

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Regulatory Analysis

Notice of Intended Action to be published: 21—Chapter 66
“Identification, Movement and Buying and Selling of Livestock”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 163.2A

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 163 and 172B

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 29, 2026
10 to 11 a.m.

Borlaug Conference Room (H516)
Hoover State Office Building
Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Department of Agriculture and Land Stewardship no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Colin Tadlock
1305 East Walnut Street
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Purpose and Summary

The purpose of this rulemaking is to provide updated identification and traceability of livestock that are moved within the State of Iowa. Traceability is necessary for a swift, effective response should a disease outbreak occur. This chapter also provides for the requirements to be licensed and operate as a livestock market dealer and as a livestock market dealer’s agent.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

• Classes of persons that will bear the costs of the proposed rulemaking:

Livestock owners, producers, dealers, markets and veterinarians will bear the costs of the proposed rulemaking.

• Classes of persons that will benefit from the proposed rulemaking:

The entire livestock sector, as well as the general public, will benefit from ensuring that only healthy animals are allowed to be sold, ensuring traceability should a disease outbreak occur, and providing protections for sales of animals to livestock dealers.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

• Quantitative description of impact:

Livestock dealers and markets will bear the cost of applying for a permit to operate and the cost of operating to meet the requirements set forth in these rules. Livestock owners will bear the cost of identification, testing and certificates of veterinary inspection.

- **Qualitative description of impact:**

This chapter provides for the requirements to move livestock within the State of Iowa as well as requirements when there is a change of ownership of livestock. This chapter provides oversight of livestock dealers and livestock markets.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

The Department will bear the administrative costs for implementing these rules, including inspections to ensure compliance.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Inaction would increase the risk of disease amongst livestock and reduce the protection of those persons who sell livestock to a dealer. Reducing traceability of livestock movement would increase the risk of disease introduction and delay disease response, impacting Iowa's agricultural economy and creating a loss of trade. This rulemaking allows for the traceability of animals should a disease outbreak occur. This rulemaking also provides for the regulation and oversight of livestock dealers.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

No less costly or less intrusive alternatives exist.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

The Department considered requiring a certificate of veterinary inspection for all change of ownership of livestock.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Requiring a certificate of veterinary inspection for all change of ownership of livestock would place an increased burden on livestock markets and livestock market veterinarians.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This rulemaking does not place a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 21—Chapter 66 and adopt the following new chapter in lieu thereof:

CHAPTER 66
IDENTIFICATION, MOVEMENT AND BUYING AND SELLING OF LIVESTOCK

21—66.1(163) Definitions.

“Approved livestock market” means the same as defined in 21—Chapter 65.

“Certificate of veterinary inspection” or *“CVI”* means the same as described in 21—subrule 65.3(3).

“Feeder pig” means the same as defined in Iowa Code chapters 166D and 202C.

“Livestock” means cattle, horses, sheep, goats, swine (other than feeder swine), or any other animals of the bovine, equine, ovine, caprine or porcine species. “Livestock” also includes all species of cervids raised under confinement or agricultural conditions for the production of meat, the production of other agricultural products, sport, or exhibition.

“Official individual identification” means the same as defined in 21—Chapter 65.

“Slaughter affidavit” means a signed document that verifies origin, ownership and health status of livestock moving to directly to slaughter.

“Standard transportation certificate” means the same as “transportation certificate” as defined in Iowa Code chapter 172B.

“Recognized slaughter establishment” means the same as defined in 21—Chapter 65.

INTRASTATE MOVEMENT OF ANIMALS

21—66.2(163) Identification required.

66.2(1) Identification is required for all livestock when there is a change in ownership. Livestock required to be officially identified shall have official identification applied upon, or before, departure from the current herd or flock of origin by the animal owner or the owner’s agent.

66.2(2) An animal that already has identification recognized as official for Iowa does not need to have any additional official identification applied.

21—66.3(163) Restrictions on the removal of official identification. No person shall remove or tamper with any approved means of identification required to be on an animal unless the identification is removed for medical purposes and a new identification is applied to the animal as soon as possible and prior to commingling and approved by the department. A record documenting the change of official identification must be made as required in 9 CFR 86.4 dated May 9, 2024.

21—66.4(163) Cattle and bison.

66.4(1) *Identification.* All cattle and bison listed below require official identification unless otherwise provided in this rule.

