

## **LMA Members Provide Feedback on GIPSA During Listening Tour**

LMA Members,

This summer, more than 200 market operators and professional buyers around the United States attended LMA's nine-stop, in-person listening sessions or contacted LMA to provide individual feedback on Packers and Stockyard Act requirements and how GIPSA executes the requirements. Countless others gave input in one-on-one conversations with LMA Region Executive Officers.

LMA members voiced frustration with outdated requirements, inconsistent interpretation, and, at times, regulators more concerned with technical violations than protecting people and businesses in the livestock industry.

Our membership would like to see GIPSA requirements modernized, focused on the key components of financial protection, and otherwise streamlined to allow commerce to flow. On top of this, consistency and common sense need to be added into the audit process.

A common focal point of the sessions was financial protection and prompt payment in particular. Most agree that prompt payment is an important tool. However, due to modernized banking options and slowing mail service, there is also consensus that the test should be changed to when money is received, rather than when it is sent. Another limitation LMA members identified is that not all buyers are subject to prompt payment requirements.

We heard that other financial tools, such as bonds, are not an effective safety net for markets or producers. Because of this, LMA members are interested in alternative ways to protect against dealer failure. Encouraging GIPSA to prioritize its resources on entities that have the potential to cause the most harm and to take preventative measures prior to a failure were also takeaways from the listening tour.

When discussing competition and transparency, LMA members felt that this is mostly self-controlled. If a market is not fair and transparent, it will lose business. In an ideal world, GIPSA requirements in this area would focus on the basics – making sure weights are accurate and tariffs are posted.

LMA members also feel strongly that markets need the flexibility to choose with whom they do business without fearing a GIPSA violation for discrimination.

We also heard that it is a priority for internet sales that handle producers' money to fall under the same requirements as physical, fixed-facility auctions.

This summer's listening tour was a critical first step in determining consensus. Our next step is to engage other livestock industry stakeholders to build support for updating GIPSA requirements and procedures to reflect current practice and

technology changes. Then, together with these partners, we intend to work with Congress and GIPSA to seek meaningful changes.

We will keep the Association informed throughout this process. Also, it isn't too late to have your voice heard. If you have questions or additional feedback to share, please contact me, your Region Executive Officer, or LMA VP of Government and Industry Affairs Chelsea Good.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Harris". The signature is cursive and somewhat stylized, with a prominent loop at the end.

Dan Harris  
President  
Livestock Marketing Association