

FILED FEB 28 1996

REPRINTED

SENATE FILE 2343
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SF 2105)

Passed Senate, ^(p. 672) Date 3-6-96 Passed House, Date _____
 Vote: Ayes 48 Nays 1 Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act relating to price discrimination in the purchase of
 2 livestock and providing criminal penalties and civil remedies.
 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2343

REPRINTED

1 Section 1. NEW SECTION. 172A.14 PRICE DISCRIMINATION --
2 PROHIBITION.

3 1. Except as provided in this section, a dealer or a
4 broker, or an agent purchasing livestock for slaughter shall
5 not discriminate in prices paid or offered to be paid to
6 sellers of that livestock.

7 2. This section shall not apply to a person exempted from
8 the license and financial responsibility provisions of this
9 chapter pursuant to section 172A.6. This section shall not
10 apply to a person purchasing cattle, including calves, for
11 slaughter. This section shall also not apply, if all of the
12 following requirements are met:

13 a. The price differential is based on one of the
14 following:

15 (1) The quality of the livestock, if the broker, dealer,
16 or agent purchases the livestock based upon a payment method
17 specifying prices paid for criteria relating to carcass merit.

18 (2) Actual and quantifiable costs related to transporting
19 and acquiring the livestock by the broker or dealer, or the
20 agent.

21 (3) An agreement for the delivery of livestock at a
22 specified date or time. The broker or dealer, or the agent
23 shall provide all sellers with the same terms and conditions.

24 b. Prior to making a differential payment to a seller, the
25 broker, dealer, or agent publishes information relating to the
26 differential pricing, including the payment method for carcass
27 merit, transportation and acquisition pricing, and an offer to
28 enter into an agreement for the delivery of livestock at a
29 specified date or time according to the same terms and
30 conditions offered to other sellers.

31 3. An agreement made by a broker or dealer, or an agent
32 with a seller in violation of this section is voidable.

33 4. A broker or dealer, or an agent acting in violation of
34 this section is guilty of a fraudulent practice as provided in
35 chapter 714.

1 5. The attorney general shall enforce this section. The
2 department shall refer any violations of this chapter to the
3 attorney general. The attorney general or any person injured
4 by a violation of this section may bring an action in district
5 court to restrain a dealer or broker, or an agent from
6 violating this section. A seller who receives a
7 discriminatory price or who is offered only a discriminatory
8 price for livestock based upon a violation of this section by
9 a broker or dealer, or an agent, has a civil cause of action
10 against the broker or dealer, or an agent, and, if successful,
11 shall be awarded treble damages.

12 EXPLANATION

13 This bill amends chapter 172A which in part regulates
14 persons, referred to as brokers or dealers, and their agents,
15 who are engaged in the business of slaughtering live animals
16 or receiving, buying, or soliciting live animals for
17 slaughter, the meat products of which are directly or
18 indirectly to be offered for resale or for public consumption.
19 This bill provides that a dealer or a broker, or an agent,
20 purchasing livestock for slaughter is prohibited from
21 discriminating in prices paid to sellers of the livestock.
22 The bill provides that this prohibition does not apply to
23 certain low-volume dealers. The bill does not apply to a
24 person purchasing cattle. The bill also provides that the
25 prohibition does not apply to price differential based on
26 quality, transportation and acquisition costs, or the delivery
27 of livestock at a specified date or time. The bill provides
28 that prior to making a differential payment to a seller, the
29 broker or dealer, or the agent, must publish information
30 relating to the differential pricing. The bill provides that
31 an agreement made in violation of the provisions of the bill
32 is voidable and a broker or dealer, or an agent, acting in
33 violation is guilty of a fraudulent practice. The bill
34 provides that the attorney general shall enforce the bill's
35 provisions. A seller who receives a discriminatory price or

1 an offer of a discriminatory price for livestock based upon a
2 violation of the bill has a civil cause of action, and, if
3 successful, may be awarded treble damages.

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SENATE FILE 2343

S-5198

- 1 Amend Senate File 2343 as follows:
- 2 1. Page 1, line 24, by striking the words "Prior
- 3 to" and inserting the following: "After".

By BERL E. PRIEBE

S-5198 FILED MARCH 5, 1996

p. 648
adopted 3/6/96

SENATE FILE 2343

S-5202

- 1 Amend the amendment, S-5184, to Senate File 2343,
- 2 as follows:
- 3 1. Page 1, line 31, by inserting after the word
- 4 "state." the following: "However, a report shall not
- 5 include information regarding the identity of a
- 6 seller."

