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**Rules of**  
**Department of Agriculture**  
**Division 30—Animal Health**  
**Chapter 6—Livestock Markets**

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## Title 2—DEPARTMENT OF AGRICULTURE

### Division 30—Animal Health Chapter 6—Livestock Markets

#### 2 CSR 30-6.010 Provisions for Registration and Recordkeeping of Livestock Dealers (Moved to 2 CSR 30-7.010)

#### 2 CSR 30-6.015 Requirements and Responsibilities of Market Licensees

*PURPOSE: This rule defines the requirements and responsibilities of livestock market owners and operators.*

(1) Terms defined in section 277.020, RSMo are incorporated by reference for use in this rule.

(2) As used in this chapter, unless the context clearly says otherwise, the following terms shall mean:

(A) Livestock—Cattle, swine, sheep, goats, poultry, ratite birds including but not limited to ostrich and emu, elk, equine and exotic animals;

(B) Livestock market—A place of business or a place where livestock is concentrated for sale, exchange or trade at regular or irregular intervals, whether at auction or not. This definition exempts public farm sales, purebred livestock sales or any sale, transfer or exchange of livestock from one (1) person to another person for movement or transfer to another farm premises or directly to a licensed market;

(C) Livestock sale—The business of mediating for a commission or otherwise, the sale, purchase or exchange transaction of livestock, whether or not at a livestock market. However, the term livestock sale shall not apply to order buyers, livestock dealers or other persons acting directly as a buying agent for any third party;

(D) Official identification—United States Department of Agriculture (USDA)-approved eartag, backtag or other device used for identification of livestock;

(E) Person—Individuals, partnerships, corporations and associations; and

(F) State veterinarian—The state veterinarian of the Missouri Department of Agriculture.

(3) Any person engaged in establishing or operating a livestock sale or market shall file with the state veterinarian an application for a license to transact business.

(4) An annual license fee of seventy-five dollars (\$75) must accompany all applications. This license shall entitle the applicant to conduct business for one (1) calendar year, January through December. The state veterinarian must receive all completed renewal applications and fees by December 1 for the next calendar year. All licensees defined in Chapter 277, RSMo shall publicly post the license issued by the state veterinarian at the place of business. The license shall be displayed for inspection by any person.

(5) All markets/sales licensed under the laws of Missouri must present to the department, no later than April 15 following the end of the year, their sales volumes for the preceding business year.

(6) Bonding Requirements. Every person subject to the provisions of Chapter 277, RSMo shall provide proof of a satisfactory bond in the amount specified by the USDA Packers and Stockyards Administration or the state veterinarian before receiving a license. In lieu of any bond, persons may substitute any instrument of financial security approved by the USDA Packers and Stockyards Administration. All surety coverage for licensees must be in accordance with 2 CSR 30-6.030.

(7) All licensees defined in Chapter 277, RSMo must secure veterinary inspection of all livestock offered for sale at any livestock sale or market. A licensed, accredited veterinarian approved by the state veterinarian must inspect all livestock and perform all testing of livestock for disease, including any method of identifying animals in connection with disease. No person shall remove or tamper with, or cause the removal of or tampering with, an official eartag or backtag or other identification device required to move animals interstate, intrastate or through a livestock market/sale. No person shall cause livestock to be removed from any livestock market/sale until that livestock has met all the requirements of Missouri or the state of destination, whichever applies.

(A) All assignments, replacements and removals of veterinarians as market/sale veterinarians must have prior approval of the state veterinarian in accordance with section 277.100, RSMo.

(B) Upon approval of the state veterinarian, the market/sale veterinarian must sign a Market Veterinarian Agreement form MO 350-0488 provided by the Missouri Department of Agriculture. The licensee also must sign the form. The market/sale veterinarian shall keep one (1) copy of the agreement, the licensee one (1) copy and one (1) copy shall

be forwarded to the state veterinarian's office.

