

FEB 2 1899
Agriculture

HOUSE FILE 174
BY GREINER

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

A BILL FOR

1 An Act prohibiting packers from executing contracts for the
2 marketing of livestock after being found liable of a breach of
3 contract, and providing a penalty.

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

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HF 174

1 Section 1. NEW SECTION. 172C.1 DEFINITIONS.

2 As used in this chapter, unless the context otherwise
3 requires:

4 1. "Livestock marketing contract" means a contract
5 executed between a packer and a producer, if the contract
6 requires or allows the packer to purchase livestock from the
7 producer more than twenty days from the date that the contract
8 is executed according to terms and conditions agreed to by the
9 parties.

10 2. "Livestock" means cattle, swine, or sheep.

11 3. "Packer" means a person who is engaged in the business
12 of slaughtering livestock or receiving, purchasing, or
13 soliciting livestock for slaughter, if the meat products of
14 the slaughtered livestock are directly or indirectly offered
15 for resale or for public consumption, and the meat products
16 have a total annual wholesale value of ten million dollars or
17 more. "Packer" includes an agent of the packer engaged in
18 receiving, purchasing, or soliciting livestock for slaughter
19 on behalf of a packer. "Packer" does not include a frozen
20 food locker plant regulated under chapter 172.

21 4. "Producer" means a person who owns and is actively
22 engaged in providing for the care and feeding of livestock for
23 more than thirty consecutive days.

24 Sec. 2. NEW SECTION. 172C.2 BREACH OF CONTRACT --
25 PROHIBITING FUTURE CONTRACTING.

26 1. If a packer is found liable pursuant to a judgment in a
27 civil action heard in this state for breaching a livestock
28 marketing contract, the packer shall not execute a livestock
29 marketing contract or renew an existing livestock marketing
30 contract after the date that the judgment is entered.

31 2. A livestock marketing contract executed by a packer in
32 violation of this section is voidable by the producer who is a
33 party to the contract.

34 Sec. 3. NEW SECTION. 172C.3 PENALTY.

35 A packer who violates section 172C.2 is subject to a civil

1 penalty of not more than fifty thousand dollars.

2 Sec. 4. NEW SECTION. 172C.4 ENFORCEMENT AND PENALTIES.

3 The attorney general and the county attorney for the county
4 where a violation occurs shall enforce the provisions of this
5 chapter. The courts of this state may hear cases for
6 violations of section 172C.2, and may prevent and restrain
7 violations of this chapter through the issuance of
8 injunctions. The attorney general or a county attorney shall
9 institute suits on behalf of the state to assess civil
10 penalties as provided in section 172C.4, and prevent and
11 restrain violations of this chapter.

12 EXPLANATION

13 This bill provides that if a packer is found liable in a
14 civil action heard in this state of breaching a livestock
15 marketing contract with a producer, the packer is prohibited
16 from executing a subsequent livestock marketing contract,
17 including the renewal of an existing livestock marketing
18 contract. The bill provides that a livestock marketing
19 contract executed by a packer in violation of this bill is
20 voidable by the producer who is a party to the contract.

21 A packer who violates the bill is subject to a civil
22 penalty of not more than \$50,000.

23 The bill provides that courts of this state may hear cases
24 for violations of the bill. The bill provides that the
25 attorney general or a county attorney must institute suits on
26 behalf of the state to assess civil penalties, and prevent and
27 restrain violations of this chapter.

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