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JAN 17 1989

HOUSE FILE 59

BY MUHLBAUER

Agriculture
Amend + Do pass 3-9-89 (p. 727)
Sen. Agri.
Do pass 3-29-89 (p. 1065)

(COMPANION TO LSB 1026SF

BY BOSWELL)

Passed House, Date 3-21-89 (p. 895) Passed Senate, Date 4-17-89 (p. 1471)
Vote: Ayes 93 Nays 4 Vote: Ayes 44 Nays 1
Approved May 22, 1989

A BILL FOR

3380-1 An Act relating to the purchase and sale of grain, providing fees
2 and a penalty, and providing effective and applicability
3 dates.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5
6

HOUSE FILE 59

H-3380

1 Amend House File 59 as follows:
2 1. Title page, by striking lines 1 through 3 and
3 inserting the following: "An Act relating to the
4 purchase and sale of grain by providing for the
5 offering of a special quality grains electronic
6 bulletin board service through the department of
7 agriculture and land stewardship and providing for an
8 advisory committee study of grain marketing to draft
9 proposed legislation to develop the market for special
10 quality grains."

By MUHLBAUER of Crawford

H-3380 FILED MARCH 14, 1989

Adopted 3-21-89 (p. 895)

HF 59

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#3331 amends all-

1 Section 1. NEW SECTION. 542B.1 DEFINITIONS.

2 For purposes of this chapter, unless the context otherwise
3 requires:

4 1. "Department" means the department of agriculture and
5 land stewardship.

6 2. "Discount" means an offer or purchase price for grain
7 that is lower than the base or standard price offered by a
8 buyer at a certain time and at a specified location. A
9 discount price represents the lower than normal value of the
10 grain because of inferior quality as determined by means
11 including but not limited to measurement of grade, dockage, or
12 test weight.

13 3. "Grain" means wheat, corn, oats, barley, rye, flaxseed,
14 field peas, soybeans, grain sorghums, spelt, and similar agri-
15 cultural products as defined in the federal Grain Standards
16 Act.

17 4. "Premium" means an offer or a purchase price for grain
18 that exceeds the base or standard price offered by a buyer at
19 a certain time and at a specified location. A premium price
20 represents the higher than normal value of the grain because
21 of superior quality as determined by factors including but not
22 limited to measurement of grade, dockage, or test weight.

23 5. "Secretary" means the secretary of agriculture or the
24 secretary's designated representative.

25 6. "Test equipment" means the mechanical or electronic
26 devices commonly used in measurement of grain qualities,
27 including protein content, moisture content, and test weight.

28 7. "Test equipment operator" means a person assigned by
29 the management of an elevator or grain storage facility who is
30 chiefly responsible for the preparation and analysis of grain
31 samples for protein content, test weight, moisture content,
32 and other qualities upon which price is determined.

33 Sec. 2. NEW SECTION. 542B.2 REVIEW OF TEST EQUIPMENT AND
34 TEST EQUIPMENT OPERATORS.

35 1. PERIODIC REVIEW -- EQUIPMENT AND OPERATORS. The

1 secretary shall adopt by rule, methods to implement this
2 program for the periodic review of protein analysis, test
3 weight, and dockage testing devices, moisture testing
4 equipment, and other devices and equipment used to determine
5 qualities upon which grain price is determined, and the
6 periodic review of operators of the equipment. If a review is
7 performed by department personnel at the site of the test
8 equipment, the review must consist of the performance of
9 routine tests and analysis on one or more samples of grain by
10 the principal operator of the test equipment. The secretary
11 may set by rule fees charged to a person owning the test
12 equipment. The amount of the fees charged shall be based on
13 the administrative costs of implementing this program.

14 2. OUT-OF-COMPLIANCE TEST EQUIPMENT. Personnel of the
15 department who perform an on-site review of test equipment and
16 operators shall prohibit the further use of test equipment
17 that fails to meet and maintain acceptable tolerance levels
18 established by rule.

19 3. FOLLOW-UP REVIEW. The secretary shall arrange for a
20 follow-up review within seven business days of a periodic
21 review if a follow-up review is requested by the test
22 equipment operator.