(8) Permit to Release Untested Slaughter Cattle in a Sealed Vehicle. If this permission is granted, the licensee agrees to—

(A) Record complete backtag numbers on all copies of sales and purchases;

(B) Have consignor declare upon delivery of test-eligible cattle whether they shall be tested at owner expense and bangle tags applied or sold untested direct to slaughter with backtags applied. This decision shall apply to all test-eligible cattle in the consignment;

(C) Release the untested slaughter cattle on a completed form MDA-SMP (Missouri Department of Agriculture Sealed Movement Permit);

(D) Release cattle to a slaughter establishment in a sealed truck, sealed by an appointed person under the supervision of the market/sale veterinarian; and

(E) Not allow mixed loading of untested, test-eligible and tested cattle unless all are delivered directly to slaughter in a sealed vehicle.

(9) Female bovine imported from brucellosis Class B states that are not officially calfhood vaccinated (OCV) shall not be released by the licensee unless in compliance with 2 CSR 30-6.020(3)(B).

(10) All test-eligible cattle from other than brucellosis Class Free or brucellosis Class A states presented for sale at a market/sale shall be identified by a method approved by the state veterinarian to show the brucellosis classification of the animal's state of origin. The sale ring announcer shall declare that the animal is sold under condition of quarantine for retest in sixty to one hundred twenty (60–120) days at the purchaser's expense or for consignment directly to slaughter within five (5) days.

(A) The intrastate movement permit number assigned to these animals shall be the MODAV-20 certificate number preceded by the market/sale veterinarian's letter code.

(B) The proper distribution of the form MODAV-20 shall be—the yellow copy to the purchaser (before animals leave the market), the white copy to the Missouri Department of Agriculture and the green copy retained by the issuing veterinarian.

(C) A licensee shall not allow the release of cattle originating from Class B states unless accompanied by a properly completed MODAV-20 or a properly completed interstate movement certificate.

(11) Facilities provided by the livestock market/sale for the market/sale veterinarian shall include:

(A) Office and laboratory area to allow ample work space and room for a work table, desk, chair, lamp and one (1) file cabinet;

(B) Heat, light and ventilation to properly perform required diagnostic tests;

(C) Livestock handling facilities with livestock collecting pens, runways and a catching chute to confine and blood test both cattle and swine; and

(D) A laboratory area with a sink, hot and cold running water and a floor of an impervious material which allows cleaning and disinfection. Electrical outlets must be available and convenient to enable the use of equipment such as centrifuges, branding irons and electrical heaters.

(12) Failure of the licensee to aid the market/sale veterinarian in executing all laws and regulations governing the sale and movement of livestock may result in removal of the license to conduct sales.

(13) Structurally safe and sanitary conditions must be maintained on yards, pens, chutes, alleys and other facilities and premises used in connection with livestock by the person(s) in possession of the facilities and premises. These facilities are subject to inspection by USDA Veterinary Services or state Animal Health personnel.

(14) All licensees defined in Chapter 277, RSMo must present upon request to a duly authorized representative of the Division of Animal Health, records of any livestock sale or transaction. Failure to do so may result in the suspension or revocation of the market/sale license, a civil penalty of up to one thousand dollars (\$1,000) for each violation, or both.

(15) Violations at Markets/Sales. Failure either to comply with the laws of Missouri and the rules of the Missouri Department of Agriculture or to fulfill the requirements and responsibilities as specified in this rule can result in a suspension or revocation of the market/sale license, fines of up to one thousand dollars (\$1,000) per violation, or both.

*AUTHORITY: section 277.160, RSMo Supp. 1998.\* Original rule filed June 15, 1990, effective Dec. 31, 1990. Emergency amendment filed June 5, 1992, effective June 15, 1992, expired Oct. 12, 1992. Amended: Filed March 3, 1992, effective Sept. 6, 1992. Amended: Filed Jan. 4, 1999, effective July 30, 1999.*

*\*Original authority 1989, amended 1993, 1995.*

**2 CSR 30-6.020 Duties and Facilities of the Market/Sale Veterinarian**

*PURPOSE: Under section 277.100, RSMo, this rule outlines the basic duties and responsibilities of the veterinarian under contract with a licensed livestock market/sale or sale to inspect all livestock offered for sale.*

(1) Assignment and Approval of Market/Sale Veterinarians.

