

CHAPTER 1515

DEPARTMENT OF AGRICULTURE

LIVESTOCK

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LIVESTOCK MARKET AGENCIES, PUBLIC STOCKYARDS, LIVESTOCK DEALERS, AND THEIR AGENTS

1515.0100 DEFINITIONS.

Subpart 1. **Applicability.** As used in parts 1515.0100 to 1515.2900 the following definitions and those definitions in Minnesota Statutes, chapter 17A shall apply.

Subp. 2. **Feeder pig market.** "Feeder pig market" means a trading place where producers sell feeder pigs directly to livestock dealers and other farmers. It shall not include feeder pig markets required to be licensed as livestock market agencies.

Subp. 3. **Livestock market agency.** "Livestock market agency," commonly referred to as a livestock auction market or sales barn, means any person who sells consigned livestock for the account of others. It shall not include livestock breeder or feeder organizations or saddle clubs which conduct occasional special event, dispersal, or promotional sales.

Statutory Authority: *MS s 17A.15*

1515.0200 LICENSING.

Any person desiring to carry on business as a livestock market agency, livestock dealer and any agent thereof, or public stockyard shall make application for licensing to and on forms provided by the commissioner.

Statutory Authority: *MS s 17A.15*

1515.0300 FINANCIAL STATEMENTS AND VOLUME REPORTS.

Each new applicant for a license to operate as a livestock market agency or a livestock dealer shall file with the application a current balance sheet and financial statement on forms provided by the commissioner. With each subsequent annual

application, the livestock market or livestock dealer shall file a report of its business volume for the preceding calendar or fiscal year, as appropriate, for the purpose of determining the amount and adequacy of the applicant's surety bond. If the calendar year or the firm's fiscal year conflict with the date the report of business volume is due, the applicant may give notice to the commissioner prior to the original due date and file the report at such later date as the commissioner deems reasonable.

Statutory Authority: *MS s 17A.15*

1515.0400 LICENSE REQUIREMENTS.

Before a license is issued to a livestock market agency, a public stockyard, or a livestock dealer and its agents, the applicant shall:

A. demonstrate that assets exceed liabilities;

B. indicate that the applicant has not failed, without reasonable cause, to pay obligations incurred in connection with livestock transactions;

C. indicate that the applicant has complied with other statutes and rules administered by the commissioner and/or the Minnesota Livestock Sanitary Board; and

D. in the case of a livestock market agency or a livestock dealer and the dealer's agents, file with the commissioner a valid and effective bond in the amount required in parts 1515.1600 to 1515.2000.

Statutory Authority: *MS s 17A.15*

History: *17 SR 1279*

1515.0500 EXPIRATION.

The license of a livestock market agency or a public stockyard shall expire on December 31, each year. The license of a livestock dealer and its agents shall expire on June 30, each year.

Statutory Authority: *MS s 17A.15*

1515.0600 LIVESTOCK DEALER LICENSE ISSUED TO CORPORATION, ASSOCIATION, OR PARTNERSHIP.

A livestock dealer license issued to a corporation, association, or partnership shall be used only by the one officer or partner designated in the application to use such license.

Statutory Authority: *MS s 17A.15*

1515.0700 BALANCE SHEET AND FINANCIAL STATEMENT.

On deeming it necessary for the protection of the public, the commissioner may at any time require a renewal applicant or licensee to submit a current balance sheet and financial statement.

Statutory Authority: *MS s 17A.15*

History: *17 SR 1279*

1515.0800 EXEMPTION FROM LICENSING REQUIREMENT.

A livestock market agency or a livestock dealer and its agents shall be exempt from the licensing requirements of Minnesota Statutes, chapter 17A if their business is conducted exclusively at a public stockyard.

Statutory Authority: *MS s 17A.15*

1515.0900 LICENSE FEES.

Each applicant for a license to carry on the business of a livestock market agency, a livestock dealer, both a livestock market agency and livestock dealer, or a public

stockyard shall submit to the commissioner with the application the fee or fees required in Minnesota Statutes, chapter 17A.

Statutory Authority: *MS s 17A.15*

History: *17 SR 1279*

1515.1000 CANCELLATION OF LICENSE.

There shall be no refund or proration of a fee, in whole or in part, paid for a license surrendered for cancellation after the effective date of the license. Where a license has not taken effect, the fee shall be refunded to the applicant in full upon the applicant's written request.

Statutory Authority: *MS s 17A.15*

1515.1100 REFUSAL TO LICENSE.

In addition to grounds for refusal to license in Minnesota Statutes, section 17A.04, subdivision 6, the commissioner may refuse to issue a license if the applicant has engaged in or used any unfair or deceptive practice or device in connection with marketing of livestock.