23 4. REQUEST FOR SECRETARY TO SCHEDULE A REVIEW. A
24 purchaser or seller of grain may request the secretary to
25 perform a review of the test equipment and test equipment
26 operator that is used to test the grain. A signed request
27 must be submitted to the secretary and upon receipt of a
28 request, the secretary shall schedule a review at a reasonable
29 time considering other duties and responsibilities of the
30 department personnel.

31 5. STATE NOT LIABLE. The state is not liable to a seller
32 or purchaser of grain for losses resulting from erroneous
33 tests or analyses by test equipment or test equipment
34 operators, whether reviewed by the department or not, if the
35 secretary and the department have exercised due care in the

1 scheduling and conduct of reviews under subsections 1 through
2 3.

3 Sec. 3. NEW SECTION. 542B.3 PREMIUMS BASED ON CORN TEST
4 WEIGHT MUST EQUAL OR EXCEED DISCOUNTS.

5 A purchaser of corn who discounts the price for corn that
6 falls below the standard test weight for corn shall offer and
7 provide an equal or greater premium price for corn that has a
8 test weight higher than the standard test weight.

9 Sec. 4. NEW SECTION. 542B.4 PREMIUMS BASED ON SOYBEAN
10 TEST WEIGHT MUST EQUAL OR EXCEED DISCOUNTS.

11 A purchaser of soybeans who discounts the price for
12 soybeans that fall below the standard test weight for soybeans
13 shall offer an equal or greater premium price for soybeans
14 that have a test weight higher than the standard test weight.

15 Sec. 5. NEW SECTION. 542B.5 PREMIUMS BASED ON WHEAT TEST
16 WEIGHT MUST EQUAL OR EXCEED DISCOUNTS.

17 A purchaser of wheat who discounts the price for wheat that
18 falls below the standard test weight for wheat shall offer an
19 equal or greater premium price for wheat that has a test
20 weight higher than the standard test weight.

21 Sec. 6. NEW SECTION. 542B.6 PREMIUMS BASED ON FOREIGN
22 MATERIAL IN CORN MUST EQUAL OR EXCEED DISCOUNTS.

23 A purchaser of corn who discounts the price for corn that
24 falls below the standard for foreign material for corn shall
25 offer an equal or greater premium price for corn that has less
26 foreign material than the standard. For corn, foreign
27 material includes broken corn and foreign material.

28 Sec. 7. NEW SECTION. 542B.7 PREMIUMS BASED ON FOREIGN
29 MATERIAL IN SOYBEANS MUST EQUAL OR EXCEED DISCOUNTS.

30 A purchaser of soybeans who discounts the price for
31 soybeans that fall below the standard for foreign material for
32 soybeans shall offer an equal or greater premium price for
33 soybeans that have less foreign material than the standard.

34 Sec. 8. NEW SECTION. 542B.8 PREMIUMS BASED ON FOREIGN
35 MATERIAL IN WHEAT MUST EQUAL OR EXCEED DISCOUNTS.

1 A purchaser of wheat who discounts the price for wheat that
2 falls below the standard for foreign material for wheat shall
3 offer an equal or greater premium price for wheat that has
4 less foreign material than the standard.

5 Sec. 9. NEW SECTION. 542B.9 PREMIUMS BASED ON TOTAL
6 DAMAGED CORN KERNELS MUST EQUAL OR EXCEED DISCOUNTS.

7 A purchaser of corn who discounts the price for corn that
8 falls below the standard for total damaged kernels for corn
9 shall offer an equal or greater premium price for corn that
10 has fewer total damaged kernels than the standard.

11 Sec. 10. NEW SECTION. 542B.10 PREMIUMS BASED ON TOTAL
12 DAMAGED SOYBEANS KERNELS MUST EQUAL OR EXCEED DISCOUNTS.

13 A purchaser of soybeans who discounts the price for
14 soybeans that fall below the standard for total damaged
15 kernels for soybeans shall offer an equal or greater premium
16 price for soybeans that have fewer total damaged kernels than
17 the standard.

18 Sec. 11. NEW SECTION. 542B.11 PREMIUMS BASED ON TOTAL
19 DAMAGED WHEAT KERNELS MUST EQUAL OR EXCEED DISCOUNTS.

20 A purchaser of wheat who discounts the price for wheat that
21 falls below the standard for total damaged kernels for wheat
22 shall offer an equal or greater premium price for wheat that
23 has fewer total damaged kernels than the standard.