By MERLIN E. BARTZ
WAYNE BENNETT

S-5202 FILED MARCH 5, 1996

adopted 3-6-96 (p. 648)

SENATE FILE 2343

S-5205

- 1 Amend Senate File 2343 as follows:
- 2 1. Page 1, by inserting after line 30 the
- 3 following:
- 4 "2A. The dealer, broker, or agent shall, at the
- 5 beginning of each day in which livestock are
- 6 purchased, post in a conspicuous place at the point of
- 7 delivery, all prices for livestock to be paid that
- 8 day."
- 9 2. By renumbering as necessary.

By BERL E. PRIEBE
RANDAL J. GIANNETTO

S-5205 FILED MARCH 5, 1996

WITHDRAWN*3-6-96**(p. 648)*

SENATE FILE 2343

S-5177

- 1 Amend Senate File 2343 as follows:
- 2 1. Page 1, by inserting after line 23 the
- 3 following:
- 4 "(4) The number of livestock purchased from a
- 5 seller by a dealer or a broker, or an agent."

By DERRYL McLAREN
RANDAL J. GIANNETTO

S-5177 FILED MARCH 5, 1996

*adopted 3-6-96**(p. 648)*

SENATE FILE 2343

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S-5178

- 1 Amend Senate File 2343 as follows:
- 2 1. Page 1, line 24, by inserting after the words
- 3 "Prior to" the following: "or after".

By BERL E. PRIEBE

S-5178 FILED MARCH 5, 1996

WI...N 3.6-96

(P.648)

SENATE FILE 2343

S-5184

- 1 Amend Senate File 2343 as follows:
- 2 1. Page 2, by inserting after line 11 the
- 3 following:
- 4 "Sec. . NEW SECTION. 172A.14A REPORTING.
- 5 1. As used in this section:
- 6 a. "Packer" means a person, other than a packer's
- 7 agent, who is engaged in this state or out-of-state in
- 8 the business of slaughtering live animals or
- 9 receiving, buying, or soliciting live animals for
- 10 slaughtering, the meat products of which are directly
- 11 or indirectly to be offered for resale or for public
- 12 consumption.
- 13 b. "Packer's agent" means a person engaged in
- 14 buying or soliciting livestock for slaughter on behalf
- 15 of a packer.
- 16 2. A packer, other than a cold storage plant
- 17 regulated under chapter 171 or a frozen food locker
- 18 plant regulated under chapter 172, shall make
- 19 available for publication and to a board of trade
- 20 approved by the secretary of state, a daily report
- 21 setting forth information regarding prices paid for
- 22 livestock, under each contract in force, in which the
- 23 packer or the packer's agent, and an Iowa resident are
- 24 parties for the purchase of the livestock by the
- 25 packer or the packer's agent, and which sets a date
- 26 for delivery more than twenty days after the making of
- 27 the contract.
- 28 3. The reports shall be completed on forms
- 29 prepared by the secretary of state for comparison with
- 30 cash market prices for livestock according to
- 31 procedures required by the secretary of state.
- 32 4. The failure to report as required by this
- 33 section is punishable by a civil penalty not to exceed
- 34 one thousand dollars for each day that a timely or
- 35 truthful report is not published. The secretary of
- 36 state shall refer to the attorney general any packer
- 37 or packer's agent who the secretary of state believes
- 38 is in violation of this section. The attorney general
- 39 may, upon referral from the secretary of state, file
- 40 an action in district court to enforce this section."
- 41 2. By renumbering as necessary.

By MERLIN E. BARTZ
RANDAL J. GIANNETTO
WAYNE BENNETT

S-5184 FILED MARCH 5, 1996

*adopted
3/6/96
(P.648)*

SENATE FILE 2343

S-5231

- 1 Amend Senate File 2343 as follows:
2 1. Page 1, by striking lines 21 through 23 and
3 inserting the following:
4 "(3) An agreement for the delivery of livestock at
5 a specified date or time."
6 2. Page 1, by inserting after line 30 the
7 following:
8 "2A. A broker, dealer, or agent shall provide all
9 sellers with the same terms and conditions offered to
10 a seller who receives a differential price based on
11 any of the criteria described in subsection 2,
12 paragraph "a".
13 3. By renumbering as necessary.

By RANDAL J. GIANNETTO
MERLIN E. BARTZ

S-5231 FILED MARCH 6, 1996
ADOPTED

(P. 672)

SENATE FILE 2343

S-5214

- 1 Amend Senate File 2343 as follows:
2 1. Page 1, line 9, by inserting after the figure
3 "172A.6." the following: "This section shall not
4 apply to a livestock market as defined in section
5 455B.161."

