

HOUSE RESEARCH

Bill Summary

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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 a daily report of the prices they paid for contract and open market purchases of all animals purchased.

- 1 Price discrimination in livestock purchases.** This section establishes strict rules and reporting requirements related to the price processors pay producers for livestock delivered for slaughter.
 - Subd. 1. Prohibition of price discrimination.** Requires a packer purchasing livestock for slaughter to pay the same price to all sellers unless the price difference is based on quality or certain costs. Other sellers who meet the same quality, transportation, and scheduled delivery criteria should be offered the same price.
 - Subd. 2. Equal terms.** Requires a packer to offer the same of price, terms, and conditions to any seller that can meet those terms and conditions.
 - Subd. 3. Daily price notice.** Requires a packer to post daily prices to be paid for livestock delivered that day.
 - Subd. 4. Voidable agreement; fraud.** An agreement not conforming to the conditions in subdivisions 1 to 3 constitutes fraud and is voidable.
 - Subd. 5. Violations; enforcement.** The new provisions are to be enforced by the attorney general. Any injured person may bring an action in district court to restrain further violations. An injured seller may also bring a civil action against a packer and is eligible for treble damages.
 - Subd. 6. Reports.** A packer must report daily to the commissioner of agriculture on prices paid for livestock under a contract for delivery more than 20 days in the future. The commissioner is to compare contract prices with cash market prices paid each day. A packer that fails to make the daily report may be fined \$1,000 for each day of violation.