24 Sec. 12. NEW SECTION. 542B.12 PREMIUMS BASED ON WHEAT
25 MOISTURE CONTENT.

26 A purchaser of wheat who discounts the price for wheat that
27 is above the standard for wheat moisture content shall offer
28 an equal or greater premium price for wheat that has lower
29 than standard moisture content, except no additional premium
30 shall be offered beyond a wheat moisture content of ten
31 percent or less.

32 Sec. 13. NEW SECTION. 542B.13 PREMIUMS BASED ON CORN
33 MOISTURE CONTENT.

34 A purchaser of corn who discounts the price for corn that
35 is above the standard for corn moisture content shall offer an

1 equal or greater premium price for corn that has lower than
2 standard moisture content, except no additional premium shall
3 be offered beyond a corn moisture content of ten percent or
4 less.

5 Sec. 14. NEW SECTION. 542B.14 PREMIUMS BASED ON SOYBEAN
6 MOISTURE CONTENT.

7 A purchaser of soybeans who discounts the price for
8 soybeans that are above the standard for soybean moisture
9 content shall offer an equal or greater premium price for
10 soybeans that have lower than standard moisture content,
11 except no additional premium shall be offered beyond a soybean
12 moisture content of ten percent or less.

13 Sec. 15. NEW SECTION. 542B.15 SELLER OPTION TO AVERAGE
14 LOADS.

15 A purchaser of corn, soybeans, or wheat shall allow a
16 seller who delivers the grain in multiple loads within a
17 period of two consecutive calendar days, at the option of the
18 seller, to average the measurements from the multiple loads
19 with respect to test weight, moisture content, and protein
20 analysis. All loads allowed to be averaged under this section
21 must be of a quality acceptable to the purchaser.

22 Sec. 16. NEW SECTION. 542B.16 DISPUTES ON GRADES,
23 DOCKAGE; STATE ARBITRATION.

24 1. If a disagreement arises between a person receiving and
25 a person delivering grain in this state as to the proper
26 grade, dockage, moisture content, protein content, or other
27 factors used in establishing the market price of the grain, an
28 average sample of the grain in dispute may be taken by either
29 or both of the parties interested. The secretary shall
30 prescribe a procedure for taking samples and having the
31 samples certified by both the person receiving and the person
32 delivering the grain as being true samples of the grain in
33 dispute on the day the grain is delivered and sampled.
34 Samples must be forwarded prepaid in suitable air-tight
35 containers, with the names and addresses of the person

1 receiving and the person delivering the grain, to the head of
2 the regulatory division of the department. The division shall
3 examine samples submitted, and determine the proper grade,
4 dockage, moisture content, protein content, and other factors
5 used in establishing the market price of the samples of grain
6 in accordance with the inspection regulations, rules, and
7 standards established by the United States department of
8 agriculture and the state of Iowa. The test results must be
9 based on the arithmetic mean of the samples submitted. If a
10 person requesting the inspection asks for determination of
11 some but not all of the factors that affect market price, the
12 department shall perform only the requested tests on the
13 samples. A person requesting the inspection must pay the
14 required fee before the results of the inspection are
15 released. The fee charged must be the same as that required
16 for similar services rendered by the regulatory division.
17 Payment for the grain involved in a disagreement must be made
18 on the basis of grade, dockage, moisture content, protein
19 content, and other market pricing factors certified by the
20 department on samples submitted. An appeal of the
21 determination made by the department may be made as provided
22 under the federal Grain Standards Act, 7 U.S.C. § 79c, and 7
23 C.F.R. § 800.125-800.140. A person receiving or delivering
24 grain that is subject to this section is liable for damages
25 resulting from not abiding by the determination made by the
26 department. A person who violates this section is guilty of a
27 serious misdemeanor.

28 2. A person who uses test equipment to perform tests or
29 analyses on grain to be purchased or placed in storage shall
30 post at the place of business a notice informing persons
31 selling or delivering grain of their right to have a
32 representative sample of the grain forwarded to the regulatory
33 division for analysis. The secretary shall provide copies of
34 the notice to each business licensed to buy or receive grain.
35 The person shall display the notice in a conspicuous location

1 as prescribed by the commissioner.

