Agricultural Liens and the UCC: A Report on Present Status and Proposals for Change

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Originally published in the OKLAHOMA LAW REVIEW
44 OKLA. L.R. 9 (1991)

AGRICULTURAL LIENS AND THE U.C.C.: A REPORT ON PRESENT STATUS AND PROPOSALS FOR CHANGE

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I. Introduction

As the farm crisis deepened in the early 1980s, secured parties collateralized by farm products faced increasing competition from agricultural lienholders who also claimed farm products as collateral for their liens. The remedy against secured parties could include tort actions for conversion — the same remedy secured parties were using against buyers, commission merchants, and selling agents of farm products. In 1985, Congress dealt with conversion actions between secured parties and buyers, commission merchants, and selling agents by passing 7 U.S.C. § 1631.[1] However, conflicts between secured parties and agricultural lienholders were not comprehensively addressed through legislation or legislative proposals.

Since 1987, the Subcommittee on Agricultural and Agri-Business Financing, Commercial Financial Services Committee, Section of Business Law of the American Bar Association, has had a working group studying agricultural liens. The charge to this working group, known as the Agricultural Lien Task Force, was twofold: First, survey the agricultural lien

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This article arises from work completed under the auspices of the American Bar Association. All opinions, findings, conclusions, or recommendations expressed in this article are those of the authors. The American Bar Association has not adopted nor endorsed these opinions, findings, conclusions, and recommendations.

The authors gratefully acknowledge the assistance of four other persons who worked on the Agricultural Lien Task Force discussed in this article: Richard C. Anderl, Kutak, Rock & Campbell, Omaha, Nebraska; David A. Lander, Thompson & Mitchell, St. Louis, Missouri; Keith G. Meyer, E.S. & Tom W. Hampton Professor of Law, University of Kansas; and Steve H. Nickels, Roger F. Noreen Professor of Law, University of Minnesota. While these four persons did not directly participate in the writing of this article, their ideas and comments thoroughly influenced its content.

1. For an overview discussion of 7 U.S.C. § 1631, see Kershen & Hardin, *Section 1631: Developments in Farm Products Financing*, 45 CONSUMER FIN. L.Q. ____(1991) (forthcoming).

laws of the various states to ascertain the present state of the law on agricultural liens; and second, suggest proposals for coordinating agricultural liens with article 9 of the Uniform Commercial Code.

This article reports on the Task Force's work. First, the results of the survey will be discussed to allow the reader to grasp the phenomenal variety of agricultural liens. The article will then present seven legislative options as proposed resolutions to the conflicts between secured parties and agricultural lienholders. By describing agricultural lien law and presenting legislative options, the authors desire to encourage discussion about agricultural financing. The ultimate goals of this article are to better facilitate the extension of credit to agriculture and the creation of an economically healthy and socially desirable agricultural sector in the United States.

II. Charge One: Survey Agricultural Liens

A. The Nature of Agricultural Liens

Agricultural liens, like liens generally, are of three kinds: statutory, judicial, and consensual.

Statutory liens arise by operation of law because of the status of a particular creditor who has provided land,[2] goods,[3] services,[4] or labor[5] to an agricultural producer or to an agricultural processor. By reason of the statutory lien, the creditor acquires a claim against the crops, livestock, or farm equipment for which the land, goods, services, or labor were provided. In this sense, statutory liens provide a secured claim against specific property as collateral to assure the lienholder of receiving payment for the land, goods, services, or labor provided.

Judicial liens arise by attachment or favorable verdict in the course of litigation when the person who provided the goods, services, or labor attempts to collect payment.[6] The person claiming payment has two ways of obtaining a judicial lien. First, the claimant can sue for a money judgment. With a money judgment, the claimant becomes a judicial lien creditor who can enforce that judgment by seizing any nonexempt property of the judgment debtor. Second, the claimant can sue for collection of the payment owed against the specific property benefitted by the goods, services, or labor provided. If the claimant is successful, the court through its judgment gives the claimant a judicial lien (often called a common law lien) against the specific property which allows that property to be seized

2. *E.g.*, ALA. CODE §§ 35-9-30 to 35-9-42 (1975) (landlord's lien).

3. *E.g.*, 4 OKLA. STAT. § 192 (1981) (lien for furnishing feed to owners of domestic animals).

4. *E.g.*, CAL. CIV. CODE §§ 3062-3064 (West 1974 & Supp. 1990) (lien for service of stallion, jack, or bull).

5. *E.g.*, LA. REV. STAT. ANN. § 9:4622 (West 1983) (moss gatherer's labor lien).

6. U.C.C. § 9-301(1)(b), (3) gives a judicial lien creditor priority over unperfected security interests. This article assumes that the security interests are perfected security interests.

and sold to pay the judgment debt.[7] This second method of obtaining a judicial lien is most analogous to a statutory lien.

Consensual liens arise through a voluntary agreement between the person receiving the goods, services, or labor and the person providing the goods, services, or labor. As part of the bargain, the parties identify the specific property which serves as collateral to assure payment for the goods, services, or labor. Article 9 of the Uniform Commercial Code governs consensual liens in personal property and fixtures collateral. Consensual liens are equivalent to security interests.[8] Real property law governs consensual liens acquired against real estate through mortgages, contracts for deed, and leases.

This article focuses on statutory liens that arise by operation of law due to the status of the creditor. The article provides an overview of these statutory liens and then discusses how these statutory liens might be coordinated with U.C.C. article 9 governing consensual liens.

Statutory liens themselves divide into two types. Statutory liens relating to goods are essentially purchase money liens. In return for providing the goods upon a promise of payment, the provider receives a lien that finances the purchase of the goods. The lien, as a matter of law, creates a claim against the goods or the products which the goods become or into which the goods are incorporated. Statutory liens relating to land, services and labor do not provide security for purchase money financing for particular goods. Rather, statutory liens relating to land, services and labor assure payment for the physical performance that the lienholder provided. Statutory liens for land, services or labor attach to the specific crop or livestock produced by the land or with the services or labor.

B. Source of Law for Statutory Liens

Statutory liens contrast significantly with consensual liens in the source of law to which creditors and debtors look to govern their relationships. Consensual liens are governed by state law. However, as a practical matter, the relevant state law is essentially article 9 of the Uniform Commercial Code. While states have adopted non-uniform amendments to various sections of article 9, creditors and debtors know to look to article 9 as the first, and most likely final, source of law governing their agreement. Moreover, despite non-uniform amendments, the format, the terminology, and the feel of article 9 are similar from state to state. Hence, although state law governs consensual liens, for the most part state law is a uniform code throughout the United States.[9]

7. *E.g.*, *In re* Stookey Holsteins, Inc., 112 Bankr. 942 (Bankr. N.D. Ind. 1990) (judicial artisan's lien in frozen cattle embryos).

8. U.C.C. § 1-201(37) (1989) ("Security Interest" defined). All further U.C.C. citations are to the 1989 official text, unless otherwise noted.

9. U.C.C. article 9 became all pervasive in the United States with Louisiana's adoption of article 9 on January 1, 1990. LA. REV. STAT. ANN. §§ 10:9-101 to 10:9-508 (West Supp. 1991). Louisiana was the last state to adopt article 9.

Even if state law governing consensual liens is preempted by the filing of bankruptcy by a debtor, creditors and debtors still have one governing law. While the Bankruptcy Code is intricate, detailed, difficult, and subject to differing interpretations by different courts, the Bankruptcy Code is the Bankruptcy Code. Creditors and debtors need look only in one place and read only one interrelated, meant-to-be consistent set of statutory provisions. Moreover, with respect to consensual liens, sections 506 and 544 of the Bankruptcy Code recognize and reaffirm security interests acquired in accordance with article 9 of the U.C.C. Thus, the Bankruptcy Code and article 9 provide a coordinated scheme which governs security interests throughout the United States.

State law also governs statutory liens. However, unlike security interests under article 9 of the U.C.C., where uniformity between the states is quite extensive, agricultural statutory liens are noted for their lack of uniformity. Uniformity is lacking in two respects: as between states, and within a particular state.

First, each state has its own unique set of agricultural liens that reflects each state's own agricultural history. Many of these liens, on their face, reflect an agricultural history and past agricultural needs that seem quaint and old-fashioned, or possibly even anachronistic and detrimental when compared to today's agricultural realities. Just to hear the names of such agricultural liens makes one recall the times in which these agricultural liens arose: thresher's liens, horseshoer's liens, livery stable liens, moss gatherer's lien. Yet these liens cannot be easily dismissed as outmoded and unneeded. Naming other agricultural liens immediately makes their modern relevance clear: landlord's liens, seed supplier liens, fertilizer supplier liens, veterinarian's liens. Even an old-fashioned-sounding lien, such as a thresher's lien, covers the modern practice of custom combining. Hence, each state has its own set of agricultural liens that may or may not be completely responsive to the needs of modern agriculture.[10]

Second, each state adopted its various agricultural liens at different times and under different pressures. As a state adopted an agricultural lien, no common pattern or organized approach was followed. Hence, within a particular state, agricultural liens may have different requirements as to how and when the lien is created, how and whether the lien is perfected through public notice, how and within what period of time the lien is enforced, or what priority the lien has vis-à-vis the claim of other creditors — whether they be other lienholders claiming the same crop, livestock, or farm equipment under a different agricultural lien or secured parties claiming a security interest.[11]

10. For examples of the diversity that exists between the various states about agricultural liens, see appendix I to this article.

11. For examples of how different liens within a single state exhibit non-uniform approaches to creation, perfection, enforcement, and priority, see appendix I to this article. *See also* Dainow, *Vicious Circles in the Louisiana Law of Privileges*, 25 LA. L. REV. 1 (1964); Dieball, *Addressing Priority Disputes Between a Statutory Landlord's Lien and an Article Nine Security Interest in Texas*, 31 S. TEX. L. REV. 191 (1990).

In contrast to consensual liens where the Bankruptcy Code promotes uniformity, the patchwork of statutory agricultural liens is reinforced by the Bankruptcy Code. Section 545 of the Bankruptcy Code recognizes and protects a statutory lien only if such lien was perfected or enforceable at the time of the commencement of the bankruptcy case as against a hypothetical bona fide purchaser. Thus, section 545 forces judges in bankruptcy disputes to ascertain and to follow the various state laws despite the non-uniformity of these various statutory liens.[12] With regard to landlord's liens, section 545 of the Bankruptcy Code does supply a nationwide uniform rule. Section 545 gives uniformity, however, not by recognizing and protecting landlord's liens but by allowing the trustee to avoid them.[13]

Finally, one other contrast, with respect to the source of law, exists between statutory liens and consensual liens. Whereas creditors and debtors know to look to the state-adopted version of U.C.C. article 9 for the laws governing security interests, creditors and debtors have no similar, single place to look for agricultural statutory liens in the laws of the various states. Agricultural statutory liens usually are scattered throughout the various titles or chapters of the compiled or codified laws of the various states.[14] In some instances, agricultural liens may be possessory creatures of common law established by judicial precedent. Oklahoma is typical of this scattering pattern. In Oklahoma, creditors and debtors find agricultural statutory liens in title 2 (Agriculture), title 4 (Animals), title 41 (Landlord and Tenant), and title 42 (Liens).[15] Because these liens are scattered throughout the compiled or codified laws of a state, creditors and debtors are less likely to know about the agricultural statutory liens and more likely to miss finding them, even if the creditors and debtors look for them.

