

AN ACT

ENTITLED, An Act to regulate certain livestock packer transactions.

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

Section 1. Terms used in the Act mean:

- (1) "Livestock," live cattle, swine, or sheep;
- (2) "Packer," a person who is engaged in the business of slaughtering livestock or receiving, purchasing, or soliciting livestock for slaughtering, the meat products of which are directly or indirectly to be offered for resale or for public consumption. Packer includes an agent of the packer engaged in buying or soliciting livestock for slaughter on behalf of a packer. Packer does not include a cold storage plant or frozen food locker plant.

Section 2. A packer purchasing or soliciting livestock for slaughter in this state may not discriminate in prices paid or offered to be paid to sellers of that livestock. This section does not apply to the sale and purchase of livestock if the following requirements are met:

- (1) The price differential is based on the quality of the livestock, if the packer purchases or solicits the livestock based upon a payment method specifying prices paid for criteria relating to carcass merit; actual and quantifiable costs related to transporting and acquiring the livestock by the packer; or an agreement for the delivery of livestock at a specified date or time; and
- (2) After making a differential payment to a seller, the packer publishes information relating to the differential pricing, including the payment method for carcass merit, transportation and acquisition pricing, and an offer to enter into an agreement for the delivery of livestock at a specified date or time according to the same terms and conditions offered to other sellers.

Section 3. A packer shall provide all sellers with the same terms and conditions offered to a seller who receives a differential price based on any of the criteria described in section 2 of this Act.

Section 4. A packer shall, at the end of each day during which livestock are purchased or contracted, provide to the United States Department of Agriculture, agricultural market service livestock market news branch, and the South Dakota Department of Agriculture, all prices paid for livestock, both contract and direct purchased, that day.

Section 5. Any agreement made by a packer in violation of this Act is voidable. Any packer acting in violation of this section is guilty of a fraudulent practice.

Section 6. The attorney general shall enforce the provisions of this Act and the Department of Agriculture shall refer any violations of these provisions to the attorney general. The attorney general or any person injured by a violation of these provisions may bring an action in circuit court to restrain a packer from violating these provisions. A seller who receives a discriminatory price or who is offered only a discriminatory price for livestock based upon a violation of these provisions by a packer has a civil cause of action against the packer and, if successful, shall be awarded treble damages.

Section 7. Any packer shall make available for publication and to the Department of Agriculture, a daily report setting forth information regarding prices paid for livestock, under each contract in force, in which the packer and a South Dakota resident are parties for the purchase of the livestock by the packer, and which sets a date for delivery more than twenty days after the making of the contract.

The reports shall be completed on forms prepared by the department for comparison with cash market prices for livestock according to procedures required by the department in rules promulgated pursuant to chapter 1-26. The report may not include information regarding the identity of a seller.

A failure of a packer to report as required by this section is punishable by a civil penalty not to exceed one thousand dollars for each day that a timely or truthful report is not published. The department shall refer to the attorney general any packer or packer's agent who the department believes is in violation of the provisions of this Act. The attorney general may, upon referral from the

department, file an action in circuit court to enforce these provisions.

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I certify that the attached Act
originated in the

SENATE as Bill No. 95

Secretary of the Senate

President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 95
File No. _____
Chapter No. _____

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Received at this Executive Office
this _____ day of _____,

19____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 19____

Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 19____
at _____ o'clock __ M.

Secretary of State

By _____
Ass. Secretary of State