- a. All sexually intact cattle and bison 18 months of age and over,
- b. All dairy cattle of any age, and
- c. Cattle and bison of any age used for rodeo, recreational events, shows or exhibitions.

66.4(2) *Approved identification types.* The following are approved identification types:

- a. Official electronic identification.
- b. Breed association tattoos for registration purposes, accompanied by the breed registration certificate.
- c. For all bovine animals two years of age and older received for sale or shipment to a recognized slaughtering establishment, a back tag approved by the United States Department of Agriculture (USDA) and affixed to the animal as directed by the department.

21—66.5(163) Sheep and goats.

66.5(1) *Identification required.* Sheep and goats required to be officially identified include:

- a. All sexually intact sheep or goats.
- b. All sheep or goats over 18 months of age.

66.5(2) *Identification not required.* Sheep and goats that do not require official identification include:

- a. Sheep or goats less than 18 months of age moving into an approved terminal feedlot.
- b. Any sheep or goat under 18 months of age moving directly to recognized slaughter establishment or approved auction market.
- c. Wethers less than 18 months of age.
- d. Goats raised and maintained apart from sheep and used exclusively for meat and fiber production.
- e. Pet goats raised and maintained apart from sheep and not registered or used for exhibition.
- f. Dairy goats raised and maintained apart from sheep and not registered or used for exhibition.
- g. Sheep or goats moved for grazing or similar management reasons provided that the sheep are moved from a premises owned or leased by the owner of the sheep to another premises owned or leased by the owner of the sheep.

66.5(3) *Approved identification types.*

a. All sheep requiring official identification must be officially identified with either ear tags that meet the requirements specified in 9 CFR 79.2 and 79.3 dated August 21, 2001, and the Scrapie Eradication Uniform Methods and Rules dated June 1, 2005.

b. All goats requiring official identification must be officially individually identified with ear tags or tattoos that meet the requirements specified in 9 CFR 79.2 and 79.3 dated August 21, 2001, and the Scrapie Eradication Uniform Methods and Rules dated June 1, 2005, unless otherwise exempted.

66.5(4) *Flock ID.* If a sheep or goat was not identified prior to departing from its flock of birth or if its identification has been lost, then the sheep or goat must be identified upon, or before, departing from the current flock in which the animal resides and the flock of birth, or previous flock of origin, should be recorded, if known. No person shall apply a flock ID tag to a sheep or goat that has not resided in that sheep/goat flock. If a sexually intact animal that requires official identification is of uncertain origin or if the animal is identified with a blue metal “meat only” tag or a red or yellow tag denoting exposure or test status, then the animal may not be used for breeding and must be restricted until slaughter.

66.5(5) *Veterinarian’s responsibilities when identifying sheep or goats.* A veterinarian may be called upon to officially identify sheep and goats and may be issued official identification for the sheep and goats in the form of the serial number ear tags for carrying out this duty. The veterinarian may apply the ID only if the flock-of-origin information is available. Sexually intact animals that require official identification and are of unknown origin shall not be used for breeding and must be restricted until slaughter. When sheep or goats are identified, the veterinarian applying the ID must record the serial tag number applied to each sheep or goat and the following information (this requirement may be accomplished by collecting a completed owner/seller statement form): the flock-of-origin ID number or name and address of the current owner, if different from the owner of the flock of origin, and the name and address of the buyer, if a change of ownership is occurring. The flock of birth should also be recorded, if known. These records must be kept for five years and made available for inspection upon request.

21—66.6(163) Swine.

66.6(1) *Identification.*

a. All swine, except swine consigned directly to a recognized slaughter or an approved auction market or swine moved in accordance with an approved swine production health plan (SPHP), must have official identification.

b. The identification shall be applied by the owner, the pig dealer, or the livestock dealer at the farm of origin or by the pig dealer or livestock dealer at the first concentration point.

66.6(2) *Approved identification types.*

a. Breeding swine.

(1) The following are approved identification types for breeding swine:

1. Tattoos approved by the department.
2. Official electronic identification.

(2) Breeding swine qualified to move intrastate without individual tests may move with unique identification of each animal if they are all identified as a group to the swine herd of origin by an official premises tattoo.

b. Feeder swine.

(1) The following are approved identification types for feeder swine:

1. Ear tags or tattoos with an alphanumeric system to provide unique identification with each swine herd, each lot, or each individual swine.

