

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H. F. 447  
**Version:** First Engrossment  
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**Subject:** Livestock Prices Paid to Producers  
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**DATE:** April 1, 1999

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### Overview

House file 447 amends the Minnesota Packers and Stockyards Act (Chapter 31B) to prohibit a packer from paying different prices for livestock received from different producers except in response to certain specific factors such as carcass merit or transportation or acquisition costs. Also, packers are required to make daily and quarterly reports of the prices they pay for contract and open market purchases of all animals purchased.

### Section

- 1 Definition; offered or bid in an open, public manner.** Creates a new definition describing a market in which both buyers and sellers have access to accurate market information.
- 2 Price discrimination prohibited.** Requires a packer purchasing livestock for slaughter to pay the same price to all sellers unless the price difference is based on carcass merit or certain costs such as transportation or acquisition.  
If a different price is paid, the packer must publish information about the pricing mechanism and offer the same price to other sellers who meet the same quality, transportation, and scheduled delivery criteria.
- 3 Open bids.** Requires that all contracts must be offered or bid in an open, public manner, as defined in section 1.
- 4 Daily price reports.** Requires a packer to report daily to the U.S. Department of Agriculture and the Minnesota Commissioner of Agriculture on the prices paid for contract and open market purchases of livestock delivered that day.
- 5 Violations.** An agreement not conforming to the conditions of the pricing law constitutes fraud on the part of the packer and is voidable.
- 6 Quarterly reports; commissioner publication of terms and price.** Requires packers to report quarterly to the commissioner of agriculture with copies of each type of forward contract and marketing agreement used by the packer in the previous quarter and intended for use in the

upcoming quarter. The commissioner is to release a summary report of the contract terms and prices offered by packers.

- 7 **Violations; enforcement.** Requires the attorney general to enforce the pricing and reporting laws. Possible violations may be referred to the attorney general by the department of agriculture or any injured person.