

CHAPTER 31B

PACKERS AND STOCKYARDS

31B 01	Citation	31B 05	Unfulfilled contract to buy livestock
31B 02	Definitions	31B 06	Packer and processor accounting requirements
31B 03	Reporting requirements	31B 07	Price and contract reports
31B 04	Prompt payment for purchase of livestock		

31B 01 CITATION

This chapter is known and may be cited as the "Minnesota Packers and Stockyards Act."

History 1990 c 530 s 20

31B 02 DEFINITIONS

Subdivision 1 **Scope** The definitions in this section apply to this chapter

Subd 2 **Commissioner** "Commissioner" means the commissioner of agriculture

Subd 3 **Dealer** "Dealer" means a person, other than a market agency in the business of buying or selling livestock, either on the person's own account or as the employee or agent of the vendor or purchaser

Subd 4 **Livestock** "Livestock" means live or dead cattle, sheep, swine, horses, mules, farmed cervidae, as defined in section 17 451, subdivision 2, llamas, as defined in section 17 455, subdivision 2, ratitae, as defined in section 17 453, subdivision 3, bison (buffalo), or goats

Subd 5 **Livestock products** "Livestock products" means products and by products other than meats and meat food products of the slaughtering and meat packing industry derived in whole or in part from livestock

Subd 6 **Market agency** "Market agency" means a person engaged in the business of (1) buying or selling livestock on a commission basis, or (2) furnishing stockyard services and includes a person who sells or offers for sale livestock located in this state by satellite video auction

Subd 7 **Meat food products** "Meat food products" means edible products and by products of the slaughtering and meat packing industry

Subd 8 **Packer** "Packer" means a person in the business of (1) buying livestock for purposes of slaughter, (2) manufacturing or preparing meats or meat food products for sale or shipment, or (3) marketing meats, meat food products, or livestock products in an unmanufactured form acting as a wholesale broker, dealer, or distributor

Subd 9 **Stockyard** "Stockyard" means a place, establishment or facility commonly known as a stockyard conducted, operated, or managed for profit or nonprofit as a public market for livestock producers, feeders, market agencies, and buyers, consisting of pens, or other enclosures, and their appurtenances, in which live cattle, sheep, swine, horses, mules, or goats are received, held, or kept for sale or shipment

Subd 10 **Stockyard owner** "Stockyard owner" means a person in the business of conducting or operating a stockyard

Subd 11 **Stockyard services** "Stockyard services" means services or facilities furnished at a stockyard in connection with the receiving, buying, or selling on a commission basis or otherwise, marketing, feeding, watering, holding, delivery, shipment, weighing, or handling of livestock

History 1990 c 530 s 21, 1993 c 375 art 9 s 11, 2000 c 477 s 51

31B 03 REPORTING REQUIREMENTS

A packer stockyard owner market agency and dealer and grain and feed businesses with livestock contracts shall file annually with the commissioner a copy of

the annual report form of the federal packers and stockyards regulations filed with the federal packers and stockyards administration and any additional information that may be required on a form prescribed by the commissioner. The report and any additional information must be filed with the commissioner not later than April 15 following the end of the calendar year or, if the records are kept on a fiscal year basis, not later than 90 days after the close of the fiscal year.

The commissioner shall require (1) a packer to annually complete a form showing the maximum capacity of each of the packer's packing plants, and (2) a copy of each contract a packer has entered into with a livestock producer and each agreement that will become part of the contract that a packer has with a livestock producer for the purchase or contracting of livestock.

History 1990 c 530 s 22

31B 04 PROMPT PAYMENT FOR PURCHASE OF LIVESTOCK

Subdivision 1 Kind of payment, time required A packer, market agency, or dealer purchasing livestock shall, before the close of the next business day following the purchase of livestock and transfer of its possession, deliver to the seller or the seller's authorized representative the full amount of the purchase price. If a packer, market agency, or dealer is purchasing livestock for slaughter, that person shall, before the close of the next business day following purchase of livestock and transfer of its possession, actually deliver at the point of transfer of possession to the seller or the seller's authorized representative a check or shall wire transfer funds to the seller's account for the full amount of the purchase price, or, in the case of a purchase on a carcass or "grade and yield" basis, the purchaser shall make payment by check at the point of transfer of possession or shall wire transfer funds to the seller's account for the full amount of the purchase price not later than the close of the first business day following determination of the purchase price. If the seller or a duly authorized representative is not present to receive payment at the point of transfer of possession, the packer, market agency, or dealer shall wire funds or place a check in the United States mail for the full amount of the purchase price properly addressed to the seller within the time limits specified in this section, and that action complies with the requirement for prompt payment.