Statutory Authority: *MS s 17A.15*

1515.1200 DISCONTINUANCE OF LICENSES.

On voluntarily discontinuing to deal in livestock or failing to meet the requirements of Minnesota Statutes, chapter 17A or rules promulgated thereunder, the dealer's license and the licenses of the dealer's agents, if any, shall automatically be invalid and shall be surrendered to the commissioner.

Statutory Authority: *MS s 17A.15*

History: *17 SR 1279*

1515.1300 INVALIDATION OF AGENT'S LICENSE.

Upon the written request of the dealer or when the dealer's license is canceled, revoked, or becomes invalid, an agent's license shall be invalid and shall be surrendered to the commissioner.

Statutory Authority: *MS s 17A.15*

1515.1400 VOLUNTARY DISCONTINUATION OF BUSINESS OR FAILURE TO MEET REQUIREMENTS.

If a livestock market agency voluntarily discontinues business or fails to meet the requirements of Minnesota Statutes, chapter 17A or rules promulgated thereunder, its license shall automatically be invalid and shall be surrendered to the commissioner.

Statutory Authority: *MS s 17A.15*

1515.1500 TERMINATION OF SURETY BOND.

Upon the termination of the surety bond governing the licensed operation, any license issued pursuant to Minnesota Statutes, chapter 17A shall automatically become invalid and shall be surrendered to the commissioner.

Statutory Authority: *MS s 17A.15*

1515.1600 BONDING.

Each livestock market agency and livestock dealer applying for a license shall file with the commissioner a valid and effective surety bond issued by a surety company licensed to do business in the state of Minnesota or otherwise meeting the requirements of parts 1515.0100 to 1515.2900.

Statutory Authority: *MS s 17A.15*

1515.1700 AMOUNT AND FORM OF SURETY BONDS.

The amount of a surety bond shall be not less than \$10,000 for a livestock market agency and \$5,000 for a livestock dealer, or such larger amounts, as required by the Packers and Stockyards Administration; or determined by the commissioner based on consideration of the principal's financial statement, the volume of business reported, or other factors the commissioner finds pertinent and necessary to protect the public interest.

Statutory Authority: *MS s 17A.15*

1515.1800 LIVESTOCK MARKET AGENCY'S SURETY BOND.

A livestock market agency's surety bond shall be executed on a Packers and Stockyards Act form with the appropriate condition clauses deleted. In lieu of a livestock market agency surety bond executed on a Packers and Stockyards Act form, a trust fund agreement executed in accordance with the Packers and Stockyards Act, 1921, as amended (United States Code, title 7, part 181), shall be acceptable.

Statutory Authority: *MS s 17A.15*

1515.1900 LIVESTOCK DEALER'S SURETY BOND.

A livestock dealer's surety bond executed on a form provided by the commissioner shall be limited to the protection of claimants whose residence or principal place of livestock business is in the state of Minnesota at the time of transaction. In lieu of a livestock dealer's surety bond executed on a form provided by the commissioner, a Packers and Stockyards Act surety bond executed on a Packers and Stockyards Act form with the appropriate condition clauses deleted shall be acceptable. If the dealer is registered with the Packers and Stockyards Administration, a surety bond or its equivalent in the form of a trust fund agreement executed in accordance with the Packers and Stockyards Act, 1921, as amended (United States Code, title 7, part 181), shall be accepted in lieu of a dealer's surety bond executed on a Packers and Stockyards Act form.

Statutory Authority: *MS s 17A.15*

1515.2000 ADJUSTMENT IN AMOUNT OF INDIVIDUAL SURETY BOND.

If, in the judgment of the commissioner, an adjustment in the amount of an individual surety bond is necessary to protect the public interest, the commissioner may at any time raise or lower individual surety bond requirements.

Statutory Authority: *MS s 17A.15*

1515.2100 CLAIMS AGAINST SURETY BONDS.

Any person claiming to be damaged by any breach of the conditions of a surety bond on a licensee may file a complaint with the commissioner stating in writing the facts constituting the claim accompanied by documentary proof of claim against the licensee. No such claim shall be considered unless it is filed within one year of the date of the alleged breach. However, if a livestock market agency or a livestock dealer has on file with the commissioner a Packers and Stockyards Act surety bond and is registered with the Packers and Stockyards Administration, the terms of the bond or that federal agency's regulations shall prevail in determining the time for filing claims. In any case where a claim is timely filed, the commissioner shall have a power to require the licensee to appear in hearing for the purpose of determining all liability of the licensee under the terms of the surety bond. The procedures for such hearing shall be covered by Minnesota Statutes, chapters 14 and 17A.