2. Official electronic identification.

(2) Electronic devices, other devices, or marks when applied will provide permanent identification with each swine herd, each lot, or each individual swine.

21—66.7(163) Cervids.

66.7(1) *Identification.* All cervids must be identified before 12 months of age and be identified with two unique animal identification numbers for each individual. One of these numbers must be a nationally unique official animal identification.

66.7(2) *Approved animal identification types.* A nationally unique official animal identification number approved by the USDA Animal and Plant Health Inspection Service (APHIS) as described in 9 CFR Part 55 dated April 29, 2014.

a. National Uniform Eartagging System tag that is either eight or nine characters.

b. Animal identification number.

c. Premises-based number that combines the official premises identification number with a unique identification number. Both numbers must appear on the tag.

d. Any other numbering system approved the USDA APHIS administrator for animals in commerce.

21—66.8(163) Movement of livestock within the state.

66.8(1) All livestock transported within Iowa, where a change of ownership is involved, must be accompanied by a standard transportation certificate or one of the following:

a. Certificate of veterinary inspection.

b. USDA APHIS Form 1-27 for quarantined livestock consigned to slaughter.

c. Slaughter affidavit.

d. Stamped bill of sale.

66.8(2) All of the foregoing documents must be properly executed by a licensed and accredited veterinarian and must indicate the following:

a. Destination of the livestock.

b. Purpose of the movement.

c. Number of animals in the movement.

d. Description of the animals in the movement.

e. Point of origin.

f. Name and address of the consignor.

66.8(3) A slaughter affidavit shall only be used only for livestock, excluding horses, moving directly to slaughter.

66.8(4) A stamped bill of sale may be used for livestock classes that do not require individual identification.

a. The stamped bill of sale must contain the following statement: “I certify as a licensed and accredited veterinarian that these animals have been inspected by me and that they are not showing any signs of infectious, contagious or communicable diseases except where noted.”

b. The stamped bill of sale must be signed by the veterinarian or contain the veterinarian's stamped signature, applied and initialed by someone authorized by the veterinarian.

c. Market consignment records must be signed or initialed by the inspecting veterinarian as proof of inspection before the stamped certification can be applied to the bill of sale by an authorized person.

66.8(5) Swine being relocated intrastate without a change of ownership are exempt from health certification, identification requirements, and transportation certification, except as required by Iowa Code chapter 172B, provided relocation records are sufficient to determine the origin, the number relocated, the date relocated, and destination of the relocated swine and are available for inspection. Relocation records, if required, shall be maintained and available for inspection for a minimum of two years.

66.8(6) Cervids. All intrastate movements of cervids other than to a state or federally inspected slaughter establishment shall be accompanied by a certificate of veterinary inspection, including individual official identification. Movement of cervids, other than direct movement to slaughter, shall only be allowed from herds that have been enrolled in the Iowa chronic wasting disease (CWD) monitoring program and have successfully completed at least one year. As used in this subrule, "been enrolled" means that the herd owner has received from the department written notification of the herd's enrollment and participation in the program.

LIVESTOCK MARKET DEALER

21—66.9(163) Livestock market dealer.

66.9(1) *Supervision.* All places where livestock are assembled, either bought or sold for purposes other than immediate slaughter, whether by private sale or public auction, when not under federal supervision must be under state supervision. All livestock markets and dealers shall be under the general supervision of the Chief, Division of Animal Industry, Iowa Department of Agriculture and Land Stewardship, Des Moines, Iowa 50319.

66.9(2) *Before movement.* Before movement, the livestock shall comply with requirements as set forth below.

66.9(3) *Imported for resale.* Livestock imported for resale shall meet all health requirements governing their admission into the state as set forth in 21—Chapter 65.

66.9(4) *Livestock market dealer permit required.*

a. Any person who is engaged in the business of buying for resale, or selling, or exchanging livestock as a principal or agent or who claims to be so engaged, either interstate or intrastate, shall first obtain a permit from the department to conduct business. However, a person is not required to be licensed as a livestock market dealer if any of the following apply:

(1) The person is licensed as an agent for a packer operating under Iowa Code chapter 172A, the person only buys for the packer, and the livestock move directly to slaughter.

(2) The person is licensed as a feeder pig dealer under Iowa Code section 163.30 and does not sell livestock other than feeder pigs.

(3) The person is the owner or operator of a farm who does not claim to be so engaged and who sells or exchanges only those livestock that have been kept by the person solely for feeding or breeding purposes.

b. A separate livestock market dealer permit is required for each location.

