

# AGRICULTURE DECISIONS

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THIS IS A COMPILATION OF DECISIONS ISSUED BY THE  
SECRETARY OF AGRICULTURE AND THE COURTS  
PERTAINING TO STATUTES ADMINISTERED BY THE  
UNITED STATES DEPARTMENT OF AGRICULTURE

## AGRICULTURE DECISIONS

AGRICULTURE DECISIONS is an official publication by the Secretary of Agriculture consisting of decisions and orders issued in adjudicatory administrative proceedings conducted for the Department under various statutes and regulations. Selected court decisions concerning the Department's regulatory programs are also included. The Department is required to publish its rules and regulations in the *Federal Register* and, therefore, they are not included in AGRICULTURE DECISIONS.

Beginning in 1989, AGRICULTURE DECISIONS is comprised of three Parts, each of which is published every six months. Part One is organized alphabetically by statute and contains all decisions and orders other than those pertaining to the Packers and Stockyards Act and the Perishable Agricultural Commodities Act, which are contained in Parts Two and Three, respectively.

The published decisions and orders may be cited by giving the volume number, page number and year, e.g., 1 Agric. Dec. 472 (1942). It is unnecessary to cite a decision's docket number, e.g., AWA Docket No. 99-0022, and the use of such references generally indicates that the decision has not been published in AGRICULTURE DECISIONS.

Consent decisions entered subsequent to December 31, 1986, are no longer published. However, a list of consent decisions is included. Consent decisions are on file and may be inspected upon request made to the Hearing Clerk, Office of Administrative Law Judges.

Beginning in Volume 60, each part of AGRICULTURE DECISIONS has all the parties for that volume, including consent decisions, listed alphabetically in a supplemental Table of Decisions Reported.

Direct all inquiries regarding this publication to: Editor, Agriculture Decisions, Office of Administrative Law Judges, U.S. Department of Agriculture, Room 1049 South Building, Washington, D.C. 20250-9200, Telephone: (202) 720-6383, Fax (202) 690-0790, and e-mail address of [Editor.OALJ@usda.gov](mailto:Editor.OALJ@usda.gov).

**LIST OF DECISIONS REPORTED**

**JANUARY - JUNE 2001**

**PACKERS AND STOCKYARDS ACT**

**MISCELLANEOUS ORDER**

HINES AND THURN FEEDLOT, INC., d/b/a THURN & HINES  
LIVESTOCK, JAMES L. THURN AND DERYL D. HINES.. . . . . 295

**DEFAULT DECISIONS**

ALEXANDER CARR SMITH.. . . . . 296  
BERT SMITH, III, AND EDDIE MCNALLY.. . . . . 298  
**Consent Decisions**.. . . . . 302

**TABLE OF DECISIONS REPORTED**  
**Part Two - (P & S)**  
**(Alphabetical Listing)**

**JANUARY - JUNE 2001**

<b>CASE</b>	<b>PAGE</b>
DYER GIN AND GRAIN COMPANY.....	302
FARMLAND NATIONAL BEEF PACKING COMPANY. ....	302
HINES, DERYL D. ....	295
HINES AND THURN FEEDLOT, INC.....	295
MCNALLY, EDDIE ..	298
MILLER CATTLE COMPANY. ....	302
MILLER, MARK A.. ....	302
MINOT FARMERS ELEVATOR, INC.....	302
SMITH, III, BERT . ....	298
SMITH, ALEXANDER CARR.. ....	296
SYVERSON, TODD.....	302
SYVERSON LIVESTOCK BROKERS. ....	302
THURN, JAMES L. ....	295
THURN & HINES LIVESTOCK. ....	295

**MISCELLANEOUS ORDER**

**PACKERS AND STOCKYARDS ACT**

**IN RE: HINES AND THURN FEEDLOT, INC., d/b/a THURN & HINES  
LIVESTOCK, JAMES L. THURN AND DERYL D. HINES.**

**P&S Docket NO. D-96-0046.**

**Supplemental Order filed January 30, 2001.**

Jane McCavitt, for Complainant.