Statutory Authority: *MS s 17A.15*

History: *17 SR 1279*

1515.2200 RECORDKEEPING.

Every licensed livestock market agency, public stockyard, and livestock dealer shall make and retain such accounts, records, and memoranda as the commissioner deems necessary to fully and correctly disclose all transactions involved in the business, including the true ownership of such business, the date of transaction, names and addresses of buyer and seller, number, weight, and price of each kind of animal purchased or sold.

Statutory Authority: *MS s 17A.15*

History: *17 SR 1279*

1515.2300 RECORDS OF FEEDER PIG MARKETS.

Each feeder pig market shall register all buyers and maintain a record of registered buyers for each sale date and shall retain such records for at least one year. A certificate of sale accurately showing the name and address of seller and buyer, number of pigs purchased, identification or description of pigs, and the sale price, shall be made on each transaction and a copy retained by the seller and the buyer for at least one year.

Statutory Authority: *MS s 17A.15*

1515.2400 COMMISSIONER'S ACCESS TO RECORDS.

The commissioner shall at all reasonable times have access to and the right to copy any records of any livestock market agency, public stockyard, livestock dealer, or feeder pig market being investigated or proceeded against.

Statutory Authority: *MS s 17A.15*

LIVESTOCK WEIGHING**1515.2500 WEIGHING AT PACKING PLANTS AND STOCKYARDS.**

For the purpose of determining eligibility for weighing services, the average daily number of livestock shall be determined by dividing the total number of head of all classes of livestock bought or sold during the preceding one year by 260 business days.

Statutory Authority: *MS s 17A.15*

1515.2550 LIVESTOCK WEIGHING SERVICES FEES.

Subpart 1. **Purpose.** The purpose of this part is to set fees for livestock weighing services under Minnesota Statutes, section 17A.11.

Subp. 2. **Fees.** The fees for livestock weighing services performed by the Department of Agriculture are as follows:

- A. cattle, 22 cents per head;
- B. calves, 15 cents per head;
- C. hogs, 13 cents per head; and
- D. sheep, ten cents per head.

Statutory Authority: *MS s 17A.11*

History: *15 SR 2138*

1515.2600 SCALE TICKETS EVIDENCING WEIGHING OF LIVESTOCK.

The actual weight of the livestock as certified by the state weigher shall be imprinted on the official certificate of state weight (scale ticket) before the livestock are removed from the scale platform. The certified weight shall never be changed. The weigher shall not erase or allow to be erased or obliterate the original entry on a scale ticket. Any such change or erasure shall invalidate the scale ticket.

Statutory Authority: *MS s 17A.15*

1515.2700 OFFICIAL CORRECTION OR CHANGE OF INFORMATION.

Request for a correction or change shall be made by the firm for whom the livestock was weighed and signed by an authorized employee. Any official correction or change of information on scale tickets after livestock have left the scale must be made within 24 hours by the supervisor of livestock weighing, on a correction slip furnished for such purpose.

Statutory Authority: *MS s 17A.15*

1515.2800 REWEIGHING.

When reweighing is requested, the state weigher shall cooperate to the fullest extent practical under the circumstances. In the case of a dispute on weight while animals are still on the scale platform, the weigher shall reweigh the draft or may recommend that the animals be driven to another scale and reweighed. When such reweighing is actually made, the last weight shall be the governing weight, unless mutually agreed by the buyer and seller that a previous weighing shall be used.

Statutory Authority: *MS s 17A.15*

1515.2900 TRANSFERS OF LIVESTOCK.

Transfers of livestock to a second buyer shall be permitted when such livestock is still on the scales. To denote such a transfer, a new ticket shall be issued and the word "transfer" marked in the scale book after the entry and on the scale ticket. Tickets shall not be issued to cover transfers commonly known as "added weights."

Statutory Authority: *MS s 17A.15*

**COMPENSATION FOR LIVESTOCK
DESTROYED BY ENDANGERED SPECIES****1515.3000 AUTHORITY.**

Parts 1515.3000 to 1515.3700 are prescribed pursuant to Minnesota Statutes 1977 Supplement, section 3.737 by the commissioner of agriculture to implement procedures to compensate livestock owners for livestock that is destroyed, or is crippled and must be destroyed, by an animal classified as endangered under the federal Endangered Species Act of 1973. The procedures specified in parts 1515.3000 to 1515.3700 are in addition to those set forth in the act itself.

Statutory Authority: *MS s 3.737 subd 3*

1515.3100 DEFINITIONS.

Subpart 1. Applicability. For purposes of parts 1515.3000 to 1515.3700, the following definitions shall apply.

Subp. 2. Claim form. "Claim form" means the form provided by the commissioner to be completed by the county extension agent, the conservation officer, and the livestock owner, containing information upon which payment for a loss shall be based.

