

1 (B) the reimbursement under the milk do-
2 nation program described in paragraph (1).

3 (i) FUNDING.—Out of any amounts of the Treasury
4 not otherwise appropriated, there is appropriated to the
5 Secretary to carry out this section \$400,000,000, to re-
6 main available until expended.

7 **SEC. 763. ESTABLISHMENT OF TRUST FOR BENEFIT OF UN-**
8 **PAID CASH SELLERS OF LIVESTOCK.**

9 The Packers and Stockyards Act, 1921, is amended
10 by inserting after section 317 (7 U.S.C. 217a) the fol-
11 lowing new section:

12 **“SEC. 318. STATUTORY TRUST ESTABLISHED; DEALER.**

13 “(a) ESTABLISHMENT.—

14 “(1) IN GENERAL.—All livestock purchased by
15 a dealer in cash sales and all inventories of, or re-
16 ceivables or proceeds from, such livestock shall be
17 held by such dealer in trust for the benefit of all un-
18 paid cash sellers of such livestock until full payment
19 has been received by such unpaid cash sellers.

20 “(2) EXEMPTION.—Any dealer whose average
21 annual purchases of livestock do not exceed
22 \$100,000 shall be exempt from the provisions of this
23 section.

24 “(3) EFFECT OF DISHONORED INSTRU-
25 MENTS.—For purposes of determining full payment

1 under paragraph (1), a payment to an unpaid cash
2 seller shall not be considered to have been made if
3 the unpaid cash seller receives a payment instrument
4 that is dishonored.

5 “(b) PRESERVATION OF TRUST.—An unpaid cash
6 seller shall lose the benefit of a trust under subsection (a)
7 if the unpaid cash seller has not preserved the trust by
8 giving written notice to the dealer involved and filing such
9 notice with the Secretary—

10 “(1) within 30 days of the final date for mak-
11 ing a payment under section 409 in the event that
12 a payment instrument has not been received; or

13 “(2) within 15 business days after the date on
14 which the seller receives notice that the payment in-
15 strument promptly presented for payment has been
16 dishonored.

17 “(c) NOTICE TO LIEN HOLDERS.—When a dealer re-
18 ceives notice under subsection (b) of the unpaid cash sell-
19 er’s intent to preserve the benefits of the trust, the dealer
20 shall, within 15 business days, give notice to all persons
21 who have recorded a security interest in, or lien on, the
22 livestock held in such trust.

23 “(d) CASH SALES DEFINED.—For the purpose of
24 this section, a cash sale means a sale in which the seller
25 does not expressly extend credit to the buyer.

1 “(e) PURCHASE OF LIVESTOCK SUBJECT TO
2 TRUST.—

3 “(1) IN GENERAL.—A person purchasing live-
4 stock subject to a dealer trust shall receive good title
5 to the livestock if the person receives the livestock—

6 “(A) in exchange for payment of new
7 value; and

8 “(B) in good faith without notice that the
9 transfer is a breach of trust.

10 “(2) DISHONORED PAYMENT INSTRUMENT.—
11 Payment shall not be considered to have been made
12 if a payment instrument given in exchange for the
13 livestock is dishonored.

14 “(3) TRANSFER IN SATISFACTION OF ANTE-
15 CEDENT DEBT.—A transfer of livestock subject to a
16 dealer trust is not for value if the transfer is in sat-
17 isfaction of an antecedent debt or to a secured party
18 pursuant to a security agreement.

19 “(f) ENFORCEMENT.—Whenever the Secretary has
20 reason to believe that a dealer subject to this section has
21 failed to perform the duties required by this section or
22 whenever the Secretary has reason to believe that it will
23 be in the best interest of unpaid cash sellers, the Secretary
24 shall do one or more of the following—

1 “(1) appoint an independent trustee to carry
2 out the duties required by this section, preserve
3 trust assets, and enforce the trust;

4 “(2) serve as independent trustee, preserve
5 trust assets, and enforce the trust; or

6 “(3) file suit in the United States district court
7 for the district in which the dealer resides to enjoin
8 the dealer’s failure to perform the duties required by
9 this section, preserve trust assets, and to enforce the
10 trust. Attorneys employed by the Secretary may,
11 with the approval of the Attorney General, represent
12 the Secretary in any such suit. Nothing herein shall
13 preclude unpaid sellers from filing suit to preserve
14 or enforce the trust.”.

15 **SEC. 764. GRANTS FOR IMPROVEMENTS TO MEAT AND**
16 **POULTRY FACILITIES TO ALLOW FOR INTER-**
17 **STATE SHIPMENT.**

18 (a) IN GENERAL.—The Secretary shall make grants
19 to meat and poultry slaughter and processing facilities de-
20 scribed in subsection (b) (including such facilities oper-
21 ating under State inspection or such facilities that are ex-
22 empt from Federal inspection) to assist such facilities with
23 respect to costs incurred in making improvements to such
24 facilities and carrying out other planning activities nec-
25 essary—