By BERL E. PRIEBE
JOHN P. KIBBIE
RANDAL J. GIANNETTO

S-5214 FILED MARCH 6, 1996
ADOPTED

(P. 672)

H. 3/14/96 @agriculture

SENATE FILE **2343**
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SF 2105)

(AS AMENDED AND PASSED BY THE SENATE MARCH 6, 1996)

_____ - New Language by the Senate

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to price discrimination in the purchase of
2 livestock and providing criminal penalties and civil remedies.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2343

1 Section 1. NEW SECTION. 172A.14 PRICE DISCRIMINATION --
2 PROHIBITION.

3 1. Except as provided in this section, a dealer or a
4 broker, or an agent purchasing livestock for slaughter shall
5 not discriminate in prices paid or offered to be paid to
6 sellers of that livestock.

7 2. This section shall not apply to a person exempted from
8 the license and financial responsibility provisions of this
9 chapter pursuant to section 172A.6. This section shall not
10 apply to a livestock market as defined in section 455B.161.
11 This section shall not apply to a person purchasing cattle,
12 including calves, for slaughter. This section shall also not
13 apply, if all of the following requirements are met:

14 a. The price differential is based on one of the
15 following:

16 (1) The quality of the livestock, if the broker, dealer,
17 or agent purchases the livestock based upon a payment method
18 specifying prices paid for criteria relating to carcass merit.

19 (2) Actual and quantifiable costs related to transporting
20 and acquiring the livestock by the broker or dealer, or the
21 agent.

22 (3) An agreement for the delivery of livestock at a
23 specified date or time.

24 (4) The number of livestock purchased from a seller by a
25 dealer or a broker, or an agent.

26 b. After making a differential payment to a seller, the
27 broker, dealer, or agent publishes information relating to the
28 differential pricing, including the payment method for carcass
29 merit, transportation and acquisition pricing, and an offer to
30 enter into an agreement for the delivery of livestock at a
31 specified date or time according to the same terms and
32 conditions offered to other sellers.

33 3. A broker, dealer, or agent shall provide all sellers
34 with the same terms and conditions offered to a seller who
35 receives a differential price based on any of the criteria

1 described in subsection 2, paragraph "a".

2 4. The dealer, broker, or agent shall, at the beginning of
3 each day in which livestock are purchased, post in a
4 conspicuous place at the point of delivery, all prices for
5 livestock to be paid that day.

6 5. An agreement made by a broker or dealer, or an agent
7 with a seller in violation of this section is voidable.

8 6. A broker or dealer, or an agent acting in violation of
9 this section is guilty of a fraudulent practice as provided in
10 chapter 714.

11 7. The attorney general shall enforce this section. The
12 department shall refer any violations of this chapter to the
13 attorney general. The attorney general or any person injured
14 by a violation of this section may bring an action in district
15 court to restrain a dealer or broker, or an agent from
16 violating this section. A seller who receives a
17 discriminatory price or who is offered only a discriminatory
18 price for livestock based upon a violation of this section by
19 a broker or dealer, or an agent, has a civil cause of action
20 against the broker or dealer, or an agent, and, if successful,
21 shall be awarded treble damages.

22 Sec. 2. NEW SECTION. 172A.14A REPORTING.

23 1. As used in this section:

24 a. "Packer" means a person, other than a packer's agent,
25 who is engaged in this state or out-of-state in the business
26 of slaughtering live animals or receiving, buying, or
27 soliciting live animals for slaughtering, the meat products of
28 which are directly or indirectly to be offered for resale or
29 for public consumption.

30 b. "Packer's agent" means a person engaged in buying or
31 soliciting livestock for slaughter on behalf of a packer.

32 2. A packer, other than a cold storage plant regulated
33 under chapter 171 or a frozen food locker plant regulated
34 under chapter 172, shall make available for publication and to
35 a board of trade approved by the secretary of state, a daily

1 report setting forth information regarding prices paid for
2 livestock, under each contract in force, in which the packer
3 or the packer's agent, and an Iowa resident are parties for
4 the purchase of the livestock by the packer or the packer's
5 agent, and which sets a date for delivery more than twenty
6 days after the making of the contract.

7 3. The reports shall be completed on forms prepared by the
8 secretary of state for comparison with cash market prices for
9 livestock according to procedures required by the secretary of
10 state. However, a report shall not include information
11 regarding the identity of a seller.

12 4. The failure to report as required by this section is
13 punishable by a civil penalty not to exceed one thousand
14 dollars for each day that a timely or truthful report is not
15 published. The secretary of state shall refer to the attorney
16 general any packer or packer's agent who the secretary of
17 state believes is in violation of this section. The attorney
18 general may, upon referral from the secretary of state, file
19 an action in district court to enforce this section.

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