Subp. 3. Commissioner. "Commissioner" means the commissioner of agriculture or the commissioner's authorized agent.

Subp. 4. Conservation officer. "Conservation officer" means a conservation officer of the Department of Natural Resources or the commissioner's designee.

Subp. 5. County extension agent. "County extension agent" means the University of Minnesota agricultural extension service's county extension director or designee for the county in which the loss occurred.

Subp. 6. Endangered species. "Endangered species" means an animal classified as endangered under the federal Endangered Species Act of 1973 at the time Minnesota Statutes 1977 Supplement, section 3.737 was enacted.

Subp. 7. **Livestock.** "Livestock" means cattle, sheep, poultry, swine, horses, mules, and goats.

Subp. 8. **Livestock owner.** "Livestock owner" means any individual, firm, corporation, copartnership, or association with an interest in livestock destroyed or crippled so that it must be destroyed by an endangered species.

Subp. 9. **Loss.** "Loss" means livestock destroyed, or crippled so that it must be destroyed, by an endangered species.

Statutory Authority: *MS s 3.737 subd 3*

History: *17 SR 1279*

1515.3200 REPORTING.

It shall be the responsibility of the livestock owner to notify either the conservation officer or the county extension agent of a suspected loss within two weeks of March 13, 1978, or 24 hours of the discovery of a loss, whichever is later. The livestock owner shall provide all information required to investigate the loss to the conservation officer or the county extension agent. A telephone call or personal contact shall constitute notification.

Statutory Authority: *MS s 3.737 subd 3*

1515.3300 CLAIM FORMS.

The conservation officer or the county extension agent contacted by the livestock owner shall be responsible for completing the claim forms.

Statutory Authority: *MS s 3.737 subd 3*

1515.3400 SIGNED STATEMENT FROM LIVESTOCK OWNER.

The conservation officer or the county extension agent shall secure from the livestock owner a signed statement setting forth: all persons owning an interest in the livestock involved; the existence and details of any insurance coverage on the livestock; a statement that in the owner's best judgment the destroyed livestock was killed by an endangered species, and the facts underlying that judgment; and a description of the livestock owner's plan to dispose of the carcass, which must be approved by the conservation officer or the county extension agent.

Statutory Authority: *MS s 3.737 subd 3*

1515.3500 INVESTIGATION.

The conservation officer or the county extension agent shall investigate the loss in a timely manner and shall make a finding in writing on the claim form regarding whether the livestock was destroyed or crippled by an endangered species, the type of endangered species that caused the loss, and the owner's eligibility for compensation under these rules. Such a finding shall be based upon physical and circumstantial evidence including: the livestock carcass presence and condition; animal tracks; the number and location of animal bites on the carcass; the area of the state where the loss occurred; sightings of endangered species in the area; and any other circumstances determined to be pertinent by the conservation officer and the county extension agent. The absence of any affirmative evidence may be grounds for denial of a claim.

Statutory Authority: *MS s 3.737 subd 3*

1515.3600 PAYMENT.

The conservation officer and the county extension agent shall make a written finding on the claim form of the actual fair market value of the destroyed livestock, not to exceed \$400 per animal, based upon any of the following criteria deemed to be pertinent by the county extension agent or the conservation officer: the number of livestock determined by the conservation officer or the county extension agent in the loss; the type of livestock; the breed and breeding of the livestock; the estimated size and weight of the livestock; the estimated age of the livestock; registration of the

livestock, upon proof of registration; selling price of livestock at the nearest public stockyard at the time of loss; and the replacement cost of the livestock.

Statutory Authority: *MS s 3.737 subd 3*

1515.3700 COMPLETION AND SIGNING OF CLAIM FORM.

Upon completion and signing of the claim form, the county extension agent or the conservation officer shall submit said claim form to the commissioner for review and payment. The commissioner shall return any incomplete claim form to the initiating authority, indicating the information necessary for proper completion.

Statutory Authority: *MS s 3.737 subd 3*

1515.3800 INSURANCE COVERAGE.

If insurance coverage exists on the livestock, the commissioner shall withhold payment under these rules until the insurance claim has been paid, and evidence of payment has been submitted to the commissioner, at which time that insurance payment shall be deducted from the determined actual fair market value or \$400 per animal, whichever is less. In no case shall the payment exceed \$400 per animal.

Statutory Authority: *MS s 3.737 subd 3*

1515.3900 PAYMENT.

The commissioner shall then make payment and return a copy of the claim form to the livestock owner(s), as their interests may appear, the conservation officers, and the county extension agent. The commissioner shall make only one payment for any single livestock loss.

Statutory Authority: *MS s 3.737 subd 3*