William D. Werger, Manchester, IA, for Respondent.

*Order issued by Dorothea A. Baker, Administrative Law Judge.*

**P&S - Default - Untimely answer - Inadequate Surety bond.**

On August 24, 1998, a Decision and Order was issued by the Judicial Officer in the above-captioned matter, which, *inter alia*, suspended respondents Hines and Thurn Feedlot, Inc., James L. Thurn and Deryl D. Hines as registrants under the Act for a period of five (5) years. It was further provided that the order may be modified upon application to the Packers and Stockyards Programs to permit respondents James L. Thurn and Deryl D. Hines salaried employment by another registrant or packer after the expiration of the first two years of this suspension terms and upon demonstration of the circumstances warranting modification of the Order.

James L. Thurn and Deryl D. Hines have now served the two year period of suspension, and they have requested that they be permitted to work as salaried employees for Peace Livestock, Inc. in Edgewood, Iowa. Accordingly,

IT IS HEREBY ORDERED that James L. Thurn and Deryl D. Hines, having requested this supplemental order, may be employed by Peace Livestock, Inc. in Edgewood, Iowa during the remaining term of their suspension. The order of August 24, 1998 shall remain in full force and effect in all other respects.

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**DEFAULT DECISIONS****PACKERS AND STOCKYARDS ACT**

**In re: ALEXANDER CARR SMITH.  
P&S Docket NO. D-00-0011.  
Decision and Order filed February 22, 2001.**

Mary K. Hobbie, for Complainant.  
Respondent, Pro se.  
*Decision and Order issued by James W. Hunt, Administrative Law Judge.*

**P&S - Default - Untimely answer - Inadequate surety bond.**

**Preliminary Statement**

This is a disciplinary proceeding under the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. § 181 *et seq.*) herein referred to as the Act, instituted by a complaint filed by the Administrator, Grain Inspection, Packers and Stockyards Administration, United States Department of Agriculture, charging that the Respondent wilfully violated the Act.

Copies of the complaint and the Rules of Practice Governing Formal Adjudicatory Proceedings (7 C.F.R. § 1.130 *et seq.*) under the Act were served upon Respondent by certified mail on September 19, 2000. Respondent was informed in a letter of service that an Answer should be filed pursuant to the Rules of Practice and that failure to answer would constitute an admission of all the material allegations contained in the complaint.

Respondent has failed to file an Answer within the time prescribed in the Rules of Practice, and the facts alleged in the complaint, which are admitted by Respondent's failure to file an Answer, are adopted and set forth herein as findings of fact.

This Decision and Order, therefore, is issued pursuant to section 1.139 of the Rules of Practice (7 C.F.R. § 1.139).

**Findings of Fact**

1. Alexander Carr Smith, hereinafter referred to as the Respondent, is a individual doing business in the State of Tennessee, and whose business mailing address is 551 Smith Place Road, Church Hill, Tennessee 37642.
2. Respondent is, and at all times material herein was:
  - (a) Engaged in the business of a market agency buying on commission, and

of a dealer buying and selling livestock in commerce for his own account;

(b) Registered with the Secretary of Agriculture as a market agency to buy livestock on a commission basis, and as a dealer to buy and sell livestock in commerce for his own account.

3. On December 11, 1990, in P&S Docket No. D-90-057 Respondent consented to an Order to cease and desist from engaging in business in any capacity for which bonding is required under the Act and regulations without filing and maintaining a reasonable bond or its equivalent.

4. Respondent was served with a letter of notice on September 17, 1999, informing him that in view of the increased amount of his livestock purchases the \$70,000.00 surety bond he maintained to secure the performance of his livestock obligations under the Act was inadequate, and that it was necessary for him to increase his bond or bond equivalent to \$80,000.00 before continuing his livestock operations subject to the Act.

Notwithstanding such notice, Respondent has continued to engage in the business of a market agency and a dealer without maintaining an adequate bond or its equivalent.

