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FILED FEB 28 '00

SENATE FILE 2349
BY COMMITTEE ON AGRICULTURE

Passed Senate, ^(p. 598) Date 3-9-00 Passed House, ^(p. 1018) Date 3-28-00
Vote: Ayes 49 Nays 0 Vote: Ayes 98 Nays 0
Approved 4/5/00

A BILL FOR

1 An Act prohibiting a processor from contracting for the care and
2 feeding of swine in this state, making penalties applicable,
3 and providing an effective date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SF 2349

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1 Section 1. Section 9H.2, Code 1999, is amended to read as
2 follows:

3 9H.2 PROHIBITED OPERATIONS -- EXCEPTIONS.

4 In order to preserve free and private enterprise, prevent
5 monopoly, and protect consumers, it is unlawful for any
6 processor of beef or pork or limited partnership in which a
7 processor holds partnership shares as a general partner or
8 partnership shares as a limited partner, or limited liability
9 company in which a processor is a member, to own, control or
10 operate a feedlot in Iowa in which hogs or cattle are fed for
11 slaughter. In addition, a processor shall not directly or
12 indirectly ~~control the manufacturing, processing, or~~
13 ~~preparation for sale of pork products derived from swine if~~
14 ~~the processor contracted~~ contract for the care and feeding of
15 the swine in this state. However, this section does not apply
16 to a cooperative association organized under chapter 497, 498,
17 or 499, if the cooperative association contracts for the care
18 and feeding of swine with a member of the cooperative
19 association who is actively engaged in farming. This section
20 does not apply to an association organized as a cooperative in
21 which another cooperative association organized under chapter
22 497, 498, or 499 is a member, if the association contracts
23 with a member which is a cooperative association organized
24 under chapter 497, 498, or 499, which contracts for the care
25 and feeding of swine with a member of the cooperative who is
26 actively engaged in farming. This section shall not preclude
27 a processor, limited partnership, or limited liability company
28 from contracting for the purchase of hogs or cattle, provided
29 that where the contract sets a date for delivery which is more
30 than twenty days after the making of the contract it shall:
31 1. Specify a calendar day for delivery of the livestock;
32 or
33 2. Specify the month for the delivery, and shall allow the
34 farmer to set the week for the delivery within such month and
35 the processor, limited partnership, or limited liability

1 company to set the date for delivery within such week. This
2 section shall not prevent processors or educational
3 institutions from carrying on legitimate research,
4 educational, or demonstration activities, nor shall it prevent
5 processors from owning and operating facilities to provide
6 normal care and feeding of animals for a period not to exceed
7 ten days immediately prior to slaughter, or for a longer
8 period in an emergency. Any processor or limited partnership
9 which owns, controls, or operates a feedlot on August 15, 1975
10 shall have until July 1, 1985 to dispose of the property. A
11 processor which is in compliance with this section prior to
12 the effective date of this Act and which is in violation of
13 this section as a result of this Act shall have until July 1,
14 2002, to comply with this Act. A processor shall not take
15 action on or after the effective date of this Act which would
16 be in violation of this section.

17 Sec. 2. EFFECTIVE DATE. This Act, being deemed of
18 immediate importance, takes effect upon enactment.

19 EXPLANATION

20 This bill amends Code section 9H.2, which in part prohibits
21 a processor of pork products to directly or indirectly control
22 the manufacturing, processing, or preparation for sale of pork
23 products derived from swine if the contractor contracted for
24 the care and feeding of the swine in this state. This bill
25 rewrites that provision to prohibit a processor from directly
26 or indirectly contracting for the care and feeding of swine in
27 this state. The bill provides that a processor who is in
28 violation of the provisions of the bill on its effective date
29 has until July 1, 2002, to comply with the bill.

30 A processor violating the bill is subject to a civil
31 penalty of up to \$25,000, as well as an injunction.

32 The bill takes effect upon enactment.

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S-5108

1 Amend Senate File 2349 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. Section 9H.1, Code Supplement 1999, is
5 amended by adding the following new subsection:

6 NEW SUBSECTION. 6A. "Contract for the care and
7 feeding of swine" means an oral or written agreement
8 executed between a person and the owner of swine,
9 under which the person agrees to care for and feed the
10 owner's swine on the person's premises. A contract
11 for the care and feeding of swine does not include an
12 agreement for the sale or purchase of swine."

13 2. Page 1, line 17, by striking the words "or
14 499" and inserting the following: or 499, or 501".

15 3. Page 1, line 22, by striking the words "or
16 499" and inserting the following: "or 499, or 501".

17 4. Page 1, line 24, by striking the words "or
18 499" and inserting the following: "or 499, or 501".

19 5. Page 2, line 14, by striking the figure "2002"
20 and inserting the following: "2004".

By E. THURMAN GASKILL
JOHN P. KIBBIE

S-5108 FILED MARCH 8, 2000

Adopted
3-9-2000 (P. 598)

H- 3/13/00 agriculture
H- 3/15/00 Do Pass
H 3/23/00 unfinished Business Calendar

SENATE FILE **2349**
BY COMMITTEE ON AGRICULTURE

(AS AMENDED AND PASSED BY THE SENATE MARCH 9, 2000)
_____ - New Language by the Senate

Passed Senate, Date _____ Passed House, ^(P. 1018) Date 3-28-00
Vote: Ayes _____ Nays _____ Vote: Ayes 98 Nays 0
Approved 4/5/00

A BILL FOR

1 An Act prohibiting a processor from contracting for the care and
2 feeding of swine in this state, making penalties applicable,
3 and providing an effective date.