(A) All assignments, replacements and removals of licensed, accredited veterinarians as market/sale veterinarians must have prior approval of the state veterinarian.

(B) Upon approval of the state veterinarian, the market/sale veterinarian must sign a Market/Sale Veterinarian Agreement form MO 350-0488 provided by the Missouri Department of Agriculture. This form states the veterinary responsibilities at livestock markets/sales. The licensee must also sign the form. The market/sale veterinarian shall keep one (1) copy of the agreement, the licensee one (1) copy and one (1) copy shall be forwarded to the state veterinarian's office.

(C) Neglect of duty or misconduct by the market/sale veterinarian shall be cause for removal and replacement.

(D) Failure of the licensee to aid the market/sale veterinarian in executing all laws and rules governing the sale and movement of livestock may result in removal of the license to conduct sales.

(2) Duties and Responsibilities of the Market/Sale Veterinarian. The market/sale veterinarian shall—

(A) Complete training successfully and be qualified to run the Brucella Buffered Antigen (B.B.A.) Card Test and Concentration Immunoassay Technology (CITE) Test. Any veterinarian assistant or animal health technician who performs any testing at a livestock market/sale under the supervision of the market/sale veterinarian must also successfully complete training and be qualified to run the B.B.A. Card Test and CITE Test;

(B) Inspect livestock markets/sales for cleanliness, good repair and proper disinfection of certain areas possibly contaminated by diseased livestock;

(C) Blood test all test-eligible animals consigned to the market/sale;

(D) Inspect all livestock visually and, if necessary, perform further diagnostic procedures to determine the health status. No livestock shall be released from a livestock mar-

ket/sale by the market/sale veterinarian until the livestock have been handled, tested and treated as required by Animal Health laws and rules pertaining to the movement of livestock; and

(E) Find any animal that is sick or suffering from a noninfectious disease either—

1. Returned to farm of origin with or without a quarantine, depending on the seriousness of the disease or illness;

2. Condemned, isolated and later destroyed or properly disposed of; or

3. Isolated and, if allowed to sell, an announcement must be made at the time of sale about the problem the animal is suffering (for example, bloat, cancer eye, foot rot).

(3) Required Vaccination and Testing of Bovine.

(A) Animal Identification. No person shall remove or tamper with or cause the removal of or tampering with an official eartag or backtag or other identification device required to move animals interstate, intrastate or through a livestock market/sale.

(B) Official Brucellosis Vaccination.

1. All heifers four through twelve (4–12) months of age consigned to the market/sale from other than brucellosis Class Free or brucellosis Class A states shall be officially calfhooed vaccinated (OCV) against brucellosis before release from the market/sale. The director of the Missouri Department of Agriculture may reinstate mandatory brucellosis calfhooed vaccination at his/her discretion, or shall reinstate mandatory brucellosis calfhooed vaccination if the number of brucellosis-affected quarantined herds is greater than forty (40) for a period of longer than four (4) consecutive months.

2. All heifers imported from other than brucellosis Class Free or brucellosis Class A states consigned to the market/sale that are twelve (12) months of age and over that are not OCV shall be either—

A. Spayed; or

B. “S”-branded and restricted to sell to slaughter or to an approved quarantined feedlot.

3. Nonvaccinated finished-fed heifers may move through cattle market/sale channels directly to slaughter without being “S”-branded.

(C) Testing of Bovine for Brucellosis.

1. The market/sale veterinarian must test all test-eligible animals (bulls, heifers and cows eighteen (18) months of age and over) for brucellosis. This includes animals consigned to slaughter and feedlots as well as those that might return to farms as breeding stock. All OCV dairy females under twenty (20) months of age and beef females under

twenty-four (24) months of age are exempt from test if not parturient or post-parturient. A second exception may occur at markets/sales with enough volume of test-eligible slaughter cattle that have acquired an agreement with the state allowing release of untested slaughter cattle in a sealed truck. The market/sale veterinarian will supervise persons appointed to apply official United States Department of Agriculture (USDA) seals to sealed trucks if the licensee has an agreement with the state to do so.