66.9(5) *Livestock market dealer's agent permit required.* An individual working for a person holding a permit required by subrule 66.9(4) shall obtain, in lieu of a livestock dealer permit, a permit as a livestock market dealer's agent. A person shall not act as an agent for more than one dealer at the same time. A person shall not act as an agent for a dealer and hold a livestock market dealer permit in the person's own name.

66.9(6) *Permitting period.* A livestock market dealer permit and a livestock market dealer's agent permit shall be issued for a time period commencing on July 1 and ending June 30 of the following year.

66.9(7) *Fee for permit.* The following nonrefundable fee shall accompany each application for a permit or the renewal of a permit.

a. Livestock market dealer permit—\$50.

b. Livestock market dealer's agent permit—\$10.

66.9(8) *Bonding requirement.* An applicant for a livestock market dealer permit shall submit a bond to the department with the secretary of agriculture named as trustee. The bond shall be payable for the use and benefit of any person damaged as a result of a violation of this chapter. The amount of the bond shall be calculated in the same manner and contain the same condition clauses as required by the United States Packers and Stockyards Administration as adopted in 9 CFR 201.30 and 201.31 dated May 1, 2000. However, a person applying for a permit is exempt from providing a bond if the person can show that the person has a valid bond on file and maintained with the United States Packers and Stockyards Administration in an amount equivalent to or greater than that required by federal regulations.

66.9(9) *Information required.* An applicant for a livestock market dealer market permit or a livestock market dealer agent permit or a renewal of a permit shall provide the department with information required on the permit application, including but not limited to the name, address, email address, and telephone number of the applicant; a listing of any state, country, or province in which the applicant is licensed or permitted to engage in a similar business; and any past or pending legal or administrative action or investigation conducted or ongoing regarding that license or permit.

66.9(10) *Permits not transferable.* Livestock market dealer and livestock market dealer agent permits are not transferable.

This rule is intended to implement Iowa Code sections 163.1, 163.11, and 163.14.

21—66.10(163) Responsibility of persons handling animals in commerce to ensure the official identification of animals. Licensed sheep dealers and auction markets and those that provide transport must ensure that animals are properly identified upon taking possession of the animals. Animals lacking official ID must either be declined or be identified by the licensed dealer or market with official ID issued to the dealer or market immediately upon the dealer's or market's taking possession and prior to commingling of the animals.

21—66.11(163) Duties and responsibilities of the livestock market management. All livestock market owners, operators, or managers shall cooperate in obtaining full compliance with all state laws and rules and with the federal regulation (9 CFR Part 78 dated September 12, 1986) and shall agree to:

66.11(1) Notify the department and USDA as to method of operation (buying, receiving, and selling of livestock).

66.11(2) Furnish a schedule of regular sale dates, including species sold and time of sale(s), and notify the department and USDA of all changes of regular sale dates not less than five days in advance.

66.11(3) Provide for chutes and divisions of yarding and pens as required to handle livestock according to their classification.

66.11(4) Furnish the name of the licensed and accredited veterinarian who will be held primarily responsible for all inspections.

66.11(5) Permit no animals to be sold at any time prior to veterinary inspection.

66.11(6) Clean and disinfect all chutes, whether portable or stationary, and all pens, alleyways, and scales after each sale and at any time when ordered to do so by the accredited veterinarian, the department, or USDA and in accordance with the procedure determined by the accredited veterinarian, the department, or USDA.

66.11(7) In the event of sale, transfer, or change in ownership or ownership shares, or change of name, the owner must notify the department and USDA immediately.

66.11(8) Failure to comply with any of the foregoing provisions shall be deemed sufficient reason to remove a market from the state- or federal-approved list or revoke the permit to operate as a livestock dealer or both.

This rule is intended to implement Iowa Code section 163.1.

21—66.12(163) Releasing livestock. The licensed and accredited veterinarian in charge of the livestock market shall be held responsible for ensuring all animals released from the livestock market are released in compliance with Iowa laws, rules, and federal regulation Title 9—CFR dated November 5, 2024. All release forms must be signed or otherwise approved by the veterinarian or someone authorized by the veterinarian. The livestock market management shall cooperate to see that all animals are released only on approved release forms. All livestock transported within Iowa, where a change of ownership is involved, must be accompanied by documentation as provided for in rule 21—66.8(163).