#### **Conclusions**

By reason of the facts found in the Finding of Facts herein, Respondent has willfully violated section 312(a) of the Act (7 U.S.C. § 213(a)), and sections 201.29 and 201.30 of the regulations (9 C.F.R. §§ 201.29, 201.30).

#### **Order**

Respondent Alexander Carr Smith, his agents and employees, directly or indirectly through any corporate or other device, in connection with his operations subject to the Packers and Stockyards Act, shall cease and desist from engaging in business in any capacity for which bonding is required under the Packers and Stockyards Act, as amended and supplemented, and the regulations without filing and maintaining an adequate bond or its equivalent, as required by the Act and the regulations.

In accordance with section 312(b) of the Act (7 U.S.C. § 213(b)), Respondent is hereby assessed a civil penalty in the amount of one thousand five hundred dollars (\$1,500.00). This Decision shall become final and effective without further proceedings 35 days after the date of service upon the Respondent, unless it is

appealed to the Judicial Officer by a party to the proceeding within 30 days pursuant to section 1.145 of the Rules of Practice (7 C.F.R. §1.145).

Copies hereof shall be served upon the parties.

[This Decision and Order became final April 5, 2001. -Editor]

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**In re: BERT SMITH, III, AND EDDIE MCNALLY.**  
**P&S Docket No. D-00-0013.**  
**Decision and Order as to Bert Smith, III filed April 6, 2001.**

Kimberly D. Hart, for Complainant.

C. Christopher Raines, Jr., Mt. Carmel, TN, for Respondent.

*Decision and Order issued by Jill S. Clifton, Administrative Law Judge.*

**P&S - Default - Untimely answer - Bad checks - Failure to maintain records.**

This disciplinary proceeding brought pursuant to the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. §181 *et seq.*), hereinafter the P&S Act, and the regulations promulgated thereunder (9 C.F.R. §201.1 *et seq.*), hereinafter the regulations, was instituted on September 28, 2000, by the Deputy Administrator, Packers and Stockyards Programs, Grain, Inspection, Packers and Stockyards Administration, United States Department of Agriculture, by a Complaint alleging that Respondents wilfully violated the P&S Act. The Complaint and a copy of the Rules of Practice Governing Formal Adjudicatory Administrative Proceedings Instituted by the Secretary Under Various Statutes (7 C.F.R. §1.130 *et seq.*), hereinafter the Rules of Practice, were served upon Respondent Bert Smith, III by certified mail on October 2, 2000. Respondent Bert Smith, III was notified, in a cover letter accompanying the Complaint, that an Answer must be filed within twenty (20) days of service and that failure to file an Answer would constitute an admission of all of the material allegations of fact in the Complaint and a waiver of the right to an oral hearing.

Respondent Bert Smith, III did not file an answer within the time period required by section 1.136 of the Rules of Practice (7 C.F.R. §1.136), which constitutes an admission to all of the material allegations of fact in the Complaint. Complainant has moved for the issuance of a Decision Without Hearing by Reason of Default as to Respondent Bert Smith, III pursuant to section 1.139 of the Rules of Practice (7 C.F.R. §1.139). Accordingly, this decision is entered without hearing or further procedure.