C. *The Fifty-State Survey of Agricultural Liens*

In light of the striking non-uniformity between and within states with respect to agricultural liens and the difficulty in locating these liens, the Agricultural Lien Task Force's first charge (to survey the agricultural statutory liens of the fifty states) was extremely important. To accomplish this survey, the Agricultural Lien Task Force enlisted the aid of the National Center for Agricultural Law Research & Information at the University of Arkansas School of Law in Fayetteville.

12. *E.g.*, *In re* Loretto Winery, Ltd., 898 F.2d 715 (9th Cir. 1990).

13. 11 U.S.C. § 545(3), (4) (1988). *See In re* Arnold, 88 Bankr. 917 (Bankr. N.D. Iowa 1988); *In re* Waldo, 70 Bankr. 16 (Bankr. N.D. Iowa 1986).

14. In some states, there has been a movement toward consolidation of agricultural statutory liens. For example, in 1987, North Dakota consolidated five liens addressing crop production into two liens — an agricultural processor's lien and an agricultural supplier's lien. N.D. CENT. CODE §§ 35-30-01 to 35-30-02, 35-31-01 to 35-31-03 (1987). *See* Saxowsky, Fagerlund & Priebe, *Modernizing Agricultural Statutory Liens After the Federal "Clear Title" Law — the North Dakota Experience*, 11 J. AGRIC. TAX'N & L. 30 (1989).

15. Specific citations to these various Oklahoma statutory liens exist in appendix I to this article.

The agricultural liens of the various states have never been compiled in a single source. Hence, a thorough and careful survey provided much needed information on agricultural liens. The survey gathered information on agricultural liens by asking the following questions:

1. What liens exist in each state and what are the citations for those liens?
2. What formal requirements (such as filing, possession, or collateral descriptions) must be met to create or to perfect a particular lien?
3. To what property does the lien attach?
4. When does the lien attach and for how long is the lien effective?
5. What priority does the lien have over other liens or other creditor claims?
6. How is the lien enforced against the encumbered collateral?

The Agricultural Lien Task Force completed the fifty-state survey in 1990 with information from all states current through the 1990 legislative sessions of the various states. The Task Force compiled the survey information into two formats. One format is a treatise-style discussion for each state about the agricultural lien law for that state. The second format is a Rapid Finder Chart which provides an overview of the various agricultural liens for each state. The Rapid Finder Charts for eleven states (California, Colorado, Florida, Illinois, Iowa, Minnesota, Montana, Nebraska, North Dakota, Oklahoma, and Texas) are presented as Appendix 1 to this article. These Rapid Finder Charts show the types of information acquired during the fifty-state survey and illustrate the second format into which the survey information was compiled.

The entire fifty-state survey in both formats is a manuscript document approximately 800 pages in length. The survey provides current, useful information on the agricultural liens of the various states. Equally important, the survey provides this information in a single, conveniently arranged document. Consequently, numerous agricultural lenders, agricultural suppliers, agricultural organizations, and their attorneys have requested that this survey information be made available in a published format. In response to these requests, the Agricultural Lien Task Force is committed to publishing this fifty-state survey. The Task Force is seeking a publisher who can arrange the survey information as a looseleaf publication. If such a publisher can be found, the Task Force also intends to update the survey on an annual basis so that the publication provides both current information about the controlling law and past information relevant to disputes involving agricultural liens acquired in previous years.

In terms of substantive content, the survey confirmed and reemphasized the uniqueness of agricultural lien law among and within the various states. Agricultural lien law is highly parochial. Individual agricultural liens often are *sui generis*.

Once the Agricultural Lien Task Force had surveyed the content of agricultural lien law, the Task Force turned its attention to its second charge by addressing the question of how agricultural liens might be coordinated with article 9 security interests.

III. Charge Two: Agricultural Liens and Article 9

A. The General Rule: Exclusion of Agricultural Liens

Security interests under the U.C.C. are voluntary, consensual interests that arise from a contractual relationship between the creditor and the debtor. By contrast, agricultural liens arise as a matter of law based on the status relationship between the lienholder and the debtor.

In light of this basic difference between security interests and agricultural liens, the original drafters of the U.C.C. decided it was "both inappropriate and unnecessary for this article to attempt a general codification of that lien structure which is in considerable part determined by local conditions and which is far removed from ordinary commercial financing."[16] The drafters' decision is embodied in section 9-104, which states: "This Article does not apply . . . (b) to a landlord's lien; or (c) to a lien given by statute or other rule of law for services or materials except as provided in Section 9-310 on priority of such liens."[17] Section 9-310 then states:

> When a person in the ordinary course of his business furnishes services or materials with respect to goods subject to a security interest, a lien upon goods in the possession of such person given by statute or rule of law for such materials or services takes priority over a perfected security interest unless the lien is statutory and the statute expressly provides otherwise.[18]

Reading these two sections of article 9 together demonstrates that the U.C.C. excludes agricultural liens from its provisions except in a limited instance. Under section 9-310, a possessory lienholder ordinarily has priority to the property over the claims of a secured party with a perfected security interest against the same property. Hence, in the only instance in which article 9 specifically addresses agricultural liens, possessory agricultural liens win.[19] Aside from this limited instance, however, the U.C.C. has nothing further to say about agricultural liens.

16. U.C.C. § 9-104 comment 3.

17. U.C.C. § 9-104. Section 9-102(2) gives the same message as § 9-104(c), with slightly different wording: "This Article does not apply to statutory liens except as provided in Section 9-310." *Id.* § 9-102(2).

18. *Id.* § 9-310.

19. *In re* Ragan, 15 Bankr. 376 (Bankr. D. Kan. 1981) (possessory warehouse lien in grain), *rev'd on other grounds*, Jefferson City Coop. Ass'n v. Northeast Kansas Credit Ass'n, 73 Bankr. 3 (Bankr. D. Kan. 1982); Yeager & Sullivan, Inc. v. Farmer's Bank, 162 Ind. App. 15, 317 N.E.2d 792 (1974) (possessory agister's lien). *See* Mousel v. Daringer, 190 Neb. 77, 206 N.W.2d 579 (1973) (unclear whether case is decided on possessory agister's lien or on priority between nonpossessory agister's lien and security interest). *Cf.* Graff v. Burnett, 226 Neb. 710, 414 N.W.2d 271 (1987) (possessory agister's lien defeats debtor's conversion counterclaim).

"Agister's Lien: A lien upon an animal provided by contract or statute for the benefit of a person who has fed or cared for the animal." BALLENTINE'S LAW DICTIONARY 52 (3d ed. 1969).

Several cases discuss the definition of possession for purposes of § 9-310. The Code sets forth no "possession" definition. Hence, under § 1-103, the general principles of the laws of the

Therefore, because the U.C.C. does not govern agricultural liens, agricultural lien law provides the governing law for the creation and enforcement of agricultural liens. Moreover, when priority disputes arise between nonpossessory agricultural liens and article 9 security interests, courts resolve the dispute not by looking internally to the U.C.C., but by looking beyond the U.C.C. to compare the Code with the specific lien law with which the U.C.C. security interest is in conflict. Needless to say, whether a particular agricultural lien does or does not have priority over an article 9 security interest depends upon the precise statutory language of the specific agricultural lien involved and upon the unique decisional law of the state deciding the dispute.[20] Consequently, creditors, debtors, and their attorneys have difficulty predicting the outcome of any particular dispute between an agricultural lienholder and an article 9 secured party.[21]

While article 9 says very little about agricultural liens, section 9-312(2) sets forth a priority provision relating to perfected security interests in crops for new value given.[22] If the fertilizer, seed, or petroleum dealers

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various states should govern by supplementing § 9-310. *Compare* Henkel v. Pontiac Farmers Grain Co., 55 Ill. App. 3d 898, 371 N.E.2d 352 (1977) *with* Northeast Kansas Prod. Credit Ass'n v. Ferbrache, 236 Kan. 491, 693 P.2d 1152 (1985). *See generally* Baird & Jackson, *Possession and Ownership: An Examination of the Scope of Article 9*, 35 STAN. L. REV. 175 (1983).

See generally Comment, *Amendments to Section 9-310 of the Alabama Uniform Commercial Code: Priorities Between an Article 9 Security Interest and a Statutory Landlord's Lien*, 13 CUMB. L. REV. 97 (1982); Comment, *U.C.C. Section 9-310: Priority Conflicts Between Article 9 Security Interests and Florida's Statutory Liens*, 29 U. FLA. L. REV. 976 (1977).

20. *E.g.*, Flora Compress & Warehouse Co. v. Virden, 642 F. Supp. 466 (S.D. Miss. 1986) (labor and material lien subordinate to security interest); Cleveland v. McNabb, 312 F. Supp. 155 (W.D. Tenn. 1970) (Tennessee landlord's lien given priority over security interest); La Junta Prod. Credit Ass'n v. Schroder, 800 P.2d 1360 (Colo. App. 1990) (security interest subordinate to an agister's lien); Washington City Bank v. Red Socks Stables, Inc., 221 Neb. 300, 376 N.W.2d 782 (1985) (security interest trumps agister's lien); Circle 76 Fertilizer, Inc. v. Nelsen, 219 Neb. 661, 365 N.W.2d 460 (1985) (security interest given priority over petroleum products lien); Mousel v. Daringer, 190 Neb. 77, 206 N.W.2d 579 (1973) (agister's lien trumps security interest); Defiance Prod. Credit Ass'n v. Hake, 70 Ohio App. 2d 185, 435 N.E.2d 692 (1980) (security interest has priority over feed supplier's lien); Agristor Credit Corp. v. Unruh, 571 P.2d 1220 (Okla. 1977) (feedman's lien subordinate to security interest); Leger Mill Co. v. Kleen-Leen, Inc., 563 P.2d 132 (Okla. 1977) (security interest trumps nonpossessory feedman's lien).

See generally DiVita, *Conflicts Between the West Virginia Landlord's Lien and Article Nine of the Uniform Commercial Code*, 86 W. VA. L. REV. 417 (1984); Wilcox & Harty, *The Relative Priority of a Landlord's Lien and Article 9 Security Interest*, 35 DRAKE L. REV. 27 (1985); Annotation, *Secured Transactions: Priority as Between Statutory Landlord's Lien and Security Interest Perfected in Accordance with Uniform Commercial Code*, 99 A.L.R. 3d 1006 (1980 & Supp. 1990).

21. This difficulty is ameliorated in Maine. Maine adopted legislation governing the priority of nonpossessory statutory liens vis-à-vis article 9 security interests. Title 10, § 4012 of the Maine Revised Statutes provides that properly perfected security interests have priority over any lien created or referred to in title 10 [Commerce and Trade], unless the person claiming the lien has possession of the goods subject to the lien. ME. REV. STAT. ANN. tit. 10, § 4012 (1980).

22. *E.g.*, Salem Nat'l Bank v. Smith, 890 F.2d 22 (7th Cir. 1989); Dennis v. Connor, 733 F.2d 523 (8th Cir. 1984); Niedermeier v. Central Prod. Credit Ass'n, 300 Ark. 116, 777 S.W.2d 210 (1989). For a thorough discussion of U.C.C. § 9-312(2), its drafting history and case treatment,

take a security interest in crops when they sell their products on credit to farmers, these security interests in crops for new value given overlap with statutory agricultural liens. It is important to remember, however, that security interests in crops for new value given complement rather than replace agricultural liens. An agricultural supplier who takes a security interest in crops still acquires, by operation of law, any statutory lien that exists to assure payment for the supplies sold to the farmer. Hence, section 9-312(2) does not coordinate agricultural liens with article 9 security interests.