2 Sec. 17. EFFECTIVE AND APPLICABILITY DATES. Sections 3
3 through 14 of this Act are effective thirty days after the
4 secretary publishes notice in the Iowa administrative bulletin
5 that at least three states representing thirty percent or more
6 of the national production of that grain according to the
7 current United States department of agriculture crop
8 production summary require that a premium be paid for the
9 grain based on the factors provided in the sections. The
10 secretary shall notify affected licensed purchasers of grain
11 that sections 3 through 14 of this Act are effective by ten
12 days after notice is published in the Iowa administrative
13 bulletin.

14

EXPLANATION

15 This bill provides the secretary of agriculture with
16 additional authority to regulate the purchase and sale of
17 grain by inspecting grain test equipment and prohibiting
18 further use of test equipment not in compliance with
19 standards. The bill also requires parallel benefits and
20 detriments. If grain purchase price is discounted for being
21 below standard weight, grain of higher than standard weight
22 must receive an equivalent premium. Similar requirements for
23 parallel discounts and premiums for levels of foreign
24 material, moisture content and damaged grain are included.
25 The seller is given the option to average loads. Disputes on
26 grading, dockage, moisture content, or other market factors,
27 are resolved by state arbitration. Parallel discount and
28 premium provisions are made effective thirty days after the
29 secretary publishes notice that at least three states
30 representing thirty percent or more of the national production
31 of the affected grain require that a premium be paid based on
32 the same factors.

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**HOUSE FILE 59
FISCAL NOTE**

A fiscal note for **HOUSE FILE 59** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 59 provides the Secretary of Agriculture with additional authority to regulate the purchase and sale of grain by inspecting grain test equipment and prohibiting further use of test equipment not in compliance with standards. The bill also requires parallel benefits and detriments. Similar requirements for parallel discounts and premiums for levels of foreign material, moisture content and damaged grain are included. The bill provides fees and a penalty.

FISCAL EFFECT

The Department of Agriculture and Land Stewardship estimates that House File 59 will have a fiscal effect of \$387,736 for FY 1990. This includes \$169,735 in salaries, \$27,000 in support, and \$191,000 in equipment. The fiscal effect for FY 1991 is \$271,169. This includes \$230,169 for salaries, \$33,400 for support, and \$8,000 for equipment.

ASSUMPTIONS

The salary estimates include three new Field Inspectors, two new Lab Technicians, and one Clerk Typist II. The increase in salaries also includes the upgrade of two Field Inspectors, one Lab Technician, and the Metrologist to compensate for the additional responsibilities included in the legislation.

The support estimates are based on \$9,000 per each new Field Inspector for travel, lodging, meals, and vehicle depreciation.

The equipment estimates include: walk-in cooler, protein analyzer, three electronic balances, laboratory supplies, thermometer standards, three SS250's, three motomco's, portable refrigerators, two drying ovens, two Decmate III computer terminals, and service contracts on equipment.

(dollars in thousands)

	Fiscal Year 1990			Fiscal Year 1991		
	Current Law	Proposed Law	Increase (Decrease)	Current Law	Proposed Law	Increase (Decrease)
EXPENDITURES						
Salaries	\$ 120	\$ 289.7	\$ 169.7	\$ 132.0	\$ 362.2	\$ 230.2
Support	36	63.0	27.0	39.6	69.0	33.4
Equipment	0	191.0	191.0	0	8.0	8.0
Total	\$ 156	\$ 543.7	\$ 387.7	\$ 171.6	\$ 439.2	\$ 271.2

SOURCE: Department of Agriculture and Land Stewardship

(LSB 1026h, JKH)

FILED FEBRUARY 7, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 59

H-3331

1 Amend House File 59 as follows:

2 1. By striking everything after the enacting
3 clause, and inserting the following:

4 "Section 1. LEGISLATIVE INTENT. It is the intent
5 of the general assembly to develop a quality grain
6 program under the auspices of the department of
7 agriculture and land stewardship. Mindful of the
8 potential impact of state laws involving grain
9 standards and inspection on the competitiveness of
10 Iowa grain in the world marketplace, the general
11 assembly intends that development of the quality grain
12 program be based on a high degree of private and
13 government cooperation. As the leading corn and
14 soybean state in the nation, Iowa should be a leader
15 in the promotion and marketing of quality agricultural
16 products. Success in this leadership role requires
17 both government and industry to work together. A
18 study of the options and impact of state inspection
19 standards is needed to guide the development of the
20 quality grain program and foster the desired
21 cooperation between the private sector and state
22 government.

