

DEALERS IN AGRICULTURAL PRODUCTS

2003 GENERAL SESSION

STATE OF UTAH

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This act modifies the Agricultural Product Dealer's Act by requiring the issuance of a Product of Agriculture Receipt to a producer by a dealer who receives a product of agriculture for sale, storage, or consignment from the producer.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

4-7-3, as last amended by Chapter 298, Laws of Utah 1999

4-7-9, as last amended by Chapter 25, Laws of Utah 1990

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **4-7-3** is amended to read:

4-7-3. Definitions.

As used in this chapter:

(1) "Agent" or "broker" means any person who, on behalf of a dealer, purchaser, or livestock market, as defined in Section 4-30-1, solicits or negotiates the consignment or purchase of any product of agriculture.

(2) "Consignor" means any person who ships or delivers any product of agriculture to a dealer for storage, handling, or sale.

(3) (a) "Dealer" means any person who:

(i) receives any product of agriculture from any person for sale or storage on commission; and

(ii) is entrusted with the possession, management, control, or disposal of any product of agriculture for the account of that person.

(b) "Dealer" includes a livestock dealer.

(c) "Dealer" includes a person who owns or leases a warehouse.

(4) (a) "Immediate resale" means the resale of livestock within 60 days of purchase.

(b) "Immediate resale" does not include the resale of livestock culled within 60 days that were purchased for feeding or replacement.

(5) "Livestock" means cattle, swine, equines, sheep, camelidae, ratites, bison, and domesticated elk as defined in Section 4-39-102.

(6) "Livestock dealer" means a person engaged in the business of purchasing livestock for immediate resale or interstate shipment for immediate resale.

(7) "Producer" means any person who is primarily engaged in the business of raising any product of agriculture for profit.

(8) "Product of agriculture" means any product useful to the human species which results from the application of the science and art of the production of plants and animals.

(9) "Product of Agriculture Receipt" means a formal document issued by a dealer for any product of agriculture in accordance with Section 4-7-9. The receipt is a fungible certificate of title and claim for the product of agriculture and may be used as proof of ownership for collateral.

(10) "Warehouse" means every building, structure, yard, or other protected enclosure in which any product of agriculture is or may be stored. It does not include retail stores, except those that buy directly from a producer.

Section 2. Section **4-7-9** is amended to read:

4-7-9. Dealers -- Records mandated -- Product of Agriculture Receipt -- Records subject to inspection.

(1) Each dealer who receives any product of agriculture for sale, storage, or consignment shall promptly record:

- (a) the name and address of the consignor;
- (b) the date received;
- (c) the condition and quantity upon arrival;
- (d) the date of sale for account of the producer-consignor;
- (e) the sale price;

- (f) an itemized statement of the charges to be paid by the producer-consignor;
 - (g) the lot number or other means used for identification of the product;
 - (h) the nature and amount of any claims the dealer has against third persons for overcharges or damages; and
 - (i) if the dealer has a direct or indirect financial interest in the business of the purchaser, or, if the purchaser has a similar financial interest in the business of the dealer, the name and address of the purchaser.
- (2) (a) The dealer shall provide a copy of the Product of Agriculture Receipt to the producer immediately upon delivery of the product.
- (b) Dealers who issue product of agriculture receipts to producers shall plainly cancel upon the face of the receipts each receipt returned to the dealer upon:
- (i) the delivery by the dealer of the product of agriculture for which the receipt was issued; or
 - (ii) payment by the dealer for the receipted product.
- (c) The records required by this section shall be retained for a period of one year following the date of consignment and shall be available during business hours for inspection by the department.
- ~~(b)~~ (d) A consignor involved in a consignment subject to inquiry may inspect relevant records.