

**Government Shutdown—MPR Expiration:** Yesterday, the U.S. avoided the potentially disastrous situation of having Mandatory Price Reporting (MPR) lapse and a government shutdown. A short term funding bill to keep the U.S. government from shutdown was passed to allow funding through December 3, 2021 and included an extension for MPR as well. If both had expired, it is our understanding MPR would have needed to go through the full rulemaking process and comment period to re-establish the program through USDA. This continuing resolution simply extends the next deadline from September 30, 2021 to December 3, 2021.

The passing of the MPR deadline with no extension would have meant packers are no longer mandated to report required meat and livestock data under MPR. The absence of an extension or re-authorization would have put market functionality at risk.

There have been previous lapses in MPR both in 2004 and 2005. During these time frames USDA asked packers to report under the 1999 act and submit the information voluntarily. About 90% of packers that were previously required to report did so, according to the Congressional Research Service (CRS) report, "[Reauthorization of the Livestock Mandatory Reporting \(LMR\) Act in the 114th Congress.](#)"

There have also been previous government shutdowns, where data services have been interrupted but did not have the added complication of the MPR expiring. In that case, such as October of 2013 packers were still reporting the MPR data, but USDA AMS was unable to publish it. This caused considerable disruption not only to the meat and livestock markets but also effected the CME's ability to settle live hog contracts. This was a major driver in the effort to grant emergency authorization to USDA AMS to continue price reporting. In the last reauthorization (2015) a provision that was supported by industry and was in the House-passed version of H.R. 2051, but was not included in the Senate amended version. The final reauthorization bill in 2015 did not include a provision to grant emergency authority to USDA to continue reporting in the event of a government shutdown. More details are available in the CRS link above.

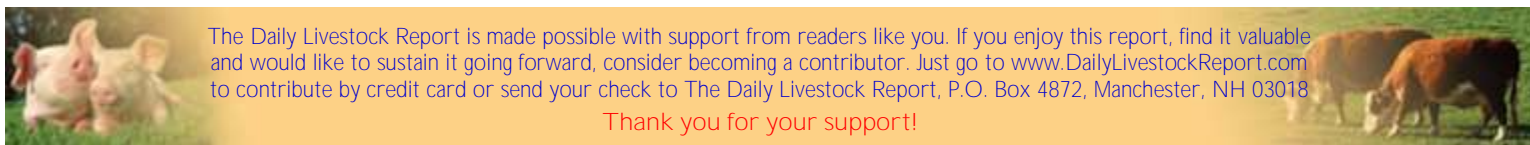
**The National Restaurant Association** updated the

[Restaurant Performance Index](#) (RPI) for August yesterday detailing a 1.1% decline from the prior month. For most of 2021, the RPI has shown high levels of optimism in this sector, indicated by values over 100. August was a 6-month low point for the index at 104.2, but is still higher than any RPI value since 2003.

According to the report, restaurant operators saw same-store sales weaken in August relative to earlier this summer, but still remained a great deal larger than August of last year. Generally, operators were not as hopeful about the restaurant industry as they were in months before. Since January 2021 the percent of restaurant operators expecting better conditions in the next six months was above 48% in months up to July 2021. August showed a sharp decline in expectations with only 32% feeling optimistic about the next 6 months and only 36% in September. These two months also saw 20% or more of operators anticipating a worse operating environment in the next six months compared to less than 15% since February.

Month over month changes showed sharp declines in capital expenditures (-2.2%) but many of these were still strong overall numbers above the index value of 100. In fact across all "current situation indicators:" Same-store sales, customer traffic, labor and capital expenditures, the index values still point toward expansion in the restaurant sector. The lowest value was in capital expenditures of 103.

In the expectation categories a similar trend is found. Same-store sales, staffing, capital expenditures, and business conditions all had readings above 100. The lowest was business conditions with a value of 101.6.



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