Subd 2 Waiver Notwithstanding subdivision 1 and subject to terms and conditions the commissioner may prescribe, the parties to the purchase and sale of livestock may expressly agree in writing, before the purchase or sale, to effect payment in a manner other than that required in subdivision 1. The agreement must be disclosed in the records of the market agency or dealer selling the livestock, and in the purchaser's records and on the accounts or other documents issued by the purchaser relating to the transaction.

Subd 3 Delay in payment or attempt to delay Any delay or attempt to delay by a market agency, dealer, or packer purchasing livestock the collection of funds under this section, or otherwise for the purpose of or resulting in extending the normal period of payment for the livestock is an "unfair practice" in violation of this chapter.

History 1990 c 530 s 23

31B 05 UNFULFILLED CONTRACT TO BUY LIVESTOCK

A packer who has committed either orally or in writing to buy more livestock than the packer's plant can process and who cannot fulfill the commitment to the producer within 30 days of the delivery date of the contract is subject to denial, suspension, or revocation of the packer's license.

History 1990 c 530 s 24

31B 06 PACKER AND PROCESSOR ACCOUNTING REQUIREMENTS

Hog, cattle, sheep, and dairy processors with annual sales greater than \$10,000,000 are required to conduct all financial transactions relating to a contract feeding

operation through a separate and exclusive bank account. This separate account is subject to audit and inspection at any reasonable time by the commissioner.

Grain and feed businesses with annual sales greater than \$10,000,000 are required to conduct all financial transactions relating to contract feeding of hogs, cattle, sheep, or dairy cows through a separate and exclusive bank account. This separate account is subject to audit and inspection at any reasonable time by the commissioner.

History 1990 c 530 s 25

31B 07 PRICE AND CONTRACT REPORTS

Subdivision 1 Daily price reports (a) At the close of each business day on which a packer purchased or received on contract livestock for slaughter, the packer must report to the United States Department of Agriculture, Agricultural Marketing Service, and the commissioner of agriculture all prices paid for livestock under contract and through cash market sales during that business day, including

(1) the amount of the base price and a description of the formula used to establish that base price,

(2) a description of the types and amount of any premiums or discounts including but not limited to quality characteristics, grade and yield, volume, early delivery percent lean, and transportation or acquisition cost savings to the packer, and

(3) the basis on which payment was made including live weight, carcass weight, or value in the meat

(b) The commissioner shall make information reported by packers available to the public, through an electronic medium, on the day succeeding the day covered by the packer's report. The disclosure of information reported by the commissioner may be made only in a form that ensures that

(1) the identity of the parties involved in any transaction described in a report is not disclosed,

(2) the identity of the packer submitting a report is not disclosed, and

(3) the confidentiality of proprietary business information is otherwise protected

Subd 2 Quarterly reports, commissioner publication of terms and price (a) A packer that acquires livestock for slaughter under contract with one or more producers shall, within ten business days after the close of each calendar quarter provide a report to the commissioner. The report must include copies of each type of marketing agreement, contract and joint venture agreement used by the packer to procure slaughter livestock from producers during the previous calendar quarter.

(b) Not later than 15 business days after packers have provided reports required under paragraph (a), the commissioner shall release to the agricultural press and other interested parties a summary report of the contract terms and prices offered by packers to producers during the previous calendar quarter.

Subd 3 Expiration The reporting provisions of this section expire 30 days after a department or agency of the federal government has a price reporting requirement at least as comprehensive as this section, as determined by the commissioner and results in Minnesota-specific information being available to the commissioner and to Minnesota producers.

History 1999 c 231 s 66, 2000 c 477 s 52