

3/25/96 Agric.

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SENATE FILE 2397
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SF 2109)

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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S.F. 2397

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 state, if cattle or swine are fed
7 for slaughter at the feedlot. In addition, a processor in any
8 state shall not ~~directly-or-indirectly-control-the~~
9 ~~manufacturing,-processing,-or-preparation-for-sale-of-pork~~
10 ~~products-derived-from-swine-if-the-processor-contracted-for~~
11 ~~the-care-and-feeding-of-the-swine-in-this-state~~ own, keep, or
12 feed swine in this state, or own, control, or operate a
13 feedlot in this state. However, ~~this-section-does-not-apply~~
14 ~~to-a-cooperative-association-organized-under-chapter-497,-498,-~~
15 ~~or-499,-if-the-cooperative-association-contracts-for-the-care~~
16 ~~and-feeding-of-swine-with-a-member-of-the-cooperative~~
17 ~~association-who-is-actively-engaged-in-farming.--This-section~~
18 ~~does-not-apply-to-an-association-organized-as-a-cooperative-in~~
19 ~~which-another-cooperative-association-organized-under-chapter~~
20 ~~497,-498,-or-499-is-a-member,-if-the-association-contracts~~
21 ~~with-a-member-which-is-a-cooperative-association-organized~~
22 ~~under-chapter-497,-498,-or-499,-which-contracts-for-the-care~~
23 ~~and-feeding-of-swine-with-a-member-of-the-cooperative-who-is~~
24 ~~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 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, and prohibits a processor located
7 in any state from owning, keeping, or feeding swine in Iowa or
8 owning, controlling, or operating a feedlot in Iowa. The bill
9 eliminates the prohibition regarding contract feeding of swine
10 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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