23 Sec. 2. NEW SECTION. 159.24A SPECIAL QUALITY
24 GRAINS ELECTRONIC BULLETIN BOARD.

25 1. The department shall establish within the
26 international trade bureau of the marketing division a
27 special quality grains electronic bulletin board
28 system. The system shall be available to any and all
29 buyers and sellers of special quality grains for the
30 purpose of posting the availability of special quality
31 grains, or a demand for special quality grains.

32 2. The department shall actively promote the use
33 of this system by both of the following:

34 a. Sellers who are producers or elevators.

35 b. Buyers who are government buying agencies,
36 elevators, commercial firms, or others.

37 3. The system shall be limited to an informational
38 service to permit one party of a potential transaction
39 to learn basic preliminary information needed to
40 locate and contact a second party if there is a
41 commonality of demand and supply. The system shall
42 not be operated as a trading system for completion of
43 a contract, without express legislative permission.
44 The department or the state shall not be liable for
45 any action in connection with facilitating the initial
46 contact between the parties through the electronic
47 bulletin board system. The department or the state
48 makes no warranties with regard to the information
49 supplied to the bulletin board or to system
50 participants.

H-3331

Page 2

1 Sec. 3. ADVISORY COMMITTEE.

2 1. The secretary of agriculture shall establish an
3 advisory committee to develop recommendations on
4 legislation to assure that Iowa agricultural producers
5 receive the actual market value of above standard
6 quality grain when sold to buyers and to establish a
7 market which encourages the development of markets for
8 above standard quality or special quality grains. The
9 advisory committee's charge includes, but is not
10 limited to, the following:

11 a. Drafting proposed legislation that may
12 incorporate the major terms of or accomplish the
13 objectives of House File 59, as introduced during the
14 1989 session of the general assembly. The proposed
15 legislation may also incorporate other recommended
16 legislative changes based upon the advisory
17 committee's work.

18 b. Investigating the feasibility and advisability
19 of expanding the electronic bulletin board to include
20 marketing and the actual performance of trades.

21 c. Investigating other methods to assure that Iowa
22 producers receive the fair market value for grain that
23 is delivered to buyers in above standard condition.

24 d. Studying the impact of a proposed quality grain
25 program on Iowa's competitiveness in the national and
26 world marketplace.

27 2. The advisory committee shall research the
28 general subject of grain marketing, including federal
29 grain inspection and grading standards, procedures,
30 and requirements, and other relevant information. The
31 advisory committee shall conduct six public hearings,
32 one in each congressional district of the state, to
33 gather public input on state quality grain
34 initiatives.

35 3. The speaker of the house of representatives
36 shall appoint three representatives and the majority
37 leader of the senate shall appoint three senators to
38 the advisory committee. No more than two members from
39 each house shall be from the same political party.
40 The secretary of agriculture shall provide staff and
41 other support as necessary for the advisory committee
42 from the department of agriculture and land
43 stewardship. The secretary of agriculture shall
44 appoint as public members of the advisory committee,
45 the titular head or the titular head's designee of the
46 following organizations:

47 a. Iowa farm bureau federation.

48 b. National farmers' union.

49 c. National farm organization.

50 d. Iowa corn growers' association.

H-3331

Page 3

3501-1 e. Iowa soybean producers.
2 f. Iowa grain and feed association.
3 g. Iowa institute for cooperation.
4 All members, public and private, shall be voting
5 members of the advisory committee. The advisory
6 committee shall adopt its own rules.
7 The committee shall elect a chairperson from among
8 the legislative members of the committee.
9 4. The advisory committee shall report its
10 recommendations to the general assembly on or before
11 January 15, 1990. The advisory committee may continue
12 to offer advice and assistance during the course of
13 development of the quality grain program, except that
14 the advisory committee shall be dissolved May 1,
15 1991."

