

LMA's Consignor/Livestock Owner's Certificate

Because numerous producer certification statements are required by markets of their consignors, LMA has combined recommended producer certification statements into one comprehensive Consignor/Livestock Owner's Certificate. This form is provided to help mitigate risk and facilitate multiple producer claims required by packer buyers. LMA urges members to include these certification statements either on their check-in sheet or as a stand-alone document. This form is an "evergreen" legal document that, once signed, continues to operate until it is cancelled by the consignor.

The Consignor/Livestock Owner's Certificate is occasionally updated as new needs arise. As of 2018, the document is made up of nine separate statements (one of which is only for markets selling fed cattle), which are explained more fully below. Although markets are encouraged to use the entire document, some members choose to modify the agreement to better fit their needs.

By signing the Consignor/Livestock Owner's Certificate, the consignor states that s/he:

- (1) Delivers livestock to be sold at public auction in accordance with this market's usual customs and practices;

Explanation: *Occasionally, consignors take issue with the manner in which their stock are sold. This section puts them on notice that they are "playing by the rules" of the market when they make the choice to consign livestock.*

- (2) Represents that there are no liens on any of the livestock except as the undersigned has disclosed to the market;

Explanation: *As agents of livestock sellers, markets regularly sell livestock for their consignors that are subject to security interests and liens. In the majority of states, those liens must be noticed directly by either the consignor or the lienholder. In 19 states, a central filing system exists. This statement serves as yet another layer of protection against sale of mortgaged livestock claims.*

- (3) Certifies that to the best of his/her knowledge, none of the livestock are adulterated within the meaning of the Federal Food, Drug & Cosmetic Act (e.g., none of them has been fed any feed derived from mammalian tissues as prohibited by 21 C.F.R. 589.2000 nor are they contaminated with foreign materials (such as buckshot, needles or darts) nor do they have illegal levels of drug residues);

Explanation: *Federal law requires that livestock be unadulterated with contaminants, illegal levels of drug residues, and mammalian tissue consumption. If it is later discovered that the consignor violated federal law, this section allows the market to argue liability should extend to the consignor. LMA worked with industry partners and Food Safety and Inspection Service (FSIS) officials in 2011 to resolve an issue of packers using potential drug residue issues as a reason to demand that markets provide the names and addresses of all their consignors. The resolution reached requires markets to obtain from their consignors a certification that animals do not have illegal levels of drug residue and that they check the FSIS Residue Repeat Violator List (List) prior to each sale, which is explained in greater detail in #5 below.*

- (4) Certifies that the undersigned has not been told that any of the livestock have, and to the best of his/her knowledge none of the livestock have, Bovine Viral Diarrhea Virus (BVDV) or Bovine Viral Diarrhea-Persistent Infection (BVD-PI);

Explanation: *Some states have laws that prohibit the knowing sale of diseased animals, with certain states specifically identifying BVD as a pathogen that renders an animal unsaleable. This section requires the consignor to put the market on notice if they know or have reason to know that their animals are BVD positive. If it is later discovered that the consignor violated state law, this section allows the market to argue liability should extend to the consignor.*

- (5) Certifies that neither the undersigned nor the person(s) from whom the consignor purchased the livestock are on the USDA/FSIS active list of repeat violators as having had more than one residue violation in the past 12 months or if they are on the USDA/FSIS list that the consignor has identified the animals being sold that come from the person whose name appears on the USDA/FSIS list;

Explanation: *As discussed in #3 above, markets must check the FSIS Residue Repeat Violator List (List) prior to each sale. If a person who has consigned to the sale is on the List, markets must notify buyers prior to those animals being sold that they are consigned by someone who is on the List. This can be done by making an announcement as these animals enter the ring. LMA sends the updated List out to member markets weekly. If you do not receive this list or would like to update how you receive it, contact LMA at 800-821-2048 or LMAinfo@LMAWeb.com.*

- (6) Attests through first-hand knowledge, normal business records, or producer affidavits(s) that all livestock referenced by this document or other communications specific to the transaction and transferred are of _____ origin and that should the origin of the livestock become other than that described above, the undersigned will notify the buyer/agent when this occurs;

Explanation: *Although Country of Origin Labeling (COOL) is no longer required by federal law, some packer buyers continue to ask markets to provide the country of origin of animals sourced.*

- (7) Acknowledges that the consignor of livestock is responsible for payment of any veterinarian bills and disposal charges that arise if any of his/her livestock become non-ambulatory while at the market; and

Explanation: *Although veterinarian fees are usually placed on a market's tariff, this section covers situations where animals must be treated or euthanized for becoming non-ambulatory and causes the consignor to take financial responsibility for such an event.*

- (8) Represents that consigned livestock have been handled in compliance with recognized industry standards for the humane handling of livestock.

Explanation: *LMA member markets are held to high standards of animal handling. Many buyers of livestock also have such expectations. This section clarifies that humane handling is the responsibility of every member of the production chain, including the producer/consignor.*

- (9) Certifies that a decision maker at the seller's business has achieved Beef Quality Assurance, FARM, and/or Youth for the Quality Care of Animals certification and that this certification will be maintained and current for all future sales of livestock.

Explanation: *This is the most recently added section of the affidavit and versions of the affidavit containing this section are only necessary if markets sell fed cattle. If markets do not sell fed cattle, they can omit this section. It was included in response to expectations of many of the nation's largest packers that fed cattle are sourced from operations where a decision maker has achieved Beef Quality Assurance (BQA) or equivalent certification. By having fed cattle producers sign this affidavit, the market will have satisfied the requirements of the packers.*