B. The Consequences of Exclusion

1. The Changed Pattern of Agricultural Finance

In comment 3 to section 9-104, the original drafters expressed the view that liens could be excluded from the U.C.C. because liens are "far removed from ordinary commercial financing." At the time the original drafters wrote comment 3 in the 1950s, they were correct that agricultural liens (aside from landlord's liens) were not a significant source of credit for farmers or ranchers in the ordinary course of farm and ranch business. The pattern of agricultural lending in the 1950s differed from the pattern of agricultural lending that had existed in the early decades of this century. Prior to the 1930s, agricultural producers more often bought goods, services, and labor on credit given by suppliers and laborers. In turn, these suppliers and laborers more heavily depended upon agricultural liens to protect their right to payment for those goods, services, and labor. This pre-1930 pattern existed because rural agricultural banks could not or did not fully meet the credit needs of farmers and ranchers.

In the 1930s, however, two major agricultural operating lenders, Production Credit Associations (PCAs) and the Farmers' Home Administration (FmHA), came into being as the Roosevelt Administration sought to assure adequate and affordable operating credit to American farmers and ranchers.[23] With the emergence of PCAs and FmHA, the lending pattern in agriculture changed: agricultural liens became less important and chattel mortgages more important as the legal device used in securing repayment of loans. By the 1950s, rural agricultural banks, PCAs, and the FmHA provided the operating credit for the agricultural sector of our economy. These operating lenders secured repayment of their loans through chattel mortgages. Farmers and ranchers almost always paid their laborers and suppliers of goods and services (those who were likely to assert liens) in cash from operating capital provided by the operating lender. In the 1950s,

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see Nickles, *Setting Farmers Free: Righting the Unintended Anomaly of U.C.C. Section 9-312(2)*, 71 MINN. L. REV. 1135 (1987).

23. K. MEYER, D. PEDERSEN, N. THORSON, J. DAVIDSON, AGRICULTURAL LAW: CASES AND MATERIALS 55-58 (1985); Kelly & Hoekstra, *A Guide to Borrower Litigation Against the Farm Credit System and the Rights of Farm Credit System Borrowers*, 66 N.D.L. REV. 127, 132-49 (1990).

the original drafters looked at agricultural lending and correctly saw the primacy of chattel mortgages over agricultural liens.

By the 1980s, however, the original drafters' comment was no longer as universally accurate because the lending pattern of the 1950s had disappeared. By the 1980s, suppliers of agricultural services, goods, and equipment often provided these services, goods, and equipment on credit. Corporate agribusinesses (such as W.R. Grace, Co., John Deere, Inc., and Dekalb, Inc.) decided to finance farmers and ranchers themselves because the financing business provided another profit opportunity.[24] As financing still offers a profit opportunity, sellers of agricultural equipment and agricultural suppliers are likely to be participants in the agricultural credit system for a long time. Moreover, when the agricultural economy became stressed in the 1980s, farmers turned to their suppliers as an alternative source of credit when the traditional operating lenders since the Great Depression (agricultural banks, PCAs, FmHA) balked at financing one more crop, one more herd, or one more year of farming or ranching. Hence, by the 1980s, agricultural liens were no longer "far removed from ordinary commercial financing." By the 1980s, the primacy of chattel mortgages (transformed into security interests by states adopting the U.C.C.) lessened as agricultural liens became a strong, alternative source of credit for farmers and ranchers. When the financial crisis of the 1980s occurred, secured creditors had to worry about agricultural liens and their impact on security interests. Secured creditors could no longer safely ignore agricultural liens.

The original drafters assumed that voluntary, consensual security interests were so predominate in agriculture that agricultural liens could be and should be excluded. Coordination was unnecessary because agricultural liens were properly perceived as insignificant. Due to the changed nature of agricultural operating lending in the 1980s as compared to the 1950s, the time may have come to reassess how the original drafters answered the coordination of agricultural liens and security interests.

2. *Persistent Conflicts between Agricultural Liens and Security Interests*

Once agricultural liens reentered the mainstream of agricultural financing in the 1980s, a persistent conflict arose between lienholders asserting agricultural liens and secured creditors asserting article 9 security interests. Secured creditors voiced two common complaints about this persistent conflict.

First, secured creditors complained that they had no easy way to learn about the existence of agricultural liens. Each agricultural lien was created in accordance with its own statutory or judicial authority. Some agricultural liens (generically referenced as "secret liens") did not require any

24. By the year 1969, almost as many farmers were receiving credit from merchants (equipment dealers, seed dealers, fertilizer dealers) as were receiving loans from traditional operating lenders. Bailey, *Where Farmers Borrow*, BANKING, Mar. 1969, at 75.

public filing. Those that required public filing generally required that the filing be in local offices and the particular local office varied from lien to lien.[25] The place of filing might or might not be the same as the place of filing notice of article 9 security interests. Hence, attempting to ascertain whether any agricultural liens existed against the farmer's or rancher's property was often futile and always very time-consuming. Secured creditors nevertheless desired to know what lien claims existed against a potential debtor's property prior to making a loan.

Buyers of farm products also complained about being unable to easily and accurately determine whether agricultural liens existed against the farm products and the farm equipment being purchased. Buyers expressed concern because agricultural liens (depending on their statutory language and judicial interpretation) could be enforceable against buyers regardless of their good faith status. Buyers thus ran a risk of double payment — once to the agricultural producer and a second time to the lienholder.[26]

Title 7 U.S.C. § 1631, the federal preemption of the farm products exception of section 9-307(1), did not affect this double payment risk for agricultural liens. Congress drafted section 1631 to apply only to voluntary, consensual security interests and not to agricultural liens. Hence, section 1631 did not preempt any state law that imposed double payment liability upon buyers who purchased farm products encumbered with an agricultural lien.[27] Therefore, buyers also needed to know what liens existed against a farmer's or rancher's property prior to making a purchase.

Second, secured creditors complained about the legal uncertainty that existed because priority conflicts between liens and security interests were resolved outside the U.C.C. As previously discussed, the outcomes of these conflicts are unpredictable. Secured creditors were concerned about agricultural liens trumping security interests under any circumstance. Secured

25. The comprehensive survey of statutory agricultural liens indicates that in 36 states, the filing of statutory agricultural liens is either not required or is required only with a local entity, generally a county clerk's office. These states include: Alabama, Alaska, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Missouri, Nevada, New Jersey, New Mexico, New Hampshire, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming. See appendix I to this article for the filing requirements in four of these 36 states: Florida, Illinois, Oklahoma, and Texas.

26. *E.g.*, Cleveland v. McNabb, 312 F. Supp. 155 (W.D. Tenn. 1970) (marketing company who purchased soybeans from grower held liable in conversion to landlord for unpaid rent secured by landlord's lien against the purchased soybeans). By contrast, until 1987, buyers of agricultural products encumbered with a North Dakota statutory lien bought free and clear of the statutory lien. Saxowsky, Fagerlund & Priebe, *supra* note 14, at 33.

Lienholders want to enforce their liens against buyers for a reason in addition to having access to the buyers' assets. If agricultural liens are enforceable against bona fide purchasers, 11 U.S.C. § 545(2) shields these agricultural liens from trustee avoidance. *See In re* Arnold, 88 Bankr. 917 (Bankr. N.D. Iowa 1988) (Trustee has duty to avoid landlord's lien when failure to do so creates an impermissible preference for one class of creditors over another.).

27. D. KERSHEN & J. HARDIN, FARM PRODUCTS FINANCING AND FILING SERVICE ¶ 4.02[2][a] (1990).

creditors were especially worried about agricultural liens trumping security interests when the lien came into existence after the security interest was created. Even if agricultural liens were properly created only after being publicly filed, if a security interest could be trumped by an agricultural lien created after the security interest, public notice would be irrelevant.[28] Secured creditors expressed a desire to have a clear scheme of priority between competing claims to a debtor's property serving as collateral for a loan.

Lienholders also complained about the uncertain state of the present law as to whether their liens would be protected when in conflict with article 9 security interests. Without clear priority rules, disputes are more likely to result in litigation with its attendant legal costs and delays.

These two complaints express two different concerns. The first complaint is about lack of information. The second complaint is about the legal uncertainty of priority. Because the complaints express different concerns, the proposed resolutions can vary significantly.

IV. Proposals for Coordinating Agricultural Liens and Security Interests

A. Introduction to the Proposals

In light of the changed nature of agricultural finance since the 1950s and of the expressed complaints about conflicts between agricultural liens and article 9 security interests, the Agricultural Lien Task Force decided to study and to present various options for coordinating agricultural liens and security interests. In its work, the Task Force strove to both clarify the policy issues raised by the options presented and provide drafts for further consideration by the Permanent Editorial Board of the U.C.C. (PEB) and the legislatures of the several states. Options presented in this article are presented without the endorsement of the Task Force as to any particular option.

The Task Force saw seven options by which to address coordination of agricultural liens and article 9 security interests. These seven options are:

(1) Leave agricultural liens and security interests as they are;

(2) Bring agricultural liens within the filing provisions of the U.C.C., but change nothing else in the present state of the law;

(3) Change agricultural liens into article 9 security interests;

28. Later created agricultural liens can be of two types. The first type is an agricultural lien that arises from a transaction occurring after the secured creditor made a loan to the farmer or rancher. The second type is an agricultural lien created after the security interest, but which trumps the security interest because it relates back to the date of the transaction, predating the security interest, from which the lien arose. *E.g.*, OHIO REV. CODE ANN. § 1311.57(A) (Anderson Supp. 1989). Subsection 1311.57(A) states: "An agricultural producer or handler who perfects his lien within sixty days after the date of delivery . . . of the agricultural product has priority over secured creditors who have security interests . . . ." *Id.*

(4) Bring agricultural liens within the U.C.C., but give agricultural suppliers a form of "new value" priority over operating capital loans;

(5) Bring agricultural liens within the U.C.C., but develop a pro-rata priority formula for the relationship between agricultural suppliers and agricultural operating capital lenders;

(6) Bring agricultural liens within the U.C.C., but develop a new relationship between agricultural lenders and farmers and ranchers in the agricultural sector of our economy; or

(7) Exclude agricultural security interests from the U.C.C. and let all agricultural lending be governed by non-Code legal principles and laws.

The remainder of this article presents these seven options.

B. The Status Quo Option

In part III, the authors described the present law and its consequences. Preserving the status quo has advantages. First, the PEB or the state legislatures have no action to take. By not acting, these policy-making bodies reaffirm the original drafters' decision to exclude agricultural liens from the Code, except for the limited circumstances specified in section 9-310. Second, by default, the law obviously retains the diverse approaches to agricultural liens and their coordination with article 9 security interests which presently exist. These diverse approaches may well reflect local conditions that properly influence agricultural credit or that are so unlikely to be changed as to make any effort at change futile.