This rule is intended to implement Iowa Code chapters 163, 163A, 164, and 172B and section 163.12.

21—66.13(163) Veterinary inspection. All livestock auction markets, marketing agencies, sales barns, or sales yards shall provide for veterinary inspection by a licensed and accredited veterinarian.

66.13(1) The accredited veterinarian shall:

- a.* Allow for sufficient time to perform the accredited veterinarian's duties.
- b.* Inspect all animals marketed prior to the sale.
- c.* Be present during the entire time the sale is in progress.
- d.* Prohibit the sale of any animal deemed to be diseased.
- e.* Have full authority to reject or detain any animal(s) at the owner's expense or any animal(s) that in the accredited veterinarian's opinion are diseased or exposed in conformance with Iowa Code chapter 163, which for any reason may be detrimental to the health of the animals within the state.
- f.* Notify the state animal health official of the suspicion or diagnosis of any reportable or foreign animal disease.
- g.* Not allow any animal to be released if there are any pending, required regulatory tests.
- h.* Not allow any animal to be released prior to vaccination when vaccination is required.
- i.* Must obtain permits for movement (either interstate or intrastate) at the owner's expense when permits are required.
- j.* Issue all releasing documents before allowing animals to be removed from the livestock market.
- k.* Deliver copies of all certificates of veterinary inspections to the division of animal industry immediately.
- l.* Report promptly all violations or refusals to comply with state laws, rules and federal regulations to the proper state or federal inspectors.
- m.* Ensure the premises is maintained in sanitary conditions at all times.
- n.* Supervise the cleaning and disinfection of yards following sales.

66.13(2) Failure to comply with any of the foregoing provisions shall be deemed sufficient reason to remove the licensed and accredited veterinarian's approval as the livestock market veterinarian.

This rule is intended to implement Iowa Code section 163.1.

21—66.14(163) Responsibility of persons handling animals in commerce to ensure the official identification of animals. Licensed sheep dealers, permitted livestock market dealers operating as an approved livestock market, and those that provide transport must ensure that animals are properly identified upon taking possession of the animals. Animals lacking official ID must either be declined or be identified by the licensed dealer or market with official ID issued to the dealer or market immediately upon the dealer's or market's taking possession and prior to commingling of the animals.

21—66.15(163) Recordkeeping.

66.15(1) *Livestock market permit holders.* All livestock market permit holders are required to comply with the recordkeeping requirements below. Failure to do so shall constitute grounds for revoking their permit.

- a.* Maintain accurate records, including, for all livestock, records of:
 - (1) Origin.
 - (2) Identification.
 - (3) Destination or other disposition.
- b.* Such records shall be made available for inspection by an authorized state or federal inspector upon request. Such records shall be kept for a period of not less than two years.

66.15(2) *Livestock auction markets for sheep and goats.*

a. Markets must collect a completed and signed owner/seller statement form from each seller presenting sheep and goats that require official identification or must post where animals are unloaded signs that state: “sexually intact sheep or goats that are known to be scrapie-positive, suspect, high-risk, or exposed, or that originated from a known infected, source, exposed, or noncompliant sheep/goat flock may not be unloaded or sold through this market.”

b. For animals identified by the market, the serial tag numbers applied to each seller’s animals must be recorded.

c. Animals that require official identification but that cannot be identified to their flock of origin shall not be sold as breeding animals.

d. Records must indicate the seller or flock ID number(s) or serial tag numbers of the animals involved and will serve as documentation of the buyers of animals presented by any particular seller.

e. The market must always record, either on the owner/seller statement form or separately, the following information on all sexually intact animals that require official identification:

- (1) Seller’s flock ID number or seller’s name and address.
- (2) Name or flock ID number of the owner of the flock of origin if different from the seller.
- (3) Buyer’s name and address or buyer’s flock ID number. All animals moving interstate must depart from the market with either a certificate of veterinary inspection or slaughter affidavit; all animals remaining in Iowa must depart from the market with a certificate of veterinary inspection, veterinary signature-stamped bill of sale, or slaughter affidavit. Certificates of Veterinary Inspection for animals moving interstate must contain the statement set forth in rule 21—64.208(163). All of these documents must be made available for inspection upon request and maintained as official records for five years.

