

### **579B.3 Establishment of lien priority.**

1. A commodity production contract lien is created. The lien is an agricultural lien as provided in section 554.9302.
2. A contract producer who is a party to a production contract executed pursuant to section 579B.2 shall have a lien as provided in this section. The contract producer is a secured party and the contractor is a debtor for purposes of chapter 554, article 9. The amount of the lien shall be the amount owed to the contract producer pursuant to the terms of the production contract, which may be enforced as provided in section 579B.5.
3. If the production contract is for the production of livestock or raw milk, all of the following shall apply:
  - a. For livestock, the lien shall apply to all of the following:
    - (1) If the livestock is not sold or slaughtered by the contractor, the lien shall be on the livestock.
    - (2) If the livestock is sold by the contractor, the lien shall be on cash proceeds from the sale. For purposes of this paragraph, cash held by the contractor shall be deemed to be cash proceeds from the sale regardless of whether it is identifiable cash proceeds.
    - (3) If the livestock is slaughtered by the contractor, the lien shall be on any property of the contractor that may be subject to a security interest as provided in section 554.9109.
  - b. For raw milk, the lien shall apply to all of the following:
    - (1) If the raw milk is not sold or processed by the contractor, the lien shall be on the raw milk.
    - (2) If the raw milk is sold by the contractor, the lien shall be on cash proceeds from the sale. For purposes of this paragraph, cash held by the contractor shall be deemed to be cash proceeds from the sale regardless of whether it is identifiable cash proceeds.
    - (3) If the raw milk is processed by the contractor, the lien shall be on any property of the contractor that may be subject to a security interest as provided in section 554.9109.
4. If the production contract is for the production of crops, all of the following shall apply:
  - a. If the crop is not sold or processed by the contractor, the lien shall be on the crop.
  - b. If the crop is sold by the contractor, the lien shall be on cash proceeds from the sale. For purposes of this paragraph, cash held by the contractor shall be deemed to be cash proceeds from the sale regardless of whether it is identifiable cash proceeds.
  - c. If the crop is processed by the contractor, the lien shall be on any property of the contractor that may be subject to a security interest as provided in section 554.9109.