2. A market/sale veterinarian may recognize a brucellosis test performed at a Missouri market/sale as an official and valid test for five (5) days if proper health certificates accompany the animal(s). An official bangle tag may serve as a health certificate for intrastate movement, provided the following information is shown on the tag:

- A. Date of test;
- B. Complete official eartag number;
- C. Age of the animal;
- D. State code letters of the testing veterinarian; and

E. If color-coded bangle tags are used to indicate stage of pregnancy, they shall be applied as follows:

- (I) Blue—first trimester—one through three (1–3) months pregnant;
- (II) Red—second trimester—four through six (4–6) months pregnant;
- (III) Green—third trimester—seven through nine (7–9) months pregnant;
- (IV) Yellow—open—not pregnant; and
- (V) White—not examined for pregnancy status.

3. All out-of-state test-eligible cattle must be retested when presented to a Missouri market/sale. The market/sale veterinarian shall accurately complete form MODAV-20 upon release of any test-eligible cattle originating from other than brucellosis Class Free or brucellosis Class A states.

A. The intrastate movement permit number shall be the MODAV-20 certificate number preceded by the letter code of the issuing veterinarian.

B. The proper distribution of the form MODAV-20 certificate is as follows:

(I) The yellow copy shall be issued to the purchaser or his/her agent prior to release of the animal(s) from the livestock market/sale;

(II) The white copy shall be mailed to the Missouri Department of Agriculture; and

(III) The green copy shall be retained by the issuing veterinarian.

4. Proper procedure for determining the age of test-eligible cattle is—

A. Eighteen (18) months—absence of the central deciduous (baby) incisors;

B. Two (2) years—the presence of the first pair of fully erupted permanent incisor teeth;

C. Two and one-half (2 1/2) years—the appearance of the second pair of permanent incisor teeth;

D. Eruption, spread and wear of incisor teeth may be used to determine age; and

E. The age of the animal will be shown on the official bangle tag or displayed on the animal in a manner easily visible to the buyer.

5. A positive reaction to the standard card test shall make that animal eligible for further testing on the brucellosis CITE Test, or any other test approved by the USDA and the state veterinarian. The results of the CITE Test shall be recorded on the VS 4-54 market/sale test record as positive or negative.

A. A positive CITE Test result occurs when the sample test spot develops a color equal to or greater than the intensity of the low calibration spot.

B. A negative CITE Test result occurs when the sample spot develops no color or develops a color of less intensity than the low calibration spot.

#### (4) Required Testing for Swine.

(A) All swine (except slaughter swine) presented to a market/sale must be officially eartagged, tattooed or backtagged, or identified by another approved device, and inspected for signs of infectious or contagious disease, and must be identified to the farm of origin and the market/sale must keep these records for one (1) year. All sows and boars sold for slaughter are to be individually identified by backtag, eartag or tattoo, or other approved device at first point of concentration.

(B) Market-to-market movement of swine into and within Missouri is prohibited, except to slaughter-swine-only markets/sales.

(C) All swine bought at a market/sale consigned to a farm or premises will be quarantined to the point of destination for a minimum of thirty (30) days.

(D) Swine offered for sale that fail to pass veterinary inspection due to sickness or signs of infection with a contagious, infectious or communicable disease shall either—

1. Return to the farm of origin under quarantine. Quarantined animals not amenable to treatment shall remain under quarantine until released for slaughter; or

2. Go directly to slaughter. Animals sold for slaughter must be identified and shipped on a VS Form 1-27 shipping permit.

