-2020 period, assuming appropriation of the necessary amounts. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

The bill contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) because it would preempt state and local laws. CBO estimates the cost of complying with the mandate would be small and would fall well below the threshold established in UMRA for intergovernmental mandates (\$77 million in 2015, adjusted annually for inflation).

H.R. 2051 would impose private-sector mandates, as defined in UMRA, on certain packers, processors, and importers of livestock by extending and amending mandatory reporting requirements related to cattle, swine, and lambs. Based on information from USDA and industry experts, CBO estimates that the aggregate cost of the mandates would total about \$1 million annually and fall well below the annual threshold established in UMRA for private-sector mandates (\$154 million in 2015, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 2051 is shown in the following table. The costs of this legislation fall within budget function 350 (agriculture).

	By Fiscal Year, in Millions of Dollars					
	2016	2017	2018	2019	2020	2016-2020
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	8	7	7	7	7	36
Estimated Outlays	8	7	7	7	7	36

BASIS OF ESTIMATE

CBO assumes that H.R. 2051 will be enacted by October 1, 2015, and that the necessary amounts will be appropriated over the next five years.

The legislation would extend until September 30, 2020, the authority of the Secretary of Agriculture to require certain livestock packers, processors, and importers, to continue reporting prices and supply and demand information to the government on a daily and weekly basis. USDA's Agricultural Marketing Service (AMS) processes and provides this information to the public. Based on information from AMS, CBO estimates that continuing to provide these reports to the public would cost \$7 million a year.

H.R. 2051 also would require the Secretary, in consultation with relevant producers and packers, to identify legislative or regulatory recommendations to improve the collection and dissemination of information under the livestock reporting program. Based on the cost of similar work, CBO estimates that this study would cost \$1 million in 2016.

PAY-AS-YOU-GO CONSIDERATIONS: None.

IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

Under current law, the Department of Agriculture's program for price reporting preempts state and local laws that are in addition to, or inconsistent with, any requirements of the program. Because H.R. 2051 would reauthorize the program and thus extend the preemption that would otherwise expire on September 30, 2015, the bill would impose an

intergovernmental mandate as defined in UMRA. While the preemption would limit the application of state and local laws, it would impose no duty that would result in significant additional spending. Consequently, CBO estimates that the costs would fall well below the threshold established in UMRA for intergovernmental mandates (\$77 million in 2015, adjusted annually for inflation).

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 2051 would impose private-sector mandates, as defined in UMRA, on certain packers, processors, and importers of livestock. The bill would extend through 2020 mandatory reporting requirements related to cattle, swine, and lamb. The bill also would add an additional pricing category to report for packers and processors of swine and lower the reporting threshold for importers and packers of lamb. Based on information from USDA and industry experts, CBO estimates that the aggregate cost of the mandates would total about \$1 million annually and fall well below the annual threshold established in UMRA for private-sector mandates (\$154 million in 2015, adjusted annually for inflation).

ESTIMATE PREPARED BY:

Federal Costs: Jim Langley

Impact on State, Local, and Tribal Governments: J'nell Blanco Suchy

Impact on the Private Sector: Amy Petz

ESTIMATE APPROVED BY:

H. Samuel Papenfuss

Deputy Assistant Director for Budget Analysis