By COMMITTEE ON AGRICULTURE
OSTERBERG of Linn, Chairperson

H-3331 FILED MARCH 9, 1989

adopted 3-21-89 (p.894)

HOUSE FILE 59

H-3501

1 Amend amendment, H-3331, to House File 59 as
2 follows:
3 1. Page 3, line 1, by striking the word
4 "producers" and inserting the following:
5 "association".

By MUHLBAUER of Crawford

H-3501 FILED MARCH 21, 1989

Adopted 3-21-89 (p.894)

deferred 4-10-89 (p. 1250)

HOUSE FILE 59
BY MUHLBAUER

(COMPANION TO LSB 1026SF
BY BOSWELL)

(As Amended and Passed by the House March 21, 1989)

Re Passed House, Date 4-24-89 (p. 837) Passed Senate, Date 4-17-89 (p. 471)
Vote: Ayes 93 Nays 5 Vote: Ayes 17 Nays 1
Approved May 22, 1989

A BILL FOR

1 An Act relating to the purchase and sale of grain by providing
2 for the offering of a special quality grains electronic
3 bulletin board service through the department of agriculture
4 and land stewardship and providing for an advisory committee
5 study of grain marketing to draft proposed legislation to
6 develop the market for special quality grains.

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

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House Amendments _____

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1 Section 1. LEGISLATIVE INTENT. It is the intent of the
2 general assembly to develop a quality grain program under the
3 auspices of the department of agriculture and land
4 stewardship. Mindful of the potential impact of state laws
5 involving grain standards and inspection on the
6 competitiveness of Iowa grain in the world marketplace, the
7 general assembly intends that development of the quality grain
8 program be based on a high degree of private and government
9 cooperation. As the leading corn and soybean state in the
10 nation, Iowa should be a leader in the promotion and marketing
11 of quality agricultural products. Success in this leadership
12 role requires both government and industry to work together.
13 A study of the options and impact of state inspection
14 standards is needed to guide the development of the quality
15 grain program and foster the desired cooperation between the
16 private sector and state government.

17 Sec. 2. NEW SECTION. 159.24A SPECIAL QUALITY GRAINS
18 ELECTRONIC BULLETIN BOARD.

19 1. The department shall establish within the international
20 trade bureau of the marketing division a special quality
21 grains electronic bulletin board system. The system shall be
22 available to any and all buyers and sellers of special quality
23 grains for the purpose of posting the availability of special
24 quality grains, or a demand for special quality grains.

25 2. The department shall actively promote the use of this
26 system by both of the following:

27 a. Sellers who are producers or elevators.

28 b. Buyers who are government buying agencies, elevators,
29 commercial firms, or others.

30 3. The system shall be limited to an informational service
31 to permit one party of a potential transaction to learn basic
32 preliminary information needed to locate and contact a second
33 party if there is a commonality of demand and supply. The
34 system shall not be operated as a trading system for
35 completion of a contract, without express legislative

1 permission. The department or the state shall not be liable
2 for any action in connection with facilitating the initial
3 contact between the parties through the electronic bulletin
4 board system. The department or the state makes no warranties
5 with regard to the information supplied to the bulletin board
6 or to system participants.

7 Sec. 3. ADVISORY COMMITTEE.

8 1. The secretary of agriculture shall establish an
9 advisory committee to develop recommendations on legislation
10 to assure that Iowa agricultural producers receive the actual
11 market value of above standard quality grain when sold to
12 buyers and to establish a market which encourages the
13 development of markets for above standard quality or special
14 quality grains. The advisory committee's charge includes, but
15 is not limited to, the following:

16 a. Drafting proposed legislation that may incorporate the
17 major terms of or accomplish the objectives of House File 59,
18 as introduced during the 1989 session of the general assembly.
19 The proposed legislation may also incorporate other
20 recommended legislative changes based upon the advisory
21 committee's work.

22 b. Investigating the feasibility and advisability of
23 expanding the electronic bulletin board to include marketing
24 and the actual performance of trades.