### **Findings of Fact**

1. Bert Smith, III (hereinafter referred to as Respondent Smith) is an individual whose mailing address is P.O. Box 725, Church Hill, Tennessee 37642.
2. Respondent Smith is and at all times material herein was:
  - a. Engaged in the business of a dealer buying and selling livestock in commerce for his own account and as a market agency buying livestock in commerce on a commission basis; and
  - b. Registered with the Secretary of Agriculture as a dealer to buy and sell livestock in commerce for his own account and as a market agency to buy livestock in commerce on a commission basis.
3. As set forth in section II of the Complaint, Respondent Smith continued to engage in the business of a market agency and a dealer without maintaining an adequate bond or its equivalent after being notified by the Agency that it was necessary for him to obtain a new bond or bond equivalent in the amount of \$10,000.
4. As set forth in section III of the Complaint, Respondent misrepresented the nature of its livestock transactions for the purpose of misleading the sellers, their agents, and/or buyers of cattle into believing that Respondent Smith purchased the cattle for Respondent McNally and not for himself or as the agent of someone other than Respondent McNally. In addition, as set forth in section III(b) of the Complaint, Respondent Smith knowingly accepted, caused or authorized the preparation of misleading purchase invoices and/or other documents indicating that Respondent Smith purchased livestock on behalf of Respondent McNally when this was not the case.
5. As set forth in section IV(a) and IV(b) of the Complaint, Respondent Smith issued insufficient funds checks and failed to pay, when due and failed to pay the full purchase price of livestock totaling \$192,015.00.
6. As set forth in section V of the Complaint, Respondent Smith's current liabilities exceed his current assets.
7. As set forth in section VI of the Complaint, Respondent Smith failed to keep and maintain accounts, records and memoranda which fully and accurately disclose all transactions.

### **Conclusions**

1. By reason of the facts set forth above in Findings of Fact number 3, Respondent Smith willfully violated section 312(a) of the Act (7 U.S.C. §213(a)) and sections 201.29 and 201.30 of the Regulations (9 C.F.R. §201.29, 201.30).
2. By reason of the facts set forth above in Findings of Fact number 4,

Respondent Smith willfully violated section 312(a) and 401 of the Act (7 U.S.C. §213(a), 221).

3. By reason of the facts set forth above in Findings of Fact number 5, Respondent Smith willfully violated sections 312(a) and 409 of the Act (7 U.S.C. § 213(a), 228b).

4. By reason of the facts set forth above in Findings of Fact number 6, the financial condition of Respondent Smith does not meet the requirements of the Act (7 U.S.C. §204).

5. By reason of the facts set forth above in Findings of Fact number 7, Respondent Smith willfully violated section 401 of the P&S Act (7 U.S.C. §204).

Accordingly, the following order is issued.

#### **Order**

Respondent Bert Smith, III, his agents and employees, directly or through any corporate or other device, in connection with his activities subject to the Packers and Stockyards Act, shall cease and desist from:

1. Engaging in business in any capacity for which bonding is required under the Packers and Stockyards Act, as amended and supplemented, and the regulations, without filing and maintaining an adequate bond or its equivalent, as required by the Act and the regulations;

2. Purchasing livestock while his financial condition does not meet the requirements of the Act;

3. Issuing checks in payment for livestock purchases without maintaining sufficient funds on deposit and available in the account upon which such checks were drawn to pay such checks when presented;

4. Failing to pay, when due, the full purchase price of livestock;

5. Failing to pay the full purchase price of livestock;

6. Misleading sellers, their agents, and/or other buyers of cattle into believing that Respondent Smith is purchasing cattle for another and not for himself when, in fact, Respondent Smith is purchasing cattle for himself; and

7. Knowingly accepting, causing or authorizing the preparation of purchase invoices and/or other documents representing that Respondent Smith is purchasing cattle for another and not for himself when, in fact, Respondent Smith is purchasing cattle for himself.

Respondent Bert Smith, III shall keep and maintain accounts, records and memoranda which fully and correctly disclose all transactions involved in his operations subject to the Act, including, but not limited to check book registers, check numbers, returned, canceled, voided and reissued checks and bank statements.

Respondent Bert Smith, III is suspended as a registrant under the Act for a period of ten (10) years and thereafter until solvency is demonstrated, *provided*, however, that upon application to the Packers and Stockyards Programs and demonstration that current liabilities no longer exceed current assets and that all unpaid livestock sellers identified in the complaint have been paid in full, a supplemental order may be issued terminating the suspension in this proceeding at any time after the expiration of two (2) years of this suspension. *Provided further*, that upon application to the Packers and Stockyards Programs and demonstration of circumstances warranting modification of this order, this order may be modified to permit the salaried employment of Respondent Bert Smith, III by another registrant or packer after the expiration of two (2) years of the suspension in this proceeding.

