CHAPTER 31B

PACKERS AND STOCKYARDS

31B.01	CITATION.	31B.04	PROMPT PAYMENT FOR PURCHASE OF LIVESTOCK.
31B.02	DEFINITIONS.	31B.05	UNFULFILLED CONTRACT TO BUY LIVESTOCK.
31B.03	REPORTING REQUIREMENTS.	31B.06	PACKER AND PROCESSOR ACCOUNTING REQUIREMENTS.

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 35.153, subdivision 3, 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; 2006 c 212 art 1 s 22*

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 MS 2000 [Repealed, 1Sp2001 c 2 s 162]