25 c. Investigating other methods to assure that Iowa
26 producers receive the fair market value for grain that is
27 delivered to buyers in above standard condition.

28 d. Studying the impact of a proposed quality grain program
29 on Iowa's competitiveness in the national and world
30 marketplace.

31 2. The advisory committee shall research the general
32 subject of grain marketing, including federal grain inspection
33 and grading standards, procedures, and requirements, and other
34 relevant information. The advisory committee shall conduct
35 six public hearings, one in each congressional district of the

1 state, to gather public input on state quality grain
2 initiatives.

3610,3555 3 3. The speaker of the house of representatives shall
4 appoint three representatives and the majority leader of the
5 senate shall appoint three senators to the advisory committee.

3543 - 6 No more than two members from each house shall be from the
7 same political party. The secretary of agriculture shall
8 provide staff and other support as necessary for the advisory
9 committee from the department of agriculture and land
10 stewardship. The secretary of agriculture shall appoint as
11 public members of the advisory committee, the titular head or
12 the titular head's designee of the following organizations:

- 13 a. Iowa farm bureau federation.
- 14 b. National farmers' union.
- 15 c. National farm organization.
- 16 d. Iowa corn growers' association.
- 17 e. Iowa soybean association.
- 18 f. Iowa grain and feed association.
- 19 g. Iowa institute for cooperation.

20 All members, public and private, shall be voting members of
21 the advisory committee. The advisory committee shall adopt
22 its own rules.

23 The committee shall elect a chairperson from among the
24 legislative members of the committee.

25 4. The advisory committee shall report its recommendations
26 to the general assembly on or before January 15, 1990. The
27 advisory committee may continue to offer advice and assistance
28 during the course of development of the quality grain program,
29 except that the advisory committee shall be dissolved May 1,
30 1991.

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SENATE AMENDMENT TO HOUSE FILE 59

H-4073

1 Amend House File 59, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 3, by striking lines 4 and 5, and
4 inserting the following: "appoint two
5 representatives, the minority leader of the house
6 shall appoint one representative, the majority leader
7 of the senate shall appoint two senators, and the
8 minority leader of the senate shall appoint one
9 senator to the advisory committee."
10 2. Page 3, by striking lines 7 through 10 and in-
11 serting the following: "same political party. The
12 legislative service bureau shall provide staff and
13 other support for the advisory committee. The
14 secretary of agriculture shall appoint as".
15 3. By renumbering, relettering, or redesignating
16 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-4073 FILED APRIL 17, 1989

house concurred 4-24-89 (p.1837)

HOUSE FILE 59

S-3543

- 1 Amend House File 59, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 3, line 7, by inserting after the word
- 4 "party." the following: "The secretary of
- 5 agriculture, or the secretary's designee, shall be a
- 6 member of the advisory committee."

By LEONARD L. BOSWELL

S-3543 FILED APRIL 4, 1989

Cliff-Order 4-17-89 (p1471)

HOUSE FILE 59

S-3555

- 1 Amend House File 59, as amended, passed, and re-
- 2 printed by the House, as follows:
- 3 1. Page 3, by striking lines 7 through 10 and in-
- 4 serting the following: "same political party. The
- 5 legislative service bureau shall provide staff and
- 6 other support for the advisory committee. The
- 7 secretary of agriculture shall appoint as".

By LEONARD L. BOSWELL

S-3555 FILED APRIL 5, 1989

Adopted 4-17-89 (p1471)

HOUSE FILE 59

S-3610

- 1 Amend House File 59, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 3, by striking lines 4 and 5, and
- 4 inserting the following: "appoint two
- 5 representatives, the minority leader of the house
- 6 shall appoint one representative, the majority leader
- 7 of the senate shall appoint two senators, and the
- 8 minority leader of the senate shall appoint one
- 9 senator to the advisory committee."

By CALVIN O. HULTMAN

S-3610 FILED APRIL 10, 1989

Adopted 4-17-89 (p1471)

HOUSE FILE 59

AN ACT

RELATING TO THE PURCHASE AND SALE OF GRAIN BY PROVIDING FOR THE OFFERING OF A SPECIAL QUALITY GRAINS ELECTRONIC BULLETIN BOARD SERVICE THROUGH THE DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP AND PROVIDING FOR AN ADVISORY COMMITTEE STUDY OF GRAIN MARKETING TO DRAFT PROPOSED LEGISLATION TO DEVELOP THE MARKET FOR SPECIAL QUALITY GRAINS.