66.15(3) *Recordkeeping requirements for licensed sheep dealers.* The dealer must either collect a completed and signed owner/seller statement form from the person from whom the dealer takes possession of the animals or must post signs as described in 64.204(2) if there is any possibility that the animals will move interstate, other than through slaughter channels. The dealer must always record, either on the owner/seller statement form or separately, the following information on all sexually intact animals that require official identification: the seller’s flock ID number or seller’s name and address and the name of the owner of the flock of origin, or flock-of-origin ID number, if different from the seller. For animals identified by the dealer, the serial tag number applied to each animal must be recorded. Animals that move interstate, other than to slaughter, must be inspected by a veterinarian and have a certificate of veterinary inspection that includes the required statements as set forth in rule 21—64.208(163). All animals that do not go to slaughter must be inspected by a veterinarian and have a certificate of veterinary inspection completed prior to sale unless the animals are being sold at a permitted livestock auction market where a veterinary inspection will occur. For animals that are taken to a livestock auction market, the dealer must provide to the market for its records a list of all flock ID numbers or serial tag numbers in the group. For animals that are resorted and sold, records must identify all potential buyers of any animal acquired. Every effort should be made to maintain the identity of groups from the same flock, through separate penning or use of temporary ID, such as chalk marking, in order to simplify efforts to identify the final destination of individual animals. If animals are under 18 months of age and the dealer picks them up at the owner’s premises and delivers

them directly to slaughter, then the official identification requirement may be waived; however, a record of the transaction must be maintained. Records must document the buyer's name and address or buyer's flock-of-origin ID number, date of sale, and animals sold for all private sales or sales to slaughter so that animals can be traced to their final destination. All records must be kept for five years and made available for inspection upon request.

This rule is intended to implement Iowa Code section 163.1.

21—66.16(163) Swine—brucellosis.

66.16(1) All breeding swine four months of age or over moving through a livestock market or offered for sale or sold by the owner by private treaty must:

a. Originate from a validated herd, or from a validated brucellosis-free state according to Title 9—CFR as amended effective May 23, 1994, and published in the Federal Register, Vol. 59, No. 77, April 21, 1994, or

b. Be proved negative to a brucellosis test conducted within 60 days prior to sale or service and originate from a herd not under quarantine.

66.16(2) All breeding swine showing a positive reaction to a brucellosis test conducted at a livestock market shall be tagged in the left ear with a reactor tag and moved direct to slaughter on permit. The herd of origin shall be placed under quarantine for immediate test. Such quarantine to remain in effect until a complete negative herd test is conducted.

66.16(3) The negative animals from a reactor group disclosed at a livestock auction market can return to the farm of origin under strict quarantine to be tested no sooner than 30 days nor later than 60 days from the date of test.

FEEDER PIG DEALER

21—66.17(163) Feeder pig dealer bonding/letter of credit requirement and claims procedures.

66.17(1) *General requirement.*

a. In addition to the bond required in Iowa Code section 163.30, a feeder pig dealer shall maintain on file with the department evidence of financial responsibility consisting of a surety bond furnished by a surety or an irrevocable letter of credit issued by a financial institution. Bonds and irrevocable letters of credit filed with the department shall be on the forms prescribed by the animal industry division. Bonds and irrevocable letters of credit shall be written so as to provide funds to protect purchasers of feeder pigs who incur damages in Iowa as a result of sick or diseased pigs obtained from a feeder pig dealer or who otherwise suffer damages arising from a breach of contract relating to the sale of feeder pigs by the feeder pig dealer described in the bond or irrevocable letter of credit.

b. Terms of the bond or irrevocable letter of credit shall provide that if the bond or irrevocable letter of credit is canceled as to future transactions, written notice of the cancellation shall be provided to the department at least 90 days in advance of the cancellation. Such notice shall be provided to the department either by personal delivery to or certified mail. The feeder pig dealer shall provide an adequate replacement bond or irrevocable letter of credit prior to the effective date of the cancellation. The dealer's failure to submit an adequate replacement bond or irrevocable letter of credit shall result in the immediate suspension of the dealer's license to do business until such bond or irrevocable letter of credit is provided.

66.17(2) *Applicability.* A bond or irrevocable letter of credit filed pursuant to this rule shall only be subject to claims that arise after July 1, 2004, and are subsequent to feeder pig dealer licensing or relicensing with the department.