The disadvantage of this option is precisely that it leaves the law in its present state. The changed pattern of agricultural lending remains ignored. The complaints expressed by secured parties, buyers, and lienholders remain unresolved. By leaving the law in its present state, the PEB and the state legislatures open themselves to criticism for ignoring the reality of agricultural lending in the 1990s and for being unresponsive to legitimate, articulated complaints. If this criticism becomes sufficiently strong, the federal Congress may act to preempt the PEB and the state legislatures by creating a national agricultural credit code. In the recent past, Congress has shown its readiness several times to preempt the U.C.C. and other state laws concerning credit to the agricultural sector of the American economy.[29]

While the PEB or state legislatures can justifiably decide to maintain the present state of the law, other options need to be presented to allow informed debate about the proper relationship between agricultural liens and security interests.

29. Packers and Stockyards Act, 7 U.S.C. §§ 181, 196 (1988) (creating a statutory trust for sellers of livestock or poultry); Perishable Agricultural Commodities Act, 7 U.S.C. § 499e (Supp. II 1984) (creating a statutory trust for sellers of perishable fruits and vegetables), *overruling In re* Samuels & Co., 526 F.2d 1238 (5th Cir. 1976); Food Security Act of 1985, 7 U.S.C. § 1631 (Supp. IV 1986) (preempting the farm products exception of U.C.C. § 9-307(1) and the tort of conversion for commission merchants and selling agents).

C. The Minimalist Option: Uniform Filing Requirements for Agricultural Liens

The minimalist option proposes to amend section 9-310 by making its present language subsection (1) and adding a subsection (2) which would read as follows:

> *(2) When a person in the ordinary course of business furnishes services, labor, land, or materials to a person engaged in farming operations with respect to goods subject to a security interest, a lien upon goods not in the possession of such person given by statute or rule of law for such services, labor, land, or materials may gain priority over a perfected security interest or protection against buyers of the goods only if:*
>
> *(a) the lien is enforceable against the debtor; and,*
>
> *(b) such person files a notice of the lien identifying such person as a lien claimant in the same place and the same manner, except only the lien claimant need sign the notice, as such person would file in order to perfect a security interest in such goods.*

Subsection 2 addresses nonpossessory agricultural judicial or statutory liens for services, labor, land, or materials which subsection 1 does not address. Subsection 1 addresses only possessory liens. Thus, this amendment brings nonpossessory agricultural liens within the coverage of article 9 of the U.C.C.

Subsection 2 is limited to agricultural liens because the services, labor, land, or materials must be furnished to a person engaged in farming operations. By using the phrase "a person engaged in farming operations," the precedents in section 9-109(3), defining "farming operations" when determining what is a farm product, are also controlling in section 9-310(2). While subsection 2 is limited to agricultural liens, it applies to agricultural liens of all types: crop liens, livestock liens, farm equipment liens, and landlord's liens.

Subsection 2 has the limited purpose of making the place of filing for nonpossessory agricultural, judicial, and statutory liens consistent with the place of filing for the perfection of security interests in goods of the same type.[30] Aside from specifying the place of filing for liens, subsection 2 does not repeal the various lien laws of the adopting state. Hence, a state's lien laws still control the creation of the liens, the priority between and among liens and security interests, and the enforcement of liens against the debtor, other creditors, and buyers. Thus, subsection 2 only addresses the problem of "secret" liens.

30. *E.g.*, California has recently enacted two agricultural liens (the poultry and fish supply lien and the agricultural chemical and seed lien) which must be filed with the secretary of state on a U.C.C.-1 form. CAL. FOOD & AGRIC. CODE §§ 57516, 57567 (West Supp. 1991) (identical wording in both sections). California also has a dairy cattle supply lien, with similar filing requirements, which predates the poultry and fish supply lien and the agricultural and chemical seed lien. *Id.* §§ 57401-57414.

Liens are troublesome to other creditors and buyers primarily because creditors and buyers have no easy way in which to learn that liens exist. Subsection 2 removes this troublesome problem somewhat by requiring that a notice of all liens be filed in the same place as a financing statement on a security interest in the same collateral is filed under section 9-401. Moreover, the lien notice must contain the same information as a financing statement as set forth in section 9-402. Thus, if a lienholder has a claim against crops growing or to be grown, the lienholder must give a description of the real estate concerned. However, because a lien arises from case law or statutes, rather than voluntary agreement, the secured party only must sign the lien notice. No requirement exists that the debtor also sign the lien notice.

By requiring lien notices to be filed where financing statements are filed, other potential creditors can search for liens and security interests at the same time and in the same place. However, under subsection 2, a creditor doing a credit search cannot determine priority because subsection 2 leaves lien priority for resolution by lien law outside the U.C.C. Liens may or may not have priority depending upon the lien law of the state adopting subsection 2. At the same time, secured parties clearly have priority if a lienholder fails to file the required notice.

Buyers of crops, livestock, and farm equipment also gain from the requirement that nonpossessory agricultural liens be filed where the security interests against the same collateral are filed. Buyers thus have a place to look to determine their exposure for double payment. Buyers gain this protection due to the language of subsection 2 that agricultural liens may gain protection against buyers only if the required filing is made. At the same time, subsection 2 does not change the adopting state's law as to whether or when buyers are accountable for double payment.

However, a secured party or buyer doing a search may not learn about all liens that exist against the debtor's goods. In many instances, lien claimants can claim valid liens up to sixty or ninety days after providing the services, labor, land, or materials with the effective date of the lien relating back to the providing date. Subsection 2 does not repeal the "relation back" rules of the adopting state. If the lienholder files the notice, state law "relation back" rules govern the lien.[31] Moreover, subsection 2 does not change the state law priority rules between agricultural liens and security interests. Thus, if a particular agricultural lien, even one that arises from a transaction post-dating the perfection of a security interest, has priority over the earlier security interest, obviously the secured party would not have learned of this agricultural lien which was not in

31. To limit the impact of "relation-back" rules, subsection 2 could be amended as follows:
- add the word "and" to subsection 2(b);
- add a subsection 2(c) which reads: "the lien is filed within twenty (20) days of furnishing services, labor, land or materials to the debtor."

Adding subsection 2(c) changes the proposal from one affecting only filing requirements to a proposal which also changes state law with respect to the creation of agricultural liens.

existence and therefore not yet filed when the secured party searched the filings.

Despite these limitations on the scope of subsection 2, it still provides much needed information to secured parties making a decision about extending a loan to a potential borrower. Concurrently, subsection 2 provides much needed information to buyers making a decision about buying crops, livestock, or farm equipment.

In recent years, several states have changed their lien laws to standardize the place of filing. These states also standardized the information filed regarding the claimed liens. While subsection 2 is quite different in language from these recent state laws, subsection 2 is similar in approach. These new state lien laws, like subsection 2, leave lien law intact as separate and distinct from article 9 security interests, while addressing the problem of lack of information about liens.

For example, the Idaho Legislature passed a farm laborer's and seed dealer's lien statute that became effective on January 1, 1990.[32] Section 45-301 of the Idaho Code states that the purpose of the law is to "provide a unified system for creation of liens and to provide a notice of claims of liens in farm crops."[33] The Idaho Legislature accomplished this purpose by requiring these liens to be filed with the secretary of state and by requiring the secretary of state to distribute a lien list to buyers who register on a schedule not less frequently than semimonthly. Aside from the centralized filing of these two liens and the secretary of state's distribution obligations, the lien law of Idaho is otherwise left intact.[34]

Subsection 2 does not go as far as the Idaho Legislature. Subsection 2 does not specify the place at which the nonpossessory agricultural liens are to be filed. States are free to continue to have local filings for farm products and equipment used in farming operations or to adopt central filing. Moreover, in contrast to Idaho, subsection 2 does not mandate that the secretary of state prepare any master list of agricultural liens. Subsection 2 adopts constructive notice in concurrence with the general policy of constructive notice under article 9. Once the lienholder has an enforceable lien for which notice has been properly filed, the lienholder is fully perfected against other secured creditors or other lienholders.

Because subsection 2 establishes only a filing requirement for nonpossessory agricultural liens, but otherwise leaves the adopting state's lien law intact, subsection 2 does not change nonpossessory agricultural liens into

32. IDAHO CODE §§ 45-301 to 45-317 (Supp. 1989).

33. *Id.* § 45-301.

34. The Idaho central filing and distribution of agricultural lien information is patterned after the centralized notification system alternative of 7 U.S.C. § 1631. *See also* MONT. CODE ANN. § 71-3-125 (Supp. 1989). Minnesota also has central filing of lien statements, state and federal tax lien notices, U.C.C. financing statements, and other U.C.C. documents on a centralized computer system. MINN. STAT. ANN. § 336.9-411 (West 1987 & Supp. 1991). Readers should also know that Minnesota, by statute, requires that many statutory agricultural liens be filed in accordance with § 336.9-401 of the Minnesota Statutes, which governs the filing of U.C.C. security interests. *Id.* § 336.9-401.

voluntary, consensual article 9 security interests. Subsection 2 thereby leaves agricultural liens as claims that arise by operation of law based on the status of the parties.

By retaining the status of liens that arise by operation of law, lienholders are therefore not required to comply with 7 U.S.C. § 1631 (the federal preemption of the farm products exception of U.C.C. section 9-307(1)) and its stringent actual notice requirements. On the other hand, buyers of crops, livestock, and farm equipment must also realize that subsection 2 does not bring nonpossessory agricultural liens within section 1631's coverage. Consequently, if a state adopting subsection 2 also has a section 1631 centralized notification system (CNS), buyers must understand that these nonpossessory agricultural liens will not be reported on the CNS master lists of security interests.[35] Also, if the state adopting subsection 2 uses the pre-sale notification system (PNS) of section 1631, buyers must realize that they will not receive actual notice directly from the lienholder. Buyers in states adopting subsection 2 must learn about nonpossessory agricultural liens by searching the records at the same place where U.C.C. financing statements against the same property are filed.

In addition, by retaining the status of liens that arise by operation of law, lienholders remain subject to the powers of the bankruptcy trustee to avoid statutory liens.[36] Whether the trustee can avoid any particular agricultural lien, therefore, still depends upon whether state law protects the agricultural lienholder against bona fide purchasers of the encumbered property.

D. The Converting Option: Changing Nonpossessory Agricultural Liens into Article 9 Security Interests

The converting option proposes to change nonpossessory agricultural liens, for purposes of filing and priority, into article 9 security interests. To accomplish this change, U.C.C. sections 9-310, 9-402, and 9-104 would be amended.

Section 9-310 would be changed by making its present language subsection (1) and adding a subsection (2) which would read as follows:

(2) When a person in the ordinary course of business furnishes services, labor, land, or materials to a person engaged in farming operations, a lien upon goods not in the possession of such person given by statute or rule of law for such services, labor, land, or materials takes priority over a conflicting security interest or other liens if, before the security interest is perfected:

(a) the lien becomes enforceable against the debtor; and,

35. Of course, § 1631 does not prohibit any state from creating an agricultural lien filing and notification system comparable to a § 1631 CNS for article 9 security interests. In fact, Idaho, Montana, Nebraska, and North Dakota have created central filing and distribution systems for various agricultural liens. *See* D. KERSHEN & J. HARDIN, *supra* note 27, ¶¶ ID.03[7], MT.04[2], NE.04[3], ND.04[2].

36. 11 U.S.C. § 545 (1988).

(b) such person files a financing statement identifying such person as a secured party in the same place and manner as such person would file in order to perfect a security interest in such goods.

Section 9-402, regarding the formal requisites for financing statements, would be amended by adding to subsection (2) a new sub-subsection (e) as follows:

(2) A financing statement which otherwise complies with subsection (1) is sufficient when it is signed by the secured party *or lienholder* instead of the debtor if it is filed to perfect a security interest in . . .