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

Section 1. LEGISLATIVE INTENT. It is the intent of the general assembly to develop a quality grain program under the auspices of the department of agriculture and land stewardship. Mindful of the potential impact of state laws involving grain standards and inspection on the competitiveness of Iowa grain in the world marketplace, the general assembly intends that development of the quality grain program be based on a high degree of private and government cooperation. As the leading corn and soybean state in the nation, Iowa should be a leader in the promotion and marketing of quality agricultural products. Success in this leadership role requires both government and industry to work together. A study of the options and impact of state inspection standards is needed to guide the development of the quality grain program and foster the desired cooperation between the private sector and state government.

Sec. 2. NEW SECTION. 159.24A SPECIAL QUALITY GRAINS ELECTRONIC BULLETIN BOARD.

1. The department shall establish within the international trade bureau of the marketing division a special quality grains electronic bulletin board system. The system shall be available to any and all buyers and sellers of special quality grains for the purpose of posting the availability of special

quality grains, or a demand for special quality grains.

2. The department shall actively promote the use of this system by both of the following:

- a. Sellers who are producers or elevators.
- b. Buyers who are government buying agencies, elevators, commercial firms, or others.

3. The system shall be limited to an informational service to permit one party of a potential transaction to learn basic preliminary information needed to locate and contact a second party if there is a commonality of demand and supply. The system shall not be operated as a trading system for completion of a contract, without express legislative permission. The department or the state shall not be liable for any action in connection with facilitating the initial contact between the parties through the electronic bulletin board system. The department or the state makes no warranties with regard to the information supplied to the bulletin board or to system participants.

Sec. 3. ADVISORY COMMITTEE.

1. The secretary of agriculture shall establish an advisory committee to develop recommendations on legislation to assure that Iowa agricultural producers receive the actual market value of above standard quality grain when sold to buyers and to establish a market which encourages the development of markets for above standard quality or special quality grains. The advisory committee's charge includes, but is not limited to, the following:

- a. Drafting proposed legislation that may incorporate the major terms of or accomplish the objectives of House File 59, as introduced during the 1989 session of the general assembly. The proposed legislation may also incorporate other recommended legislative changes based upon the advisory committee's work.

- b. Investigating the feasibility and advisability of expanding the electronic bulletin board to include marketing

and the actual performance of trades.

c. Investigating other methods to assure that Iowa producers receive the fair market value for grain that is delivered to buyers in above standard condition.

d. Studying the impact of a proposed quality grain program on Iowa's competitiveness in the national and world marketplace.

2. The advisory committee shall research the general subject of grain marketing, including federal grain inspection and grading standards, procedures, and requirements, and other relevant information. The advisory committee shall conduct six public hearings, one in each congressional district of the state, to gather public input on state quality grain initiatives.

3. The speaker of the house of representatives shall appoint two representatives, the minority leader of the house shall appoint one representative, the majority leader of the senate shall appoint two senators, and the minority leader of the senate shall appoint one senator to the advisory committee. No more than two members from each house shall be from the same political party. The legislative service bureau shall provide staff and other support for the advisory committee. The secretary of agriculture shall appoint as public members of the advisory committee, the titular head or the titular head's designee of the following organizations:

- a. Iowa farm bureau federation.
- b. National farmers' union.
- c. National farm organization.
- d. Iowa corn growers' association.
- e. Iowa soybean association.
- f. Iowa grain and feed association.
- g. Iowa institute for cooperation.

All members, public and private, shall be voting members of the advisory committee. The advisory committee shall adopt its own rules.

The committee shall elect a chairperson from among the legislative members of the committee.

4. The advisory committee shall report its recommendations to the general assembly on or before January 15, 1990. The advisory committee may continue to offer advice and assistance during the course of development of the quality grain program, except that the advisory committee shall be dissolved May 1, 1991.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 59, Seventy-third General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 22, 1989

TERRY E. BRANSTAD
Governor