66.17(3) *Amount of bond.* The amount of financial responsibility shall be based on the annual volume of feeder pig sales in Iowa reported by the feeder pig dealer to the department or, at the option of the feeder pig dealer, the annual volume of all livestock or feeder pig sales reported to the United States Packers and Stockyards Administration. The following table shall be used to determine the level of additional financial responsibility:

TABLE FOR COMPUTING SURETY BOND
OR IRREVOCABLE LETTER OF CREDIT EQUIVALENTS

Volume Range in Dollars		Additional Financial Responsibility Required
(not less than)	(not more than)	
\$ 1	\$ 6,500,000	\$ 5,000
\$ 6,500,001	\$ 7,150,000	\$ 6,000
\$ 7,150,001	\$ 7,800,000	\$ 7,000
\$ 7,800,001	\$ 8,450,000	\$ 8,000
\$ 8,450,001	\$ 9,100,000	\$ 9,000
\$ 9,100,001	\$ 9,750,000	\$10,000
\$ 9,750,001	\$16,250,000	\$11,000
\$16,250,001	\$22,750,000	\$12,000
\$22,750,001	\$29,250,000	\$13,000
\$29,250,001	\$35,750,000	\$14,000
\$35,750,001	\$42,250,000	\$15,000
\$42,250,001	\$48,750,000	\$16,000
\$48,750,001	\$55,250,000	\$17,000
\$55,250,001	\$61,750,000	\$18,000
\$61,750,001	\$68,250,000	\$19,000
\$68,250,001	\$74,750,000	\$20,000
\$74,750,001	\$81,250,000	\$21,000
\$81,250,001	\$87,750,000	\$22,000
\$87,750,001	\$94,250,000	\$23,000
\$94,250,001	\$100,750,000	\$24,000
\$100,750,001	And higher	\$25,000

66.17(4) Claims. A person who has suffered damages in Iowa as a result of sick or diseased pigs obtained from a feeder pig dealer, or who otherwise suffers damages arising from a breach of contract relating to the sale of feeder pigs by the feeder pig dealer, may file a claim against a bond or irrevocable letter of credit provided under this rule. A claim against the bond shall be valid only for a claim incurred in the state of Iowa for which there is a final judgment from a court of competent jurisdiction.

66.17(5) Procedure. A person filing a claim against the bond or irrevocable letter of credit shall submit both of the following before such claim shall be considered to be completed:

- a. A notarized and completed copy of the claim form.
- b. An official copy of the court judgment or other order that has established the debt as a bona fide adjudicated debt, including the date that the judgment was entered.

66.17(6) Disputes. The department shall review any claim filed and, upon determining that a completed form and the required documents have been submitted, shall provide written notification of the claim to both the feeder pig dealer and the issuer of the bond or irrevocable letter of credit. The feeder pig dealer and the issuer of the bond or irrevocable letter of credit shall have 20 calendar days to file a written dispute of the claim. The dispute of the claim shall be limited to the following grounds only:

- a. The claim is not covered by the bond or irrevocable letter of credit.
- b. The claim is not a final adjudicated judgment.
- c. The claim does not relate to damages incurred in Iowa.
- d. The claim is for a judgment that has already been settled or compromised.

66.17(7) *Costs of settling disputes.* If a dispute is filed on a claim, the department shall schedule an administrative hearing to determine whether the dispute is valid. The costs of the department in resolving the dispute, including the costs incurred in holding the administrative hearing, shall be paid out of the proceeds of the bond or irrevocable letter of credit prior to distribution of any proceeds, whether the dispute is upheld or denied.

66.17(8) *Catchwords.* Feeder swine purchased for resale by a pig dealer must be officially identified and accompanied by a certificate of veterinary inspection.

This rule is intended to implement Iowa Code sections 163.30 and 163.61 and chapter 202C.

21—66.18(163) *Revocation or denial of permit.* The department may revoke or refuse to issue or renew a livestock market dealer permit, a pig dealer license, a livestock market dealer agent permit, or a pig dealer agent permit if the department finds that the applicant, a person with an ownership interest in the applicant, or an individual employed by the applicant has done any of the following:

66.18(1) Has not filed or maintained a surety bond in the form and amount as required by Iowa Code section 163.30 or chapter 202C.

66.18(2) Has violated the provisions of Iowa Code chapter 163, 163A, 164, 165, 166, 166A, 166B, or 166D or the rules adopted pursuant to those chapters.

66.18(3) Has made false or misleading statements as to the health or physical condition or origin of livestock or feeder pigs or practiced fraud or misrepresentation in connection with the buying or receiving of livestock or feeder pigs or the selling, exchanging, soliciting or negotiating the sale of livestock or the weighing of livestock or feeder pigs.

