

# State of South Dakota

SEVENTY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 1999

471C0602

## HOUSE BILL NO. 1227

Introduced by: Representative Crisp and Senators Symens, Lange, and Moore

1 FOR AN ACT ENTITLED, An Act to provide for the suspension of certain production  
2 incentive or supplemental payments for the processing of certain agricultural commodities.

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

4 Section 1. Any processor or manufacturer that uses an agricultural commodity or product  
5 as a raw material in the manufacturing or processing operation, has been in operation for at least  
6 five years, and receives a production incentive payment or other supplemental payment from the  
7 State of South Dakota is subject to the provisions of this Act. If the average cost of production  
8 of the agricultural commodity or product that is borne by the agricultural producer is greater  
9 than the market price of the agricultural commodity or product, any such production incentive  
10 payment or supplemental payment shall be suspended until the market price of the agricultural  
11 commodity or product exceeds its average cost of production. For any recipient of such a  
12 production incentive payment or other supplemental payment that has been suspended pursuant  
13 to this Act, the period of time during which the suspension was in effect applies toward the total  
14 time period for which the recipient is eligible to receive the payments.

15 Section 2. The Department of Agriculture shall, on a monthly basis, estimate the average cost  
16 of production and market price for affected agricultural commodities and shall notify the agency  
17 responsible for administering the production incentive payments or supplemental payments if

1 payments are to be suspended pursuant to section 1 of this Act.