(e) goods subject to a lien given by statute or rule of law. Such a financing statement must state that it is being filed pursuant to the provisions of Section 9-310(2).

Section 9-104 would be amended to clarify that the landlord's liens would also be covered by 9-310. Subsection 9-104 would be amended to read, "This Article does not apply . . . (b) to a landlord's lien, *except as provided in Section 9-310 on priority of such liens . . . .*"

Subsection 9-310(2) addresses nonpossessory agricultural, judicial, or statutory liens for services, labor, land or materials which subsection 9-310(1) does not address. Subsection 1 addresses only possessory liens. Subsection 2 addresses these nonpossessory liens by making them, for purposes of filing and priority, article 9 security interests. While the underlying judicial decision or statute which creates the lien remains valid to determine enforceability between the lien claimant and the debtor, subsection 2 sets the filing requirement and priority of nonpossessory agricultural liens as against article 9 security interests and other lienholders.

Subsection 9-310(2) compels a lien claimant to file a financing statement, just as a secured party does, and to file in the same place and manner as the secured party files a financing statement. Unless the lien claimant has filed a financing statement, the lien claimant is not perfected against secured parties or other lienholders claiming against the same goods. Moreover, under subsection 2, a lien claimant has priority against other secured parties only if the lien security interest is perfected first in time. Subsection 2 thus adopts the basic priority rule, based on time of filing, of U.C.C. section 9-312(5).

As against secured parties and other lienholders, subsection 9-310(2) impliedly repeals conflicting filing and priority provisions of the various lien laws of any state adopting subsection 2. While a legislature should consider repealing the conflicting filing and priority provisions of the various lien laws, a legislature need not do so. By adopting subsection 2, the legislature consents to subsection 2 controlling over conflicting provisions in the various lien laws.

Subsection 9-310(2), in this converting option, is limited to agricultural liens because the services, labor, land, or materials must be furnished to a person engaged in farming operations. By using the phrase "a person engaged in farming operations," the section 9-109(3) precedents defining "farming operations" are also controlling for section 9-310(2).

By adopting a first-in-time priority, subsection 9-310(2) weakens the priority position of many present lienholders as compared to operating

lenders. Most operating lenders have after-acquired clauses to cover future crops, livestock or farm equipment. Hence, the security agreement and the financing statement probably cover the crops, livestock, or farm equipment against which a lien can be asserted. Moreover, lienholders acquire their liens as they provide the services, labor, land, and materials used to raise the farmer's crops, livestock, or to repair the farmer's farm equipment. These liens will almost always come into being after an operating lender has already filed a financing statement. Operating lenders thus win in the great majority of instances under the first-in-time rule of section 9-312(5).

Subsection 9-310(2) in this converting option thereby undermines the present position of agricultural statutory lienholders. Consequently, subsection 2 likely faces severe political opposition in a state legislature. Subsection 9-310(2) could be further amended to make it more politically palatable by allowing a state to expressly indicate in a particular agricultural lien statute that the agricultural lien trumps subsection 2. This could be accomplished by adding an additional clause after subsection 2(b) which would read as follows: "*unless the lien is statutory and the statute expressly provides that the lien has priority over security interests or other named agricultural liens.*"[37] However, by adding this "unless" clause, state legislatures must be aware of several points.

First, many presently existing agricultural liens contain statutory language proclaiming the lien superior to other liens.[38] Hence, as applied to certain agricultural liens, the "unless" clause retains priority for that agricultural lien and defeats subsection 9-310(2)'s implied repeal of conflicting priority provisions. To a significant degree, therefore, adding the "unless" clause undermines the converting option being discussed. If a legislature thinks it politically necessary to add the "unless" clause, the legislature should seriously consider instead the minimalist option previously discussed.

Second, the "unless" clause contains fairly strict requirements before subsection 9-310(2)'s first-in-time priority is abandoned. The legislature must expressly protect the priority of an agricultural lien over article 9 security interests. The legislature also must expressly name the subordinate agricultural liens. If the statutory language of an agricultural lien does not contain an express priority provision, the lien is subject to the normal first-in-time priority rules of the U.C.C. Hence, adoption of the "unless" clause as part of the converting option invites litigation about whether the statutory language of any agricultural lien, particularly the language of presently existing liens, satisfies the requirements of the "unless" clause.

Subsection 9-310(2) leaves the creation of agricultural liens to other state statutes. In this sense, agricultural liens still arise by operation of law in

37. This "unless" clause is patterned after the "unless" clause of the current U.C.C. § 9-310.

38. *E.g.*, ALA. CODE §§ 35-9-30 to 35-9-42, 35-11-72 (1975) (landlord's liens whose statutory language proclaims them superior to all other liens); DEL. CODE ANN. tit. 3, § 7902 (1985) (lien for sire service contains language providing that it is superior to all other liens, executions, and mortgages). For other examples, see appendix I to this article.

contrast to security interests which arise from voluntary, consensual arrangements in security agreements. Therefore, the usual requirement of section 9-402(1), that the debtor sign the financing statement, is inappropriate. Under this converting option, section 9-402(2) would therefore be amended to allow the lienholder alone to sign the filed financing statement.

In addition, subsection 9-310(2) purposefully does not make nonpossessory agricultural liens subject to the article 9 provisions concerning termination and default. Under subsection 2, other state lien law provides the rules for when an agricultural lien expires and how a lienholder forecloses against the encumbered property. In these two additional ways, nonpossessory agricultural liens are not changed completely into security interests.

While nonpossessory liens are still created, terminated, and foreclosed under other state lien law, for purposes of filing and priority against secured creditors and other lienholders subsection 9-310(2) does make nonpossessory agricultural liens equivalent to security interests. Legislatures must be aware, therefore, that adopting subsection 2 likely has collateral consequences.

For example, 7 U.S.C. § 1631 (the federal preemption of the farm products exception of U.C.C. section 9-307(1)) applies to all article 9 security interests. Secured parties with security interests in farm products have protection against buyers, commission merchants, and selling agents of farm products collateral only if they comply with section 1631's actual notice requirements. By adopting subsection 9-310(2), nonpossessory lienholders may also become subject to section 1631 because their liens are equivalent in some ways to security interests. If a court were to rule that section 1631 applies to nonpossessory agricultural liens in states adopting the converting option, lienholders would acquire a federal right to protection of their lien against buyers, commission merchants, and selling agents. This federal right to protection of the lien would preempt any conflicting state law that had previously prevented lienholders from enforcing agricultural liens against buyers, commission merchants, or selling agents. At the same time, however, section 1631 would give lienholders protection of their liens against buyers, commission merchants, or selling agents of the encumbered property only if the lienholders comply with the actual notice requirements of section 1631. What lienholders might gain through federal preemption by section 1631 is easily lost through noncompliance with section 1631.[39]

As another example, a bankruptcy trustee under 11 U.S.C. § 545 can avoid statutory liens in many instances. However, if these nonpossessory agricultural liens are equivalent to article 9 security interests, 11 U.S.C. § 544, rather than section 545, becomes the controlling bankruptcy provision. Under 11 U.S.C. § 544, bankruptcy trustees must honor perfected security interests. If subsection 9-310(2) turns nonpossessory agricultural liens into

39. *See* D. KERSHEN & J. HARDIN, *supra* note 27, ¶¶ 4.02[1][b], ND.04[2].

perfected security interests for purposes of bankruptcy, lienholders have gained an improved position in bankruptcy that they did not previously have.

In recent years, three states — Louisiana, Mississippi, and California — have amended some of their agricultural lien laws in ways which are similar to this converting option. Two other states — North Dakota and Nebraska — have amended their agricultural lien laws in ways which make it arguable that the converting position has been adopted.

In 1989, the Louisiana Legislature brought crop privileges (the civil law equivalent of statutory liens) within the coverage of the Louisiana Central Registry. The Louisiana Central Registry serves both as the system wherein secured parties perfect their security interests in farm products vis-à-vis other secured parties and protect their security interests in farm products vis-à-vis buyers, commission merchants, and selling agents.[40] Subsections 3:3652(14) and 3:3652(15) of the Louisiana Statutes were amended to include crop privileges within the definition of security devices and security interests. Crop privilege claimants have priority or claims against third parties only if they have filed effective financing statement (EFS) forms with the Central Registry.[41] For crop privileges, Louisiana has adopted the converting option: crop liens are security interests.

Similarly, in 1985, the Mississippi Legislature added section 85-7-1(4) to the Mississippi Code. Section 85-7-1(4) provides that certain crop liens are ineffective against third persons unless "the lien is filed in the same manner as notices of security interests in crops growing or to be grown are filed in accordance with the provisions of [section 9-401]."[42] The lienholder must file the lien within twenty-one days of providing the services for which the lien is given. If the lienholder does not file within the specified twenty-one-day period, the lienholder can file later to claim the lien, but priority for the lien is then only from the date of the late filing.[43] Through section 85-7-1(4), the Mississippi Legislature has seemingly turned some crop liens into article 9 security interests.

In California, the poultry and fish supply lien and the agricultural, chemical, and seed lien must be filed with the secretary of state by using a U.C.C.-1 form.[44] In addition, the statutory provisions on priority for these two agricultural liens state:

> (a) The lien created by this chapter shall have the priority in accordance with the time the notice of claim of lien is filed.
>
> (b) The lien created by this chapter shall have the same priority as a security interest perfected by the filing of a fi-

40. LA. REV. STAT. ANN. §§ 3:3652 to 3:3660 (West Supp. 1991).

41. LA. REV. STAT. ANN. § 3:3652(14)-(15) (West Supp. 1991).

42. MISS. CODE ANN. § 85-7-1(4) (Supp. 1988).

43. *Id.*

44. CAL. FOOD & AGRIC. CODE §§ 57516, 57567 (West Supp. 1990) (identical wording in both sections).

nancing statement as of the date the notice of claim of lien was filed.[45]

Due to the filing and the priority provisions of these two agricultural liens (which intertwine the liens with article 9), California also has arguably turned these two agricultural liens into security interests. Weighing against this conclusion is the fact that both lien statutes are explicit that the lienholder alone need sign the filed U.C.C.-1 form.[46] Therefore, these liens apparently still arise by operation of law, rather than by voluntary consent of the parties. As liens arising by operation of law, courts properly could conclude that these two liens, although intertwined with article 9, are not, as a matter of law, article 9 security interests.

In 1985, when North Dakota created a centralized notification system (CNS) that later served as the model for the CNS alternative in 7 U.S.C. § 1631,[47] the North Dakota Legislature included agricultural liens within the coverage of the state CNS.[48] Although the North Dakota U.C.C. and its CNS are separate and distinct systems, the manner in which the North Dakota Legislature brought agricultural liens within the coverage of its CNS raises the possibility, though slight, that these agricultural liens have been changed into U.C.C. security interests.

In 1988, Nebraska revised its agricultural lien laws. The 1988 statutory revision[49] amended the statutory language of many agricultural liens.[50] As a result of the revision, agricultural liens are to a large degree subject to provisions of the U.C.C. Because agricultural liens have become so intertwined with the U.C.C., the argument exists that Nebraska agricultural liens have been changed into security interests. On the other hand, the Nebraska Secretary of State, who administers the agricultural lien filing system, rejects this conclusion and opines that the Nebraska Legislature did not intend to change agricultural liens into article 9 security interests.[51] The recent changes made by Louisiana, Mississippi, California, North Dakota, and Nebraska show that agricultural lien law reform which changes agricultural liens into security interests may be politically feasible and realistically possible.