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S.F. 2349

1 Section 1. Section 9H.1, Code Supplement 1999, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 6A. "Contract for the care and feeding of
4 swine" means an oral or written agreement executed between a
5 person and the owner of swine, under which the person agrees
6 to care for and feed the owner's swine on the person's
7 premises. A contract for the care and feeding of swine does
8 not include an agreement for the sale or purchase of swine.

9 Sec. 2. Section 9H.2, Code 1999, is amended to read as
10 follows:

11 9H.2 PROHIBITED OPERATIONS -- EXCEPTIONS.

12 In order to preserve free and private enterprise, prevent
13 monopoly, and protect consumers, it is unlawful for any
14 processor of beef or pork or limited partnership in which a
15 processor holds partnership shares as a general partner or
16 partnership shares as a limited partner, or limited liability
17 company in which a processor is a member, to own, control or
18 operate a feedlot in Iowa in which hogs or cattle are fed for
19 slaughter. In addition, a processor shall not directly or
20 indirectly ~~control the manufacturing, processing, or~~
21 ~~preparation for sale of pork products derived from swine if~~
22 ~~the processor contracted~~ contract for the care and feeding of
23 the swine in this state. However, this section does not apply
24 to a cooperative association organized under chapter 497, 498,
25 or 499, or 501, if the cooperative association contracts for
26 the care and feeding of swine with a member of the cooperative
27 association who is actively engaged in farming. This section
28 does not apply to an association organized as a cooperative in
29 which another cooperative association organized under chapter
30 497, 498, or 499, or 501 is a member, if the association
31 contracts with a member which is a cooperative association
32 organized under chapter 497, 498, or 499, or 501, which
33 contracts for the care and feeding of swine with a member of
34 the cooperative who is actively engaged in farming. This
35 section shall not preclude a processor, limited partnership,

1 or limited liability company from contracting for the purchase
2 of hogs or cattle, provided that where the contract sets a
3 date for delivery which is more than twenty days after the
4 making of the contract it shall:

5 1. Specify a calendar day for delivery of the livestock;
6 or

7 2. Specify the month for the delivery, and shall allow the
8 farmer to set the week for the delivery within such month and
9 the processor, limited partnership, or limited liability
10 company to set the date for delivery within such week. This
11 section shall not prevent processors or educational
12 institutions from carrying on legitimate research,
13 educational, or demonstration activities, nor shall it prevent
14 processors from owning and operating facilities to provide
15 normal care and feeding of animals for a period not to exceed
16 ten days immediately prior to slaughter, or for a longer
17 period in an emergency. Any processor or limited partnership
18 which owns, controls, or operates a feedlot on August 15, 1975
19 shall have until July 1, 1985 to dispose of the property. A
20 processor which is in compliance with this section prior to
21 the effective date of this Act and which is in violation of
22 this section as a result of this Act shall have until July 1,
23 2004, to comply with this Act. A processor shall not take
24 action on or after the effective date of this Act which would
25 be in violation of this section.

26 Sec. 3. EFFECTIVE DATE. This Act, being deemed of
27 immediate importance, takes effect upon enactment.

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SENATE FILE 2349

AN ACT

PROHIBITING A PROCESSOR FROM CONTRACTING FOR THE CARE AND FEEDING OF SWINE IN THIS STATE, MAKING PENALTIES APPLICABLE, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 9H.1, Code Supplement 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 6A. "Contract for the care and feeding of swine" means an oral or written agreement executed between a person and the owner of swine, under which the person agrees to care for and feed the owner's swine on the person's premises. A contract for the care and feeding of swine does not include an agreement for the sale or purchase of swine.

Sec. 2. Section 9H.2, Code 1999, is amended to read as follows:

9H.2 PROHIBITED OPERATIONS -- EXCEPTIONS.

In order to preserve free and private enterprise, prevent monopoly, and protect consumers, it is unlawful for any processor of beef or pork or limited partnership in which a processor holds partnership shares as a general partner or partnership shares as a limited partner, or limited liability company in which a processor is a member, to own, control or operate a feedlot in Iowa in which hogs or cattle are fed for slaughter. In addition, a processor shall not directly or indirectly ~~control the manufacturing, processing, or preparation for sale of pork products derived from swine if the processor contracted~~ contract for the care and feeding of the swine in this state. However, this section does not apply

to a cooperative association organized under chapter 497, 498, or 499, or 501, if the cooperative association contracts for the care and feeding of swine with a member of the cooperative association who is actively engaged in farming. This section does not apply to an association organized as a cooperative in which another cooperative association organized under chapter 497, 498, or 499, or 501 is a member, if the association contracts with a member which is a cooperative association organized under chapter 497, 498, or 499, or 501, which contracts for the care and feeding of swine with a member of the cooperative who is actively engaged in farming. This section shall not preclude a processor, limited partnership, or limited liability company from contracting for the purchase of hogs or cattle, provided that where the contract sets a date for delivery which is more than twenty days after the making of the contract it shall:

1. Specify a calendar day for delivery of the livestock; or
2. Specify the month for the delivery, and shall allow the farmer to set the week for the delivery within such month and the processor, limited partnership, or limited liability company to set the date for delivery within such week. This section shall not prevent processors or educational institutions from carrying on legitimate research, educational, or demonstration activities, nor shall it prevent processors from owning and operating facilities to provide normal care and feeding of animals for a period not to exceed ten days immediately prior to slaughter, or for a longer period in an emergency. Any processor or limited partnership which owns, controls, or operates a feedlot on August 15, 1975 shall have until July 1, 1985 to dispose of the property. A processor which is in compliance with this section prior to the effective date of this Act and which is in violation of this section as a result of this Act shall have until July 1, 2004, to comply with this Act. A processor shall not take

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action on or after the effective date of this Act which would be in violation of this section.

Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2349, Seventy-eighth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved 4/5, 2000

THOMAS J. VILSACK
Governor