

# State of South Dakota

SEVENTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 1998

282B0182

## SENATE BILL NO. 166

Introduced by: Senator Hunhoff and Representative Munson (Donald)

1 FOR AN ACT ENTITLED, An Act to place certain restrictions on the ownership of livestock  
2 feedlots by certain livestock processors.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. In order to preserve free and private enterprise, prevent monopoly, and protect  
5 consumers, no processor of beef or pork or any entity in which a processor of beef or pork has  
6 an ownership interest, whether the ownership interest is implied or imputed or in any way may  
7 be attributed to a related party, may own, control, or operate a feedlot in South Dakota in which  
8 hogs or cattle are fed for slaughter. In addition, no processor may directly or indirectly control  
9 the manufacturing, processing, or preparation for sale of pork or beef products derived from  
10 livestock if the processor contracted for the care and feeding of the livestock in this state. This  
11 section does not apply to a cooperative association organized under Title 47, if the cooperative  
12 association contracts for the care and feeding of livestock with a member of the cooperative  
13 association who is actively engaged in farming. This section does not apply to an association  
14 organized as a cooperative in which another cooperative association organized under Title 47  
15 is a member, if the association contracts with a member which is a cooperative association  
16 organized under Title 47, which contracts for the care and feeding of livestock with a member

1 of the cooperative who is actively engaged in farming. This section does not preclude a  
2 processor from contracting for the purchase of livestock. This section does not apply to any  
3 processor that generates less than ten million dollars of gross revenues per year. This section  
4 does not prevent processors or educational institutions from carrying on legitimate research,  
5 educational, or demonstration activities, nor does it prevent processors from owning and  
6 operating facilities to provide normal care and feeding of animals for a period not to exceed ten  
7 days immediately before slaughter, or for a longer period in an emergency. Any processor that  
8 owns, controls, or operates a feedlot in violation of this section on July 1, 1998, has until July 1,  
9 2005, to dispose of the property.

10 Section 2. A processor violating section 1 of this Act shall be assessed a civil penalty of not  
11 more than twenty-five thousand dollars. The courts of this state may prevent and restrain  
12 violations of this Act through the issuance of an injunction. The attorney general or a county  
13 states attorney shall institute suits on behalf of the state to prevent and restrain violations of this  
14 Act.