45. *Id.* §§ 57525(a)-(b), 57575(a)-(b) (identical wording in both sections). The two agricultural liens do differ as to priority, however, because § 57575 contains an additional subsection which reads: "The lien created pursuant to this chapter shall not have priority over labor claims for wages and salaries for personal services which are provided by any employee to any lien debtor in connection with the production of agricultural products, the proceeds of which are subject to the lien." *Id.* § 57575(c). The poultry and fish supply lien does not have a priority subordination clause similar to subsection 57575(c).

46. *Id.* §§ 57516(b), 57567(b) (identical wording in both subsections).

47. D. KERSHEN & J. HARDIN, *supra* note 27, ¶¶ 2.06, 3.04.

48. N.D. CENT. CODE § 41-09-28 (Supp. 1983 & 1989). *See generally* Saxowsky, Fagerlund & Priebe, *Modernizing Agricultural Statutory Liens After the Federal "Clear Title" Law — the North Dakota Experience*, 11 J. AGRIC. TAX'N & L. 30 (1989).

49. 1988 Neb. Laws LB 943.

50. *E.g.*, NEB. REV. STAT. §§ 52-1401 to 52-1411 (1988) (agricultural production liens).

51. D. KERSHEN & J. HARDIN, *supra* note 27, ¶ NE.03.

While subsection 9-310(2) does not mandate that state legislatures adopting this converting option expressly repeal their various agricultural liens, if subsection 2 proves efficient and effective in combining agricultural liens and security interests, subsection 2 may have as its ultimate result the repeal of agricultural liens. Subsection 2 is a first step toward the full integration of agricultural liens into the U.C.C. as security interests. If agricultural liens are integrated into article 9, subsection 9-310(2) can also be viewed as a first step in reversing the decision of the original drafters of the U.C.C. to purposefully exclude lien law from the U.C.C.[52]

E. The New Value Priority Option: Creating a Valuable Crop Production Security Interest

Adopting the converting option brings agricultural liens within the coverage of article 9, but gives these liens no special priority aside from the ordinary first-in-time priority of section 9-312(5). It is precisely the issue of priority, however, which gives rise to other options for coordinating agricultural liens and security interests. When the issue of priority becomes paramount, section 9-312 with its priority rules becomes more important than section 9-310.

The new value priority option proposes to give agricultural suppliers who enable a farmer to grow a crop a priority security interest over operating lenders' competing security interests in the crop.[53] By giving agricultural suppliers a priority security interest within article 9, statutory crop liens ultimately become less important. The new value priority option accomplishes these goals by amending U.C.C. section 9-312(2) to create a crop production security interest.

U.C.C. section 9-312(2) would be amended by deleting its present language and substituting the following:[54]

(2)(a) A crop production security interest is a security interest in crops for new value given while the crops are being produced, or not more than one year before the crops become growing crops by planting or otherwise, to enable the debtor to produce the collateral by acquiring goods or services to be used in producing the crop. Producing crops includes any activity that causally relates to the growing of crops or marketing of crops.

(b) Except as provided in subsection (c), a crop production security interest takes priority over an earlier perfected security interest, and also

52. The Agricultural Lien Task Force, as its name implies, focused on agricultural liens. The task force believes that other types of liens, such as construction liens, raise different policy concerns from agricultural liens. Hence, the proposals presented in this article concerning agricultural liens should not be transferred to other types of liens without additional careful thought.

53. The new value priority option is explicitly and purposefully limited to crop production security interests. The new value priority option does not cover livestock. *See* Nickles, *Setting Farmers Free: Righting the Unintended Anomaly of U.C.C. Section 9-312(2)*, 71 MINN. L. REV. 1135, 1163 n.68 (1987). The new value priority option is the only option discussed in this article which does not cover agricultural liens relating to livestock.

54. The proposed statutory language for the new value priority option is taken directly from Nickles, *supra* note 53, at 1209-14.

in the proceeds of the collateral, even though the person giving new value had knowledge of the earlier security interest.

(c) The priority provided for in subsection (b) is subject to these limitations:

(i) The crop production security interest has priority only to the extent that before the debtor receives value, or within ten days thereafter, a financing statement covering the collateral is filed.

(ii) An earlier perfected security interest that secures a purchase money obligation, or rent, for the land on which the crops were grown has priority to the extent of an amount of the obligation or rent that is determined by law to be proportionately and fairly attributable to the six-month period before the crops became growing crops by planting or otherwise.

(iii) Subsection (5) governs priority between conflicting crop production security interests.

(d) Creating or perfecting a crop production security interest shall not operate under any circumstances as a default on, an accelerating event under, or otherwise as a breach of, any note or other instrument or agreement of any kind or nature to pay debt; any loan or credit agreement; or any security arrangement of any kind or nature whether the collateral is real or personal property.

The new value priority option views agricultural suppliers as alternative sources of credit when compared to operating lenders (agricultural banks, FCS banks, and the FmHA) who make operating loans. As alternative sources of credit, the new value priority option regards agricultural suppliers' credit as particularly enabling the farmer to produce a crop for an additional year when the operating lender or land lender is unwilling to finance continued crop production.[55] However, under the present state of the law, these agricultural suppliers have an uncertain or subordinate priority for their loans when compared to security interests of operating lenders.

As explained in part III of this article, crop liens have uncertain priority over security interests because the issue of priority is resolved outside the U.C.C. in accordance with the priority rules of lien law that differ between and within the various states. Neither the agricultural supplier who claims the crop lien nor the operating lender who holds the article 9 security interest against the same crop can confidently predict the outcome of any litigated priority dispute between these competing claims to the crop, its proceeds, and its products.

Internal to article 9 of the U.C.C., section 9-312(2) sets forth a priority rule specifically for new value, enabling crop security interests. Section 9-312(2)'s priority rule, however, consistently results in superpriority for the security interests of operating lenders and subordination of new value, enabling crop security interests.[56] The new value priority option purpose-

55. *Id.* at 1139-80.

56. *Id.* at 1180-90.

fully amends U.C.C. section 9-312(2) to reverse its priority outcome on future crops as between agricultural suppliers and operating or real estate lenders.

In light of the uncertainty or subordination of new value crop loans by the present non-U.C.C. and U.C.C. law, agricultural suppliers who are likely sources of alternative, enabling credit (through crop liens or new value crop security interests), are reluctant to provide services, labor, or materials on credit. These persons realize that the clearest beneficiary of extending alternative, enabling credit to farmers is usually the operating lender who has a floating security interest against the crops that could serve as collateral for the new value loan. Hence, the new value priority option's primary purpose is to provide an incentive to agricultural suppliers to make new value crop loans by giving them priority over operating lenders' prior floating security interests.

In addition, by granting priority to crop production security interests over the security interests of operating lenders, the new value priority option encourages agricultural suppliers to use article 9. By having priority, agricultural suppliers are well advised to comply with article 9 rather than, as in the past, rely on statutory crop liens of uncertain priority for repayment assurance. Furthermore, if agricultural suppliers take an article 9 crop production security interest, they also acquire a perfected security interest which is protected in bankruptcy under section 544 of the Bankruptcy Code. By contrast, agricultural suppliers' crop liens usually are avoidable in bankruptcy under section 545(2) of the Bankruptcy Code. Hence, the new value priority option has the coincidental advantage of promoting uniformity by encouraging more credit to be secured within the coverage of U.C.C. article 9. As a practical matter, by giving priority to crop production security interests, the new value priority option likely makes statutory crop liens less significant as credit assurance devices. This is true even though the new value priority option does not request state legislatures to repeal crop liens.

While crop liens would likely diminish in significance, the fact that the new value priority option does not seek their repeal has an important policy implication. The primary purpose of the new value priority option is to provide agricultural suppliers an incentive to provide farmers alternative sources of credit. In light of this primary purpose, the new value priority option purposefully does not seek repeal of crop liens. Crop liens are meant to exist even after the adoption of the new value priority option. If a crop lien happens to provide greater protection for repayment of an agricultural supplier's credit than does a crop production security interest under the new value priority option, then the agricultural supplier can assert the crop lien. Thus, under the new value priority option, agricultural suppliers gain a new way to assure repayment of enabling loans without losing the old way (crop liens) of assuring repayment.

In return for priority for crop production security interests, agricultural suppliers will have to comply with the filing and perfection requirements of article 9. Agricultural suppliers will need to change their behavior to

conform to article 9 because crop production security interests do not arise by operation of law. Thus, under section 9-312(2)(c)(i) of the new value priority option, agricultural suppliers must file a financing statement covering the collateral within ten days of giving value to the debtor. Moreover, as between competing crop production security interests, section 9-312(2)(c)(iii) adopts the first-in-time rule of priority. Furthermore, while the new value priority option gives crop production security interests priority over security interests for operating loans, section 9-312(2)(c)(ii), to a limited extent, makes crop production security interests subordinate to amounts owed purchase money land sellers and landlords.[57]

The new value priority option protects crop production security interests that are causally related to the growing or marketing of crops through the acquisition of goods or services used for those purposes. The "causally related" requirement serves the function of distinguishing priority crop production security interests from subordinate operating loan security interests. Crop production security interests relate to loans that directly cause crop production; operating loan security interests relate to loans that pay for overhead costs rather than direct production costs.[58]

While operating lenders lose priority to agricultural suppliers under the new value priority option, operating lenders do gain a more certain knowledge about their priority position vis-à-vis agricultural suppliers.[59] Certainty of subordination replaces uncertainty about priority which is characteristic of the present law. Moreover, even at present, agricultural suppliers claiming a crop lien will, in many instances, have superiority over security interests anyway, due to non-U.C.C. priority rules governing disputes between lienholders and secured parties.[60] Obviously, from the operating lenders' perspective, certainty about subordination under the new value priority option is less desirable than certainty and priority under the converting option previously discussed. Whether agricultural suppliers should be favored under the new value priority option or secured parties favored under the converting option is a decision for the legislatures of the various states to make.[61] How state legislatures make this decision is keenly de-

57. In his article, Professor Nickles provides commentary on the new value priority option that more fully explains § 9-312(2) than does the text of this article. For this fuller commentary, see *id.* at 1214-16.

58. *Id.* at 1212 n.205.

59. Under the new value priority option, operating lenders know that their security interests for operating loans are subordinate to crop production security interests. However, operating lenders cannot know the practical impact of that subordination because they cannot know how many crop production security interests will come into existence to compete with the operating loan security interest. Therefore, operating lenders must temper their lending decisions with the knowledge that their collateral has an unpredictable and uncertain value. Of course, these comments also can be made about the present law with its uncertain priority between article 9 security interests and agricultural liens.

60. *E.g.*, OHIO REV. CODE ANN. § 1311.57(A) (Anderson Supp. 1989).

61. Arkansas has adopted a statutory provision which has similarities to the new value priority option discussed in this article. ARK. CODE ANN. § 4-9-312(2) (Supp. 1989).

pendent upon the political power of agricultural suppliers and operating lenders.