(E) Feeder Swine. All feeding swine entering Missouri that are exchanged, bartered, leased or sold through a Missouri livestock market/sale must originate from either—

1. A state classified as Stage III, IV, or V in the National Pseudorabies (PRV) Eradication Plan; or

2. A pseudorabies monitored herd in a state classified as Stage II in the National Pseudorabies (PRV) Eradication Plan.

(F) All breeding swine (regardless of age) must be tested negative for brucellosis and pseudorabies within thirty (30) days before they are presented for exchange, barter, lease or sale at a livestock market/sale, or originate from a validated brucellosis-free herd or validated swine brucellosis-free state and a qualified negative pseudorabies herd or from a state classified as Stage IV or V in the National Pseudorabies (PRV) Eradication Plan. Documentation showing herd numbers and current herd test dates must be provided to the market/sale veterinarian for animals to be accepted. Missouri origin breeding swine are to be quarantined for a thirty (30)-day period. Imported breeding swine shall be quarantined until a negative retest for brucellosis and pseudorabies is obtained. This retest shall not be fewer than thirty (30) nor more than sixty (60) days after entry.

1. A retest must be completed on all imported breeding swine that do not originate from a USDA-classified swine brucellosis- and pseudorabies-free state or country.

2. Breeding swine originating from USDA-classified swine brucellosis- and pseudorabies-free states or countries must be tested as follows: in shipments of one to nine (1–9) head, a retest is required of all animals; in shipments of ten to thirty-five (10–35) head from the same herd of origin, retest is required of ten (10) animals; in shipments over thirty-five (35) head from the same herd of origin, retest is required on thirty percent (30%), up to a maximum of thirty (30) animals.

#### (5) Required Testing and Handling of *Equidae*.

(A) Veterinary inspection is required on all *equidae* before sale.

(B) All *equidae* presented at a licensed livestock market/sale for the purpose of change of ownership, whether by sale, trade, or exchange will be identified by backtag provided by the state veterinarian or other method approved by the state veterinarian and recorded on an MO 350-1138 form. Color-coded backtags will be used as follows:

1. White—*Equidae* are being sold with a current negative EIA test; and

2. Red—*Equidae* are being sold EIA test-pending under quarantine.

(C) All *equidae* presented at any licensed livestock market/sale for the purpose of change of ownership not having proof of an official negative EIA test within the preceding twelve (12) months shall have blood samples for EIA testing collected before the sale at the seller's expense. The animal will sell test-pending with an announcement made at the time of the sale that the animal is under quarantine to the buyer until negative EIA test results are received. No animal will be released from any licensed market/sale without a current negative EIA test or a test-pending quarantine. The market/sale veterinarian will issue a quarantine on all test-pending animals. One (1) copy of all quarantines and MO 350-1138 forms completed for each sale will be sent to the state veterinarian's office.

(D) All *equidae* concentrated for the purpose of sale, trade, exchange or otherwise involved in a change of ownership at a licensed market/sale with proof of a current, official negative EIA test must present the completed VS Form 10-11 (or later revision) test record accurately completed, showing graphic descriptions of all markings needed for identification to the market veterinarian before the sale. Verification of animal(s) to the VS Form 10-11 (or later revision) shall be the responsibility of the market veterinarian. If, in the opinion of the market veterinarian, the information shown on the VS Form 10-11 (or later revision) does not match the animal being offered for sale, or the test form has been altered, the market veterinarian shall confiscate the form, mark the document "invalid," and the animal will be tested at the seller's expense prior to sale. All confiscated forms shall be sent to the state veterinarian's office.

(E) All EIA positive animals presented for sale to slaughter at a licensed market/sale must be accompanied by a VS Form 1-27 shipping permit signed by state or federal regulatory personnel authorizing the move. All EIA positive animals shall be segregated at least two hundred (200) yards from any other *equidae* and not sold in the auction ring. The market veterinarian shall verify the animals' permanent identification (freeze-brand or electronic microchip) shown on the form and issue a new VS Form 1-27 consigning the animal to a federally approved slaughter facility. No EIA positive animal shall be moved from a licensed livestock market/sale without being permanently identified and consigned to slaughter on a VS Form 1-27.

(F) Alteration or substitution of any infor-

mation on any VS Form 10-11 or certificate of veterinary inspection shall cause the document to be invalid and in violations of sections 267.010 to 267.730, RSMo and may result in civil penalties not to exceed ten thousand dollars (\$10,000) per violation.

