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House File 457

February 27, 1947.  
Agriculture 1.

By SIEFKAS, BEARDSLEY, STEVENS,  
LUCKEN, DATISMAN, WALTER of  
Marshall, FULK, NICHOLAS, PUT-  
NEY AND HUSTON.

## A BILL FOR

An Act to establish a marketing bureau in the department of  
agriculture.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 Section 1. Creation: Purpose. For the purpose of  
2 promoting and developing, for the public welfare, improved  
3 marketing methods and procedures including the proper harvesting,  
4 efficient and economical handling, grading, processing, packing,  
5 transporting, storage, distribution, inspection, and sale of  
6 farm and food products within the state, there is hereby created  
7 within the department of agriculture a marketing bureau  
8 (hereinafter referred to as the "bureau") under the direction  
9 and supervision of a director (hereinafter referred to as the  
10 "director") appointed by the secretary of agriculture, in  
11 conformity with the state laws governing such appointments.

1 Sec. 2. Definitions.

2 (a) The term "farm products" shall include all  
3 agricultural, floricultural, vegetable, and fruit products of  
4 the soil, livestock and meats, poultry, eggs, dairy products,  
5 and any and all products which have their situs of production

6 on the farm.

7 (b) The term "food products" shall include any and  
8 all products either in a natural or processed state used by man  
9 or animal as food.

10 (c) The term "farmer" shall mean any natural person  
11 or other legal entity comprised of natural persons actually  
12 engaged in farming.

1 Sec. 3. Powers and duties of Director. The director,  
2 under general supervision and direction of the secretary of  
3 agriculture is empowered and directed:

4 (a) To appoint such competent and experienced  
5 persons to assist him in the performance of his powers and  
6 duties as may be necessary to effectuate the purpose of this  
7 act.

8 (b) To delegate to any officer or employee of the  
9 bureau any of the powers and duties conferred upon him pursuant  
10 to this act.

11 (c) To investigate methods and practices in  
12 connection with the processing, handling, standardizing, grading,  
13 classifying, sorting, weighing, packing, transportation, storage,  
14 inspection, and sale of farm and food products within this  
15 state and all matters relevant thereto; and to acquire and  
16 disseminate information relative to such matters in such form  
17 and at such time as he may deem advisable.

18 (d) To acquire and disseminate information as to  
19 market prices of farm and food products and market conditions,

20 in the markets of the state and any other markets, through use  
21 of bureau market reporters, agreements with organized groups  
22 of producers, shippers or dealers in farm produce for the joint  
23 employment of market reporters, or special arrangements  
24 with existing market reporting agencies, when in his judgment  
25 such information will be valuable to the producers or consumers  
26 of the state.

27 (e) To ascertain sources of supply of farm and food  
28 products, wherever produced, and prepare and publish from time  
29 to time lists of the names and addresses of producers and  
30 consignors thereof and furnish the same to persons applying  
31 therefor.

32 (f) To cooperate with and aid farmers and other  
33 producers of farm and food products and distributors and consumers  
34 thereof in improving and maintaining economic and efficient  
35 systems of harvesting, processing, storage, distribution, and  
36 marketing, and in reaching advantageous markets.

37 (g) To assist and advise in the organization and  
38 conduct of cooperative and other associations for improving  
39 relations and services among producers, distributors, and con-  
40 sumers and for improving methods and practices, and all matters  
41 revelant thereto.

42 (h) To investigate delays, embargoes, conditions  
43 and practices, charges, and rates in the marketing, transportation,  
44 and handling of farm and food products, and when such investigation  
45 discloses a probably violation of state or federal law, to make

46 recommendations to the proper state or federal authorities for  
47 appropriate action thereon.

48 (i) To take such action as he shall deem advisable  
49 in the public interest and without profit, to facilitate the sale  
50 of any farm or food products likely to spoil, waste or depreciate  
51 in value for lack of ready market.

52 (j) To formulate, promulgate and announce proper  
53 and fair standards, grades, and classes, for and among farm food  
54 products, which shall not be lower in their requirements than  
55 the minimum requirements of the official standards for corresponding  
56 grades or classifications, commonly known as U. S. grades,  
57 promulgated from time to time, and to recommend the same for  
58 voluntary use by cooperative and other like associations of  
59 producers, distributors, and vendors as the standards, grades,  
60 or classes to be adopted for marketing the same.

61 (k) To provide independently or in cooperation with  
62 and federal or state authority or agency or any organization  
63 or individual for inspection and determination of the class,  
64 quality, or condition of farm and food products and issuance  
65 of certificates of such inspections. The director shall provide  
66 for the payment of fees for such inspection services, which  
67 fees shall cover the estimated cost of the inspections and  
68 certificates. The fees collected for such inspection services  
69 shall be deposited into a special fund and shall be disbursed  
70 in accordance with the terms of any cooperative agreement for  
71 the conduct of the work.

72 (1) To investigate as to the needs of terminal,  
73 regional, assembly, dock, and other distributing facilities for  
74 the delivery, sale, and distribution of foods at the centers of  
75 population; to advise and cooperate with public and private  
76 agencies or organizations to promote the establishment, construction,  
77 or acquisition of such facilities for public use and make  
78 recommendations as to the conduct thereof; and to advise and  
79 cooperate in establishing local markets, and warehouses for  
80 assembling, grading, packing and storing food or farm products,  
81 whenever in the judgment of the director the public interest  
82 requires such establishment.