If agricultural suppliers take a section 9-312(2) crop production security interest, they are clearly taking a voluntary, consensual security interest. As voluntary, consensual security interests, crop production security interests come within the coverage of 7 U.S.C. § 1631. Section 1631 does not preempt the priority rules between competing security interests.[62] Hence, section 9-312(2) determines the priority of these crop production security interests vis-à-vis the other article 9 security interests. However, section 1631 does protect buyers, commission merchants, and selling agents from being accountable for security interests unless secured parties comply with section 1631's actual notice requirements. Hence, in states adopting this new value priority option, agricultural suppliers who take a crop production security interest will have to give buyers, commission merchants, and selling agents notice through the pre-sale notification system (PNS) or file an effective financing statement (EFS) with any relevant state centralized notification system (CNS). Agricultural suppliers who fail to give section 1631 actual notice lose any conversion claims against buyers, commission merchants, and selling agents.

F. The Prorata Priority Option: Creating a Farm Products Production Security Interest

The prorata priority option is similar to the new value priority option. Both options share the basic goal of encouraging and protecting enabling credit to the agricultural sector. Both options share the bias that enabling credit for current production should be placed in a favored position. The two options differ, however, in the definition of enabling credit and the priority technique adopted to encourage and protect enabling credit. The authors discuss these differences in the article after presenting the statutory language for the prorata priority option.

The prorata priority option accomplishes its policy goals by amending U.C.C. sections 9-312(2) and 9-310 to create a farm products production security interest.

For the prorata priority option, section 9-312(2) would be amended by deleting its present language and substituting the following:

> *(2)(a) A perfected security interest in farm products and proceeds thereof for new value given to enable the debtor for the current production season to produce or to market the farm products by acquiring goods, services, or labor or by acquiring an operating loan for maintenance, insurance, general farm expenses, or reasonable household expenses, and given not more than six months before the farm products become growing farm products by planting or otherwise, takes priority over an earlier perfected security interest in the farm products, and also in the*

62. D. KERSHEN & J. HARDIN, *supra* note 27, ¶ 4.01.

proceeds of the farm products, even though the person giving new value had knowledge of the earlier security interest in farm products. For the purpose of a debtor growing farm products with different production seasons, an indeterminate production season, or a continuous production season, all of the farm products subject to a farm products production security interest shall be deemed to become growing farm products on April 1st.

(b) The priority provided for in subsection (a) is subject to these limitations:

(i) The farm products production security interest in farm products has priority only to the extent that before the debtor receives value, or within ten days thereafter, a financing statement covering the collateral is filed.

(ii) An earlier perfected security interest that secures a purchase money obligation, or rent, for the land on which the farm products were grown, a purchase money obligation on livestock, or an obligation for an operating loan for maintenance, insurance, general farm expenses, and for reasonable household expenses has priority over a farm products production security interest to the extent of an amount of the obligation or rent that is determined by law to be proportionately and fairly attributable to a one-year period beginning six months before the farm products became growing farm products by planting or otherwise.

(iii) Purchase money security interests in other goods not used to produce farm products, in equipment (whether or not used to produce the farm products), and inventory cannot be farm products production security interests.

(iv) When more than one farm products production security interest attaches to a farm product, they rank equally according to the ratio that the new value incurred with respect to each farm products production security interest bears to the total new value attributable to all of the farm products production security interests.

(v) A purchase money security interest in unused goods that are farm products, but are not crops or livestock or products of crops or livestock in their unmanufactured state, has priority over a conflicting security interest in the same collateral, but not its proceeds or products, if before the debtor receives value, or within ten days thereafter, a financing statement covering the collateral is filed. Upon consumption, a purchase money security interest in such farm products shall be a farm products production security interest if the security agreement and financing statement so provide.

(c) Creating or perfecting a farm products production security interest or a security interest under subsection (2)(b)(v) of this section shall not operate under any circumstances as a default

on, an accelerating event under, or otherwise as a breach of, any note or other instrument or agreement of any kind or nature to pay debt; any loan or credit agreement; or any security arrangement of any kind or nature whether the collateral is real or personal property.

Section 9-310 would be amended by making its present language subsection (1) and adding a subsection (2) which reads as follows:

(2) If the goods subject to such a lien are farm products, such lien takes priority over a perfected security interest in farm products only if it is a farm products production security interest in accordance with § 9-312(2) and only if the secured party complies with the requirements of § 9-312(2).

The different policies which the prorata priority option favors in comparison to the policies of the new value priority option basically congregate into two categories: expanded coverage and prorata priority. Each of these two policies of the prorata priority option then have collateral consequences which also need discussion.

(1) Expanded coverage for a farm products production security interest to encompass livestock and supplies (as well as crops) and to encompass current year operating loans.

By its express language, the new value priority option limits its vision to the production and marketing of crops through the creation of a crop production security interest.[63] There is no clear policy reason to limit the priority priming provisions of section 9-312(2) to the "crops" subclass of farm products. If the concern is with promoting enabling credit in agriculture and coordinating agricultural liens with article 9 security interests, the priority priming provisions of section 9-312(2) should also address enabling credit for livestock and farm supplies and agricultural liens that exist against livestock and farm supplies. The prorata priority option purposefully covers all farm products as defined by U.C.C. section 9-109(3)[64] and makes this clear in its statutory language by using the term "farm products production security interest." By using the words "farm products," the coverage of the prorata priority option can be expanded within existing concepts of law.

63. Professor Nickles apparently limited the new value priority option to crops because the option grew out of his interpretation of the present U.C.C. § 9-312(2)'s history which emphasizes the original drafters' concern about the potential monopolization of credit by the land financier of the land where the crops are grown. Moreover, Professor Nickles' concern for promoting enabling credit was most directed toward enabling credit for crop farmers. *See generally* Nickles, *supra* note 53.

64. U.C.C. § 9-109(3) states: "Goods are . . . (3) 'farm products' if they are crops or livestock or supplies used or produced in farming operations or if they are products of crops or livestock in their unmanufactured states (such as ginned cotton, wool-clip, maple syrup, milk and eggs), and if they are in the possession of the debtor engaged in raising, fattening, grazing or other farming operations. If goods are farm products they are neither equipment nor inventory."

Inclusion of supplies within the coverage of the prorata priority option, however, requires additional section 9-312(2) subsections to improve the fit between this proposed section 9-312(2) and other provisions of the U.C.C.

The concept of a purchase money interest in supplies receives attention in U.C.C. sections 9-314 (Accessions) and 9-315 (Commingled or Processed Goods). Both the language and the comments of sections 9-314 and 9-315 read as if they were drafted solely from a manufacturing perspective. Court interpretation of these sections confirms this manufacturing bias. In interpreting section 9-315, courts rendered decisions which blocked agricultural suppliers from taking advantage of its provisions. Such courts ruled that the new value given to purchase agricultural supplies for producing farm products is secured by the supplies as unused farm products, but that no claim to the products or proceeds of the supplies exists to secure the agricultural supply seller. Once agricultural supplies are consumed, agricultural suppliers' security interests in the supplies vanish.[65]

The prorata priority option adopts the policy that agricultural suppliers who take a security interest in supplies consumed in the production or marketing of farm products have also given the farmer or rancher enabling credit which should be encouraged and protected. Hence, subsection 9-312(2)(b)(v) specifically provides agricultural suppliers a priority purchase money security interest in the supplies as unused goods which becomes a farm products production security interest once the agricultural supplies are consumed.

Interestingly, the original U.C.C. drafters apparently sensed this dichotomy but did not directly address it. The first condition in the U.C.C. section 9-109(3) farm products definition, beginning after the first "if," references "crops or livestock or supplies . . . ." In contrast, the second condition, after the second "if," references only "products of crops or livestock in their unmanufactured states . . . ." The two are not parallel in scope. The classes of goods in the first condition are broader in scope than the classes of "products of goods" in the second condition. As the chart in appendix II of this article illustrates, fertilizer, insecticides, or other supplies are contributors to a crop, just as the seed or land is a contributor. The distinction is that supplies are necessarily merged into the products of crops or livestock, whether as feed or fertilizer. By creating an additional subsection 9-312(2)(b)(v) to encompass unused supplies that will merge into the farm products the supplies help produce, a purchase money interest can be had by a seller or lender and the transition to a farm products production security interest can be anticipated. The secured

65. *In re* McDougall, 60 Bankr. 635 (Bankr. W.D. Pa. 1986); Farmers Coop. Elevator Co. v. Union State Bank, 409 N.W.2d 178 (Iowa 1987); First Nat'l Bank v. Bostron, 564 P.2d 964 (Colo. Ct. App. 1977). *See* Beatrice Nat'l Bank & Trust Co. v. Southeast Neb. Coop. Co., 7 U.C.C. Rep. Serv. 2d (Callaghan) 1262 editor's note (1988). *But see* Mid-States Sales Co. v. Mountain Empire Dairymen's Ass'n, 741 P.2d 342 (Colo. Ct. App. 1987). *Cf. In re* Smith, 29 Bankr. 690 (Bankr. W.D. Mo. 1983); Traders Nat'l Bank v. Brown, 4 U.C.C. Rep. Serv. 2d (Callaghan) 1568 (Tenn. App. 1987); Farmers Bank v. First-Citizens Nat'l Bank, 39 U.C.C. Rep. Serv. (Callaghan) 355 (Tenn. App. 1983).

seller of consumed supplies, such as gasoline, attains the same position as other sellers of merged supplies, such as seed into grown crops or feed into fattened livestock.

Subsection 9-312(2)(b)(v), providing for a purchase money security interest in unused supplies, does not need the cumbersome notice provisions of U.C.C. section 9-312(3) for purchase money security interests in inventory. The strict requirement that the financing statement be filed before the debtor has possession should not apply. The ten day window does not have the potential economic effect that it can have on an inventory financier because a farm is not financed on its "inventory of supplies." Thus, subsection 9-312(2)(b)(v) should more resemble section 9-312(4) for purchase money security interests in collateral other than inventory.[66] Tracing the commingled proceeds of unused supplies that are sold is difficult. However, that problem is not unique to the farm context. No solution to the tracing problem need be offered in the proposed section 9-312(2) of the prorata priority option.

Proposed section 9-312(2)'s coverage is somewhat overbroad due to the word "goods" in the phrase "by acquiring goods, services, or labor" in subsection 9-312(2)(a). Does the purchase of a tractor qualify? As worded, tractors appear to qualify. Tractors contribute to crop production by pulling the equipment that prepares and plants the ground. As worded, farm equipment in general appears to qualify. This is inappropriate because section 9-312 is trying to wrestle with the problem of inputs that are not easily susceptible to purchase money lending because the collateral merges into the farm products (i.e., oat seed and fertilizer plus machine fuel and the thresher's services plus sun and rain hopefully equals harvested oats).

The remedy for this overbroad coverage, however, is not to change subsection 9-312(2)(a) but rather to exclude purchase money security interests in certain goods, such as equipment, from being farm products production security interests. Subsection 9-312(2)(b)(iii) provides this exclusion from farm products production security interests. Equipment has its own special purchase money security interest in U.C.C. § 9-312(4). Inventory too has its own special purchase money security interest in section 9-312(3). The prorata priority option leaves these purchase money security interests as they are. Secured parties with purchase money security interests in equipment or inventory are protected by having first claim to the purchased equipment or purchased inventory, but these secured parties do not automatically have a farm products production security interest in the farm products produced with the equipment or inventory.[67]

The most fundamental coverage distinction between the new value priority option and the prorata priority option relates to current production season operating expenses. The new value priority option purposefully

66. For discussion of purchase money security interests, see U.C.C. § 9-312 comment 3.

67. Proposed subsection 9-312(2)(b)(iii) precludes a purchase money security interest in a tractor from being a farm products production security interest. It, however, does not preclude the tractor from being additionally secured by a security interest on crops, which security interest gains priority in accordance with proposed § 9-312(2)(b)(ii).

excludes loans for current operating expenses from the definition of a crop production loan. The new value priority option considers loans for operating expenses to be loans for the overhead that does not have a direct causal relation to the production of crops.[68] By contrast, the prorata priority option posits that current operating expenses, as a practical matter, are as essential as farm supplies for the production of crops and livestock.