(G) *Equidae* with signs of fistulous withers or poll evil will be sold directly to slaughter.

(6) Ratites (Including, but not limited to, Ostrich and Emu). All ratites must be individually identified by a means approved by the Missouri state veterinarian on a certificate of veterinary inspection. In addition, ratites imported into Missouri presented for sale at a livestock market/sale must obtain an entry permit.

(7) Miscellaneous and Exotic Animals. All exotic animals presented for exchange, barter, lease or sale at a licensed livestock market/sale must be accompanied by an official Certificate of Veterinary Inspection showing an individual listing of the common and scientific names(s) of the animal(s) and appropriate descriptions of animal(s) such as sex, age, weight, coloration and the permanent tag number, brand or tattoo identification.

(A) Exotic bovids eight (8) months of age and over must have a negative brucellosis test and a negative tuberculosis test within thirty (30) days prior to arrival at the market/sale. Exotic bovids include *Bos gaurus* (Indian bison, Gaur) *Bos javanicus* (Banteng), *Bos sauveli* (Kouprey), *Bos grunniens* (domesticated yak), *Bubalus bubalis* (water buffalo), *Bubalus mindorensis* (Tamarau), *Bubalus quarlesi* (Mountain Anoa), *Bubalus depressicornis* (Lowland Anoa) and *Snycerus caffer* (buffalo group).

(B) Exotic cattle must meet the same brucellosis requirements as domestic cattle. These animals eight (8) months of age and over must be tested for tuberculosis within thirty (30) days prior to arrival at the market/sale.

(C) Camels, llamas, alpaca and other of that group must have a health certificate showing individual identification. Registration papers, accompanied by registry photographs of the animal are acceptable identification.

(D) Elk and deer may be sold through a market/sale in Missouri in compliance with the *Cervidae* Uniform Methods and Rules for Brucellosis and the *Cervidae* Uniform Methods and Rules for Tuberculosis. Elk, red deer, reindeer, fallow deer and sika deer six (6) months of age and over must have one (1) approved negative brucellosis test within thirty (30) days prior to arrival at the

market/sale. *Cervidae* originating from certified brucellosis-free herds may be sold through a market/sale on the current herd number and test date. All *cervidae* six (6) months of age and over must have a negative tuberculosis test using the single cervical method or BTB test within ninety (90) days prior to arrival at the market/sale. *Cervidae* originating from accredited TB *cervidae* herds may be sold through a market/sale on the current herd number and test date.

(E) Exotic goats, sheep and antelope. No tests are required on these animals.

(F) Exotic equine, donkeys, asses, burros and zebras must meet domestic equine requirements.

(G) Feral swine, javalena, and peccaries must be in compliance with domestic swine requirements.

(H) Elephants (Asiatic, African) must be tested negative for tuberculosis within one (1) year prior to exhibition.

(I) Importation of skunks and raccoons into Missouri is prohibited by the *Missouri Wildlife Code* (3 CSR 10-9).

*AUTHORITY: section 277.160, RSMo Supp. 1998.\* Original rule filed June 15, 1990, effective Dec. 31, 1990. Emergency amendment filed April 11, 1991, effective April 21, 1991, expired Aug. 9, 1991. Amended: Filed April 16, 1991, effective Aug. 30, 1991. Amended: Filed June 4, 1991, effective Oct. 31, 1991. Emergency amendment filed Dec. 20, 1991, effective Dec. 30, 1991, expired April 27, 1992. Emergency amendment filed Jan. 23, 1992, effective Feb. 2, 1992, expired May 30, 1992. Amended: Filed Feb. 4, 1992, effective June 25, 1992. Emergency amendment filed June 5, 1992, effective June 15, 1992, expired Oct. 12, 1992. Amended: Filed March 3, 1992, effective Sept. 6, 1992. Emergency amendment filed Aug. 20, 1993, effective Aug. 30, 1993, expired Dec. 27, 1993. Amended: Filed Aug. 27, 1993, effective Jan. 31, 1994. Emergency amendment filed April 4, 1994, effective April 14, 1994, expired Aug. 11, 1994. Amended: Filed April 4, 1994, effective Sept. 30, 1994. Emergency amendment filed Jan. 17, 1995, effective Jan. 27, 1995, expired Feb. 1, 1995. Amended: Filed Jan. 31, 1995, effective July 30, 1995. Amended: Filed July 31, 1996, effective March 30, 1997. Amended: Filed Jan. 4, 1999, effective July 30, 1999.*

\*Original authority 1989, amended 1993, 1995.