This decision shall become final and effective without further proceedings 35<sup>1</sup> days after the date of service upon the Respondent, unless it is appealed to the Judicial Officer by a party to the proceeding within 30 days pursuant to section 1.145 of the Rules of Practice (7 C.F.R. § 1.145).

Copies hereof shall be served upon the parties.

[This Decision and Order became final May 29, 2001.-Editor]

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<sup>1</sup>This Decision supercedes the Decision issued on December 26, 2000 and corrects the effective date to 35 days after the date of service. - Editor.

**CONSENT DECISIONS**

(Not Published herein.-Editor)

**GRAIN STANDARDS ACT**

Dyer Gin and Grain Company. G.S.A. Docket No. 01-0001. 1/17/2001.

Minot Farmers Elevator, Inc. G.S.A. Docket No. 01-0002. 5/14/2001.

**PACKERS AND STOCKYARDS ACT**

Mark A. Miller d/b/a Miller Cattle Company. P&S Docket No. D-00-0010.  
1/22/2001.

Farmland National Beef Packing Company, L.P. P&S Docket No. D-99-0012.  
6/01/2001.

Todd Syverson, d/b/a Syverson Livestock Brokers. P&S Docket No. D-99-0011.  
6/12/2001.

**INDEX**  
**JANUARY - JUNE 2001**

**ADMINISTRATIVE PROCEDURE**

Adequacy of complaint . . . . .	91
Arbitrary and capricious. . . . .	134
Burden shifting. . . . .	134
Federal Register constructive notice. . . . .	199, 210
Final decision. . . . .	23
Jurisdiction. . . . .	28
Limitations. . . . .	134
Petition for reconsideration . . . . .	68, 210, 241
Practice and Procedure – Conflict of interest. . . . .	341
Practice and Procedure – Necessary parties. . . . .	341
Preponderance of evidence. . . . .	28, 241
Referral to court. . . . .	241
Standard of review. . . . .	134
Statutes at large constructive notice. . . . .	199, 210

**AGRICULTURAL MARKETING AGREEMENT ACT, 1937**

Failure to obtain inspection. . . . .	269
Handler. . . . .	1
Lease. . . . .	1
Milk. . . . .	1
Producer-handler. . . . .	1

**ANIMAL WELFARE ACT**

Access to facilities. . . . .	91
Dangerous Animals. . . . .	50
Dealer. . . . .	53
Exhibitor. . . . .	91
Exhibitor status. . . . .	28
Failure to:	
designate a responsible person to accompany APHIS ins. . . . .	41
maintain a written program of veterinary care. . . . .	41
maintain the physical facility in compliance. . . . .	41
make facility available for unannounced inspections . . . . .	41
Final decision. . . . .	23
Food storage. . . . .	73, 91
Housekeeping. . . . .	91

Housing. . . . .	73
Interference with inspectors. . . . .	91
Jurisdiction of Judicial Officer . . . . .	23
License. . . . .	53
License disqualification. . . . .	41
Perimeter fence. . . . .	91
Pest control. . . . .	91
Prior violation. . . . .	23
Recordkeeping. . . . .	73, 91
Shelter. . . . .	91
Space . . . . .	73, 91
Violations of AWA. . . . .	28
Water. . . . .	91

**BEEF PROMOTION AND RESEARCH ACT**

Auditors. . . . .	134
Collecting person . . . . .	134
Deference, to auditors. . . . .	134
Private treaty. . . . .	134
Recordkeeping. . . . .	134
Statistical sampling. . . . .	134
Swapping. . . . .	134
Unpaid “checkoffs”. . . . .	134

**CONSTITUTIONAL ISSUES**

Commerce clause. . . . .	241
Commercial speech. . . . .	147
Due process. . . . .	134, 241
Eighth Amendment . . . . .	165
Equal protection. . . . .	1, 134
Excessive fines, prohibition of. . . . .	165
First Amendment. . . . .	147