83 (m) To administer such regulatory laws governing  
84 the marketing and sale of farm products within the state, and  
85 to exercise such other powers and perform such other functions,  
86 authorized by law, as may be delegated or assigned to him by  
87 said secretary of agriculture.

88 (n) In general, to such extent as the director  
89 shall deem necessary in connection with the powers and duties  
90 conferred herein in order to effectuate the purposes of this act,  
91 to conduct investigations, hold hearings, develop plans, engage  
92 in promotional activities, and cooperate, through cooperative  
93 agreements or otherwise, with federal or state officials,  
94 governmental or non-governmental organizations, and other persons,  
95 including the furnishing of such data or information as are not  
96 otherwise prohibited herein.

1 Sec. 4. Annual reports. The director shall make an

2 annual report to the secretary of agriculture on or before the  
3 first day of each year, in which shall be set forth in  
4 detail the work performed by the bureau during the preceeding  
5 calendar year; a statement of the plans made for the development  
6 of the work; a detailed statement of receipts and expenditures  
7 and of estimated financial requirements of the bureau for the  
8 next fiscal year, and such other matters as the secretary may  
9 require.

1 Sec. 5. Business of buying and selling prohibited. The  
2 director and employees of the bureau are prohibited, during their  
3 respective terms of office or employment, except for the purpose  
4 of the bureau in the public interest and without profit, from  
5 engaging in this state or elsewhere in the business of buying,  
6 selling, or dealing on a commission basis in farm or food  
7 products; provided, however, that the director or any employee  
8 of the bureau shall be permitted to sell farm or food products  
9 grown or produced by him or them.

1 Sec. 6. Confidential Information. All information  
2 furnished to or acquired by the director pursuant to this act  
3 with reference to which a request for confidential treatment was  
4 made by the person furnishing it at the time such information was  
5 furnished shall be deemed confidential, and no officer or  
6 employee of this state or person acting in behalf of this state  
7 under or by any authority of this state shall disclose such  
8 information in his official capacity. Nothing in this section  
9 shall be deemed to prohibit the issuance of general statements,

10 statistical studies, or similar reports or publications which  
11 are based upon information furnished by a number of persons  
12 and which do not reveal the methods, practices, rates, prices  
13 or charges of particular persons.

1 Sec. 7. Discrimination forbidden. In the performance of  
2 his duty under this act the director shall not discriminate  
3 against any farm or food products, or against any producer or  
4 processor of any such products, on account of the country, state,  
5 or political subdivision in which any such products are produced  
6 or processed, or on account of the legal nature of the producer,  
7 processor, or other persons engaged in the marketing of any such  
8 products, or on account of the conditions of employment of the  
9 nature of the labor employed in the production, processing, or  
10 marketing of such products; or on account of the method of  
11 transportation but the director shall take every reasonable  
12 precaution to prevent any such discrimination.

1 Sec. 8. Violation and Penalties. The violation of any  
2 of the prohibitions contained in this act by any officer or  
3 employee of this state or a person acting in behalf of this  
4 state under or by authority of this state pursuant to this act,  
5 shall constitute grounds for the dismissal of such person and  
6 shall constitute a misdemeanor.

EXPLANATION OF H. F. 457

This proposed act would set up authority for a marketing bureau in the Iowa Department of Agriculture.

The authority granted to the department of agriculture would permit the department to establish fair grades, standards and classes for agricultural products and in case of sufficient demand, to grade agricultural products for sale in Iowa or for export from Iowa to outside markets. This grading procedure would have to stand on its own feet as provided in subsection (k) of Section 2 of this act. In other words for the service of grading and marketing with the Iowa grade or furnishing state

certificate of grade with the graded produce, the state would make a small charge or grading fee to finance this service.

This grading or inspection would be voluntary and would not be obligatory on any firm, company or marketing agency that did not wish to participate in the program.

The regulatory provision of this act would be those that would provide for inspection, grading and the necessary rules and regulations to govern the uniform working of this act. In other words, standards and grades as provided in the act would necessarily have to be uniform for the grades as set up under the act for the entire state and all products sold under these various grades would be uniform wherever such products are sold.

The Hope-Flannigan bill as recently passed by the National Congress, sets aside funds for research in many phases of marketing and this act would put the Iowa Department of Agriculture in a position to develop marketing projects as results of this research, show the need and demand for grading or standardization of certain Iowa products in order that these products might find a larger and more profitable market in the nation's consuming areas.

Today, Iowa as the leading state in the production of poultry and eggs should be vitally concerned in the demands and desires of the consuming areas. We are told by merchants, retailers and brokers in these areas that quality is the "top" consideration in the problems of marketing of these products. In Iowa, by providing more uniform grades and standards in our offerings, we can increase the demand for our products which will help our people in both the producing and marketing fields.

This bill will provide an avenue of development and help in marketing for those who wish this assistance. In no way should it harm or hinder those who are not interested in state assistance in marketing.

This proposed legislation was prepared by the Council of State Government and has the approval of the National Association of Marketing Officials, the National Association of Commissioners, Secretaries and Directors of Agriculture, the United States Department of Agriculture, the United States Department of Commerce and the Federal Trade Commission.