**2 CSR 30-6.030 Bonding (Surety) Requirements for Livestock Market Licensees**

*PURPOSE: This rule sets forth procedures for establishing proper surety coverage for licensees defined in Chapter 277, RSMo.*

(1) Bonding Requirements. Every person subject to the provisions of Chapter 277, RSMo shall provide proof of a satisfactory bond in the amount specified by the United States Department of Agriculture (USDA) Packers and Stockyards Administration or the state veterinarian before receiving a license. In lieu of any bond, persons may substitute any instrument of financial security approved by the USDA Packers and Stockyards Administration.

(2) All surety bonds and certificates of deposit shall name the state veterinarian as trustee or beneficiary. Letters of credit shall name the state veterinarian and the issuing financial institution as co-trustees. For livestock markets or sales whose corporate headquarters are located in another state, it is not required that the state veterinarian act as beneficiary or trustee, although proof of adequate bonding must be submitted with the application for a license. These bonds shall be in favor of Missouri with the director as trustee for the benefit of all persons selling livestock to the livestock market/sale and their legal representatives, attorneys or assigns, and shall be dependent upon the following:

(A) The livestock market/sale as a buyer must pay to the seller the agreed upon purchase price of the livestock purchased from the seller;

(B) The livestock markets/sales must faithfully perform their duties as licensed livestock markets/sales and comply with Chapter 277, RSMo and its corresponding rules. This rule applies to purchases made from the effective date of the bond until official cancellation of the bond;

(C) A surety bond required by section 277.080, RSMo shall be effective on the date of issue, not affected by the expiration of the license, and shall continue in effect until cancelled. The continuous nature of a bond however, in no event shall allow the liability of a surety under a bond to accumulate for each successive license period during which the bond is in force, but limited in the aggregate to the amount stated on the bond, or as changed, from time-to-time, by appropriate endorsement or rider;

(D) The required bond shall be kept in force at all times while conducting business as a licensed livestock market or sale. Failure

to keep that bond in force is cause for revocation of the license and the market/sale is subject to the penalties provided in this chapter. No market/sale shall cancel an approved bond without the prior written approval of the state veterinarian and the state veterinarian's approval of a substitute bond;

(E) Upon written demand of the state veterinarian for payment, either the surety shall pay over to the state veterinarian the sum demanded up to the full face amount of the bond or shall deposit the sum demanded in an interest-bearing escrow account at the highest rate of interest available. When a surety pays the state veterinarian upon demand, the state veterinarian shall set a date for an informal conference to allow the parties to discuss the claim. If the surety pays as demanded and the parties or a court of law determines the surety is not liable, the state veterinarian shall return to the surety the sum paid to the state veterinarian plus all accumulated interest, or any *pro rata* part of the sum, plus interest, as applicable in the event of liability less than the sum demanded. If the surety chooses to deposit the demanded sum in an interest-bearing escrow account and upon the exhaustion of appeals, if any, the surety immediately shall pay to the state veterinarian for distribution to claimants the amount for which the surety is determined to be liable plus accumulated interest on that amount;

(F) Every bond filed shall contain a provision that the principal or surety company cannot cancel the bond except upon ninety (90) days' prior notice in writing, by certified mail, to the state veterinarian at the Jefferson City office. When a surety gives notice of cancellation, a copy of that notice shall be mailed to the principal by certified mail on the same day. The cancellation does not affect the liability accumulated or which may accumulate under that bond before the expiration of the ninety (90) days. The notice shall contain the termination date. If notice procedures are not followed, the bond shall remain in effect until properly cancelled;