**FEDERAL CROP INSURANCE ACT**

Disqualification . . . . .	271
False information. . . . .	271

**HORSE PROTECTION ACT**

Adequacy of evidence. . . . .	145
Admissible evidence. . . . .	241

Atlanta protocol. . . . .	241
Bias. . . . .	241
Diagnosis. . . . .	145
Entry. . . . .	241
Palpation reliable. . . . .	241
Soring. . . . .	145, 241

**INSPECTION AND GRADING**

Raisin inspection. . . . .	165
Warning letter. . . . .	165
Willful. . . . .	165
Withdrawal of inspection services. . . . .	165

**MUSHROOM PROMOTION, RESEARCH, AND CONSUMER INFORMATION ACT**

Comprehensive regulatory scheme. . . . .	147
Compulsory subsidy. . . . .	147
Generic advertisement. . . . .	147
Non-voluntary association. . . . .	147

**PACKERS AND STOCKYARDS ACT, 1921**

Bad checks. . . . .	298
Failure to maintain records. . . . .	298
Inadequate Surety bond. . . . .	295, 296

**PERISHABLE AGRICULTURAL COMMODITIES ACT, 1930**

Accord and Satisfaction – Return of payment. . . . .	352
Appeal reinspection, request untimely. . . . .	318
Bankruptcy creditors. . . . .	374
Breach of contract. . . . .	314
Commercial bribery. . . . .	303
Consignments – Breach of consignment contract. . . . .	341
Contracts . . . . .	348
Credibility. . . . .	346
F.o.b. . . . .	318
F.o.b., Suitable Shipping Condition – Normality of transportation. . . . .	352
Federal inspections. . . . .	346
Federal inspections – Credibility. . . . .	352
Full payment, failure to make, when due. . . . .	374, 377, 379
Inference drawn from failure to follow normal practice and regulations. . . . .	341

Inspections, by inspector convicted of receiving bribes. . . . .	341
Market value, determination of. . . . .	314
Privity. . . . .	348
Return of payment. . . . .	352
Shipping terms . . . . .	318

**PLANT QUARANTINE ACT**

Avocados. . . . .	191, 199, 210
Beef. . . . .	191
Imported fire ant. . . . .	219
Prohibited importation. . . . .	272, 274, 278, 280, 282, 284, 285, 287
Yams. . . . .	191

**RULES OF PRACTICE**

Admissions. . . . .	280
Answer requirements. . . . .	219
Appearance. . . . .	219
Attorney of record. . . . .	219
Bench decision. . . . .	364
Default	
23, 50, 191, 199, 219, 269, 271, 272, 274, 278, 280, 282, 284,	
. . . . .	285, 287, 295, 296, 298, 374, 377, 379
Extension of time. . . . .	91
Failure to answer. . . . .	50
Failure to file timely answer. . . . .	53, 91, 191, 199, 219
Filing date. . . . .	241
Jurisdiction – Time limitation on filing of complaint. . . . .	341
Late-filed petition for reconsideration. . . . .	68
New argument on appeal. . . . .	241
Opportunity to file. . . . .	364
Oral decision. . . . .	364
Petition to reopen. . . . .	364
Remand order. . . . .	364
Untimely answer. 269, 271, 272, 274, 278, 282, 284, 285, 287, 295, 296, 298	
Untimely appeal. . . . .	23
Untimely filing, of counter-claim. . . . .	314

**SANCTIONS, GENERALLY**

Ability to pay. . . . .	191, 199
Cease and desist order. . . . .	28, 41, 53, 73, 91, 134

Civil penalty. . . . .	28, 41, 53, 73, 91, 134, 191, 199, 241
Civil penalty as effective deterrent. . . . .	274
Disqualification. . . . .	241
Excessive fines clause . . . . .	165
Failure to pay assessment. . . . .	269
Late payments . . . . .	134
License disqualification. . . . .	53
License revocation. . . . .	91, 303
Multiple violations. . . . .	134
Past due assessments . . . . .	134
Sanction policy. . . . .	73, 91, 165, 191, 199
Sanction testimony. . . . .	165