66.18(4) Has failed to maintain and keep suitable animal health and movement records as required or to provide access to the department to the records.

66.18(5) Has had a license or permit suspended or revoked or has been otherwise barred from engaging in the buying, selling, or assembling of livestock or feeder pigs or receiving livestock or feeder pigs on consignment by either the USDA or by another state unless the department concludes after an investigation that the facts leading to the suspension or revocation demonstrate that granting the license or permit will not create a substantial risk to the Iowa livestock or feeder pig industry. This subrule shall also apply if there is a pending action to suspend or revoke a permit.

66.18(6) Has failed to comply with any lawful order of the department or a state or federal court.

This rule is intended to implement Iowa Code chapters 163 and 170.

APPROVED TERMINAL FEEDLOTS

21—66.19(163) *Approved terminal feedlots.* Approved terminal feedlots allow purchasers of young sexually intact feeder sheep or goats from out of state to bring those animals into Iowa without official identification provided that the animals are restricted to an inspected and approved premises and all are delivered to slaughter by 18 months of age.

66.19(1) *Requirements for approved terminal feedlots.*

a. All sexually intact sheep or goats of out-of-state origin that have arrived without official identification must be moved directly to slaughter by 18 months of age. Other sheep or goats that require official identification may be maintained on the premises provided that the requirements described herein are met. The approved terminal feedlot premises must be designated as one of the following:

(1) Feeder-only premises. Feeder-only premises may contain only feeder sheep or goats destined to slaughter by 18 months of age.

(2) Breeding flock/slaughter-only premises. The breeding flock/slaughter-only premises allows a breeding flock to be maintained on the site. All offspring must be sent to slaughter by 18 months of age, except as noted below, and do not require official ID provided that the slaughter sheep or goats move directly to slaughter. Adult sheep or goats must be identified, and any of their offspring retained as replacement breeding stock must have official ID applied prior to weaning. Production, inventory, purchase, and sales records will be inspected on all breeding animals.

(3) Separate operation premises. The separate operation premises allows sheep or goats other than the nonidentified feeder sheep or goats to be kept on site, and sold other than to slaughter, but these animals must be separated from the feeder animals by a distance of 30 feet or by a solid wall that prevents contact or the passage of fluids. Offspring must be identified prior to weaning. Records must account for the arrival and dispersal of each individual sheep or goats in the separate flock, and there shall be no identification exemption on these sheep or goats.

b. All three types of approved terminal feedlot premises require that all nonidentified feeder sheep or goats be moved directly to slaughter, or another approved terminal feedlot, prior to 18 months of age. These sheep or goats may only be sold through a licensed market or licensed dealer if the owner identifies sexually intact sheep or goats with official blue metal “meat only” tags and the animals are sold to slaughter.

66.19(2) *Identification at approved terminal feedlots.* Out-of-state origin sexually intact feeder sheep or goats moved to an approved terminal feedlot will be exempted from identification requirements provided that the feedlot maintains compliance with all rules and regulations governing approved terminal feedlots.

66.19(3) *Registration of approved terminal feedlots.* All approved terminal feedlots must obtain a permit issued by the department. Approved terminal feedlots will be subject to periodic records and premises inspections. The department shall assign an approved terminal feedlot number for each approved terminal feedlot facility.

66.19(4) *Records for approved terminal feedlots.* All approved terminal feedlots must maintain appropriate records for a period of five years. Records will include Certificates of Veterinary Inspection for all sheep and goats of out-of-state origin received by the facility and slaughter records sufficient to conduct inventory reconciliation. If a breeding flock or any other sheep or goats that require official identification are maintained on the same premises, then records shall also include an inventory of sheep and goats, lambing and kidding records, bills of sale, slaughter receipts, and any Certificates of Veterinary Inspection sufficient to account for the acquisition and dispersal of all animals. Failure to maintain appropriate records shall be grounds for revocation of the feedlot permit. All sheep and goats without official identification must be moved directly to slaughter, and movement to slaughter must be completed before any of the sheep and goats reach the age of 18 months. If blue metal “meat only” tags are applied, then records on tags applied must be maintained for origin of the group(s) (state, market, or individual), date of tagging, and destination (date sold and buyer).

These rules are intended to implement Iowa Code chapter 163.