(G) Whenever the state veterinarian receives notice from a surety that it intends to cancel the bond of a livestock market or sale, the state veterinarian shall automatically suspend the market/sale license if a new bond is not submitted to the state veterinarian within forty-five (45) days of receipt of the notice of intent to cancel. If a new bond is not received within eighty (80) days of receipt of the notice of intent to cancel, the state veterinarian shall revoke the market/sale license. The state veterinarian may cause an inspection of the livestock market/sale at the end of the eighty (80)-day period. That inspection may include an attempt to identify all possible

livestock sellers and related claimants of the market/sale by advertising for the same in local news media; and

(H) Verbal or written surety bond binders issued by a surety on behalf of a livestock market/sale for original or replacement bonds are recognized as legally effective in Missouri when those binders meet the following conditions:

1. The licensee or principal has paid, or has promised to pay, the surety a tentatively agreed upon premium or other consideration; and

2. A surety provides the state veterinarian, either in writing or verbally—

A. A bond number;

B. The amount of the bond;

C. The effective date of the bond; and

D. Assurance that the person providing the preceding information has authority to commit the surety. The state veterinarian may or may not accept this binder, depending on the particular circumstances involved and consistent with the orderly administration of this rule.

(3) Provisions and rules on bonds will also apply to certificates of deposit and irrevocable letters of credit, with the exception that a letter of credit may only be cancelled on its natural termination date.

(A) Any certificate of deposit submitted instead of a surety bond required under section 277.080, RSMo shall be filed with the state veterinarian as trustee for the benefit of all persons selling livestock to the livestock market/sale. The certificate of deposit shall be kept in the custody of the state veterinarian.

(B) A licensee may submit instead of a bond, an irrevocable letter of credit, payable to the state veterinarian or the issuing financial institution for the benefit of claimants and issued by a federally- or state-chartered bank. If the state veterinarian finds that the issuing bank is or may become insolvent, or for any other reason may be unable to honor the terms of the letter of credit, the state veterinarian may refuse to accept a letter of credit instead of the bond required by this rule if the state veterinarian finds that the issuing bank is or may become insolvent, or for any other reason may be unable to honor the terms of the letter of credit. The state veterinarian may require an issuing bank to submit evidence of its financial condition and the state veterinarian may seek the cooperation of the Division of Finance in checking the financial condition of an issuing bank. The state veterinarian shall promulgate all necessary rules regarding certificates of deposit and irrevocable letters of credit.

(C) On written demand of the state veterinarian for payment, the bank either shall pay over to the state veterinarian the sum demanded, up to the full face value of the irrevocable letter of credit, or shall deposit the sum demanded in an escrow account at the highest rate of interest available. Upon receipt of funds and the determination that the bank is not liable for claims against the irrevocable letter of credit, the state veterinarian shall return to the bank the sum paid to the state veterinarian and all accumulated interest earned, minus any penalties due or paid. If the liability is less than the sum demanded, the state veterinarian shall return the proper *pro rata* portion of the funds received and interest earned as applicable.

(4) Amount of bond or surety will vary based upon the following criteria:

(A) Each market/sale licensed under Chapter 277, RSMo that does not meet USDA Packers and Stockyards Administration criteria either in volume or type of livestock sold must carry a minimum ten thousand dollar (\$10,000) surety bond or like security; and

(B) Those markets/sales which exceed two hundred thousand dollars (\$200,000) of business in the preceding year shall add to the ten thousand dollar (\$10,000) bond with an amount to equal two and one-half percent (2.5%) of the dollar volume over two hundred thousand dollars (\$200,000), rounded to the nearest ten thousand dollars (\$10,000).

*AUTHORITY: section 277.160, RSMo Supp. 1998.\* Original rule filed June 15, 1990, effective Dec. 31, 1990. Amended: Filed Jan. 4, 1999, effective July 30, 1999.*

*\*Original authority 1989, amended 1993, 1995.*