

SENATE FILE 2109  
BY GIANNETTO

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to feedlots controlled by processors, increasing  
2 penalties, and including enforcement provisions.

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

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1 Section 1. Section 9H.1, subsections 12 and 19, Code 1995,  
2 are amended to read as follows:

3 12. "Feedlot" means a lot, yard, building, corral, or  
4 other area in which hogs swine or cattle fed for slaughter are  
5 confined. The term includes areas an area which are is used  
6 for the raising of crops or other vegetation and upon which  
7 hogs-or cattle or swine fed for slaughter are allowed to graze  
8 or feed. A "feedlot" does not include any area where swine or  
9 cattle are held for slaughter by a processor for a period of  
10 two weeks or less from the date of purchase.

11 19. "Processor" means a person, ~~firm, corporation, limited~~  
12 ~~liability-company, or limited-partnership, which~~ who alone or  
13 in conjunction with others, directly or indirectly controls  
14 the manufacturing, processing, or preparation for sale of beef  
15 or pork products having a total annual wholesale value of ten  
16 million dollars or more. Any A processor includes all of the  
17 following:

18 a. A person, firm, corporation, limited-liability-company,  
19 or limited-partner with a ten percent or greater interest in  
20 another ~~person, firm, corporation, limited-liability-company,~~  
21 ~~or limited-partnership~~ involved in the manufacturing,  
22 processing, or preparation for sale of beef or pork products  
23 having a total annual wholesale value of ten million dollars  
24 ~~or more shall also be considered a processor.~~

25 b. A person who, either alone or in conjunction with  
26 others, is related to another person involved in the  
27 manufacture, processing, or preparation for sale of beef or  
28 pork products having a total annual wholesale value of ten  
29 million dollars, by having common stockholders, members of a  
30 board of directors, or management.

31 Sec. 2. Section 9H.2, Code 1995, is amended to read as  
32 follows:

33 9H.2 PROHIBITED OPERATIONS -- EXCEPTIONS.

34 1. In order to preserve free and private enterprise,  
35 prevent monopoly, and protect consumers, it-is-unlawful-for

1 any a processor of beef or pork ~~or-limited-partnership-in~~  
2 ~~which-a-processor-holds-partnership-shares-as-a-general~~  
3 ~~partner-or-partnership-shares-as-a-limited-partner,-or-limited~~  
4 ~~liability-company-in-which-a-processor-is-a-member,-to~~ located  
5 in this state shall not own, control, or operate a feedlot in  
6 Iowa-in-which-hogs-or this or another state, if cattle or  
7 swine are fed for slaughter at the feedlot. In addition, a  
8 processor in any state shall not ~~directly-or-indirectly~~  
9 ~~control-the-manufacturing,-processing,-or-preparation-for-sale~~  
10 ~~of-pork-products-derived-from-swine-if-the-processor~~  
11 ~~contracted-for-the-care-and-feeding-of-the-swine-in-this-state~~  
12 own, keep, or feed cattle or swine in this state, or own,  
13 control, or operate a feedlot in this state. However, ~~this~~  
14 ~~section-does-not-apply-to-a-cooperative-association-organized~~  
15 ~~under-chapter-497,-498,-or-499,-if-the-cooperative-association~~  
16 ~~contracts-for-the-care-and-feeding-of-swine-with-a-member-of~~  
17 ~~the-cooperative-association-who-is-actively-engaged-in~~  
18 ~~farming.--This-section-does-not-apply-to-an-association~~  
19 ~~organized-as-a-cooperative-in-which-another-cooperative~~  
20 ~~association-organized-under-chapter-497,-498,-or-499-is-a~~  
21 ~~member,-if-the-association-contracts-with-a-member-which-is-a~~  
22 ~~cooperative-association-organized-under-chapter-497,-498,-or~~  
23 ~~499,-which-contracts-for-the-care-and-feeding-of-swine-with-a~~  
24 ~~member-of-the-cooperative-who-is-actively-engaged-in-farming.~~

25 2. This section shall not preclude a processor, limited  
26 partnership, or limited liability company from contracting for  
27 the purchase of hogs swine or cattle, provided that where the  
28 contract sets a date for delivery which is more than twenty  
29 days after the making of the contract it, the contract shall:

30 1- a. Specify a calendar day for delivery of the  
31 livestock, ~~or.~~

32 2- b. Specify the month for the delivery, and shall allow  
33 the farmer to set the week for the delivery within such month  
34 and the processor, ~~limited-partnership,-or-limited-liability~~  
35 company to set the date for delivery within such week.

1 3. This section shall not prevent ~~processors-or~~  
2 ~~educational-institutions~~ a processor from carrying on  
3 legitimate research, educational, or demonstration activities,  
4 ~~nor and~~ shall it not prevent ~~processors~~ a processor from  
5 owning and operating facilities to provide normal care and  
6 feeding of animals for a period not to exceed ten days  
7 immediately prior to slaughter, or for a longer period in an  
8 emergency.

9 4. Any A processor ~~or-limited-partnership~~ which owns,  
10 controls, or operates a feedlot on ~~August-15-1975~~ July 1,  
11 1996, shall have until ~~July-17-1985~~ June 30, 1998, to dispose  
12 of the property.

13 Sec. 3. Section 9H.3, Code 1995, is amended to read as  
14 follows:

15 9H.3 PENALTIES FOR PROHIBITED OPERATION -- INJUNCTIVE  
16 RELIEF.

17 A processor violating section 9H.2 shall be assessed a  
18 civil penalty of not more than twenty-five one hundred  
19 thousand dollars. The courts of this state may prevent and  
20 restrain violations of this chapter through the issuance of an  
21 injunction. The attorney general or a county ~~attorney-shall,~~  
22 city, individual, or private organization or association  
23 residing in this state, may institute ~~suits-on-behalf-of-the~~  
24 state a suit to prevent and restrain ~~violations~~ a violation of  
25 this chapter.

26 EXPLANATION

27 This bill amends a number of provisions in chapter 9H,  
28 Iowa's corporate farming law. In part, the chapter prohibits  
29 a processor of beef or pork to own, control, or operate a  
30 feedlot in Iowa in which cattle or swine are fed for  
31 slaughter. In addition, the chapter provides that a processor  
32 shall not directly or indirectly control the manufacturing,  
33 processing, or preparation for sale of pork products derived  
34 from swine if the processor contracted for the care and  
35 feeding of the swine in this state.

1 The bill amends the definition of "feedlot" to include a  
2 building, and the definition of "processor" to include a  
3 person who is related to a processor by common stockholders,  
4 members of a board of directors, or management. The bill  
5 prohibits a processor in Iowa from owning, controlling, or  
6 operating a feedlot in Iowa or in another state, and prohibits  
7 a processor located in any state from owning, keeping, or  
8 feeding cattle or swine in Iowa or owning, controlling, or  
9 operating a feedlot in Iowa. The bill eliminates the  
10 prohibition regarding contract feeding of swine by processors.

11 The bill increases the penalty imposed upon a processor  
12 violating the chapter's restrictions upon owning a feedlot  
13 from \$25,000 to \$100,000. The bill provides that cities,  
14 associations, and individuals may bring an action to enforce  
15 the chapter's provisions.

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