Crops cannot grow unless seeds are planted; seeds grow better if they are fertilized. Livestock cannot grow unless they have feed; livestock grow better if they receive veterinary medicines and care. Similarly, crops and livestock cannot grow unless the farmer or rancher has sufficient operating funds to stay in agriculture; crops and livestock grow better if the farmer or rancher has sufficient operating funds to be adequately fed, clothed, and housed.[69] Consequently, the prorata priority option purposefully includes operating loans for the current production season within the language of section 9-312(2)(a). The inclusion of current year operating loans within the coverage of the prorata priority option is a fundamental distinction between this option and the new value priority option.

(2) Prorata Priority between competing security interests using farm products as collateral.

The prorata priority option posits that agricultural lending should be viewed primarily on a production season basis. The overriding concept is that the farmer or rancher should have a clean slate of farm products each year to pledge to secure enabling credit for that year's production. Proposed section 9-312(2) does not prohibit floating liens in agriculture but it does give priority to loans which enable production in the current season.[70]

In addition, the prorata priority option adopts the position that three categories of secured creditors in agriculture provide critical enabling credit on a production season basis: land financiers, operating lenders, and agricultural input suppliers. The interest payment on the land mortgage for the year with principal reduction is as critical to production as the operating loan for overhead expenses. Both of these are no less critical to production than agricultural suppliers' contributions of seed, fertilizer, gasoline, and other services and labor that produce the crops and livestock.[71] With this stance, the prorata priority option, in contrast to the new value priority option, has no need for language which attempts to distinguish between loans from agricultural suppliers and loans from op-

68. *See supra* text accompanying note 58.

69. See the chart in appendix II of this article. In the chart, the authors present their interpretation of importance of the various factors that affect the production of crops and livestock.

70. Proposed § 9-312(2), as drafted for the prorata priority option, favors loans enabling production in the current season. It does not favor, however, a return to U.C.C. § 9-204(4) of the 1962 version of the Code which expressly disfavored floating crop liens. *Compare* U.C.C. § 9-204(4) & comment 6 (1962) *with* U.C.C. § 9-204 & app. II (1972) (stating reasons in appendix for 1972 change).

71. See the agricultural credit chart in appendix II of this article.

erating lenders on the basis that the former have a more direct causal relationship to production than the latter.

In light of the importance of the current production season, a key problem in drafting the prorata priority option is to define the current production season. For this option, the authors consider a period of "not more than one year before" the farm products become growing farm products by planting or otherwise[72] to be too long a period because this period includes one year plus the production season itself. In effect, the period of time described by the "not more than one year before" language equals one and one-half calendar years. One-and-one-half calendar years overlap two production seasons and does not provide the clean slate for farmers and ranchers every production season that the prorata priority option makes fundamental.

The prorata priority option adopts language which makes loans-enabling production-credit loans for the current season if these loans are extended either not more than six months before the farm products become growing farm products by planting or otherwise, or if extended during the current production season itself while the farm products are growing and through their marketing. Six months is selected because six months prior to the beginning of the growing season by planting or otherwise is approximately the end of the preceding growing season and because a definite number is preferable to language which says something like "after the preceding production season." By adopting the six months language, the prorata priority option should limit section 9-312(2) to a non-calendar yearly production season.

Once the length of the production season is set, the beginning point for the current production season must still be determined. The length cannot be measured until the beginning point is identified. For crops, the beginning of the current production season is measured from the planting of the crop. For perennial crops and for livestock which can be bred, grown, fattened, or slaughtered year-round, the prorata priority option deems these farm products to become growing on April 1st of each calendar year. By selecting a specific date (April 1st in the proposal) as the date upon which farm products are deemed to become growing for perennial crops and livestock, the prorata priority option establishes certainty and uniformity for measuring the current production season for enabling credit. State legislatures may vary the specific date selected to fit their agricultural cycle, but it is important that a specific date be selected.

With the beginning point and the length of the current production season specified, the most crucial issue arises: what is the priority of the various security interests using farm products as collateral? The prorata priority option's proposed section 9-312(2) has two distinct and important prorata provisions which determine priority.

72. A period of not more than one year before the farm products become growing farm products by planting or otherwise is the period adopted for the new value priority option.

First, subsection 9-312(2)(b)(ii) forces courts to prorate the security interests of long-term farm products financiers into an amount determined to be proportionately and fairly attributable to the current production season. These long-term farm products financiers include the land financier, the livestock purchase money lender, and the long-term operating lender. Proposed section 9-312(2) recognizes long-term agricultural financing through floating liens but does not permit this long-term financing to monopolize farmers' or ranchers' farm products collateral. The prorata priority option takes the position that long-term lenders should be able to claim priority but only as to the amount of the long-term debt that can be proportionately and fairly considered enabling production credit for the current production season. Once the proportionate and fair attribution is made, section 9-312(2)(b)(ii) gives priority to these long-term security interests over farm production security interests. As among the long-term security interests themselves for their proportionate and fair amounts attributed to the current production season, the general rule of section 9-312 controls: first-in-time has priority.[73]

The language of subsection 9-312(2)(b)(ii) concerning the beginning point and the length of the current production season mirrors the language used in subsection 9-312(2)(a). By using this mirror language in the two subsections, one congruent current production season should exist for the two subsections.

Second, in contrast to the new value priority option which adopts a first-in-time priority between conflicting crop production security interests, the prorata priority option abandons first-in-time priority in favor of a prorata priority, patterned after U.C.C. section 9-315(2), between conflicting farm products production security interests. This policy choice to favor prorata priority has several goals and implications.

First-in-time priority between production security interests probably does not relieve the monopolization of a farmer's borrowing capacity by a lender. Rather, first-in-time priority between production security interests creates an opportunity for a key agricultural supplier, such as a seed supplier, to monopolize the farmer's borrowing capacity. If the key agricultural supplier is first to perfect its production security interest, first-in-time priority may leave relatively little borrowing capacity on the table for later agricultural suppliers as production credit secured parties. If the key agricultural supplier is not first to perfect, the key agricultural supplier can simply refuse to extend credit for the needed agricultural input until such time as no superior production security interests exist. Stated another way, even if the key agricultural supplier is not first to perfect, the key agricultural supplier can insist that prior suppliers sign a subordination

73. The new value priority option's proposed § 9-312(2) has a subsection (c)(ii) which similarly prorates long-term land financiers' obligations. However, only long-term land financiers receive the benefit of a priority for prorated amounts attributable to the current production season. The new value priority option does not give any priority to long-term loans of operating lenders or livestock purchase money lenders.

agreement under U.C.C. section 9-316 before the key agricultural input will be provided. As these comments illustrate, whatever the temporal sequence of loans, first-in-time priority permits monopolization of a farmer's borrowing capacity for the current production season.

To mitigate the monopoly power which first-in-time priority gives to a key agricultural supplier, the prorata priority option adopts prorata priority between conflicting farm products production security interests. Subsection 9-312(2)(b)(iv) delineates this prorata priority.

Under the prorata priority option, lenders about to make an enabling loan know absolutely that they are not assured that their farm products production security interest will be paid first in full, then paid second in full, and so on if the farmer or rancher fails to earn enough to repay all the enabling creditors. Instead, lenders about to make an enabling loan know that they will receive something, but the amount is uncertain because that "something" depends on the total amount of enabling credit ultimately extended to the farmer or rancher.

How prorata priority would affect lending behavior seems likely to be as follows. In making a decision to extend credit to the farmer, lenders must focus on how much preexisting enabling credit exists and what percentage the additional enabling credit is of the new total amount. In other words, the lender must focus on what prorata percentage the lender considers an acceptable percentage. If the percentage is too small, the creditor will not extend additional credit. If the percentage is acceptable, the creditor will extend additional enabling credit. Of course, the credit decision is made in the face of uncertainty because another creditor at a later time can extend additional enabling credit, thereby reducing each prior creditors' percentage of the total amount of enabling credit. Certainly there will be pressure on existing lenders, especially the land lender, to provide financing for operations and supplies in order to maintain certainty of position.

The authors speculate that prorata priority would force all potential creditors, from the very first to the very last, to be conservative with their enabling credit because none can prime the others. At the same time, no potential creditor is utterly blocked from some secured return and therefore every potential creditor can make a decision that the prorata percentage for its particular enabling credit loan is an acceptable percentage. By adopting prorata priority, this option promotes enabling credit that is conservative in amount and not monopolized by any key production credit lender. Farmers and ranchers are free to seek alternative production creditors but are unlikely to receive production credit in profligate amounts.

The authors realize that the prorata priority option creates uncertainty for lenders because (without the ability to prime other loans) lenders cannot control the size of the debtor's asset pie which any individual lender will receive whenever the debtor is unable to repay all the enabling loans. In this sense, the prorata priority option transforms farm production security interest lending into a single asset pool to be shared ratably. Many lenders may consider the prorata priority option, in essence, to provide

the same security status to their enabling loans as the lenders would have in bankruptcy. Lenders can justifiably argue that the prorata priority option for all farm production security interests makes all lenders with farm production security interests the equivalent of a single class of bankruptcy creditors.[74] Consequently, the prorata priority option is likely to make lenders more cautious in making enabling loans to farmers and ranchers. The authors do not believe, however, that the prorata option will make lenders so cautious as to deprive the agricultural sector of the American economy of adequate credit.

Subsection 9-312(2)(b)(v) which creates a purchase money security interest in unused supplies (a new concept in the prorata priority option) also diminishes potential credit capacity monopolization by any particular creditor. The unused supplies purchase money security interests, therefore, reinforce the clean slate concept which is fundamental to the prorata priority option.

Finally, to protect the prorata priority for conflicting farm products production security interests from being undermined by agricultural liens, the prorata priority option specifically addresses the priority of agricultural liens by adding a new subsection 2 to U.C.C. section 9-310. The proposed section 9-310(2) of the prorata priority option gives agricultural liens priority only if those agricultural liens are converted into farm production security interests in accordance with section 9-312(2). If agricultural liens are not converted into farm production security interests, then these agricultural liens are subordinate to all perfected security interests (long-term loans, enabling credit loans, purchase money security interest loans) in farm products. By adopting proposed section 9-310(2), state legislatures are purposefully subordinating agricultural liens in all instances to article 9 security interests. While the prorata priority option does not expressly request state legislatures to repeal agricultural liens, the impact of proposed section 9-310(2) is to make existing statutory agricultural liens practically worthless.[75]

Under the prorata priority option, agricultural suppliers must utilize farm production security interests to have any repayment assurance for extending enabling credit. Agricultural suppliers with farm production security interests should be aware of two more points. By taking a farm production security interest, agricultural suppliers acquire a voluntary, consensual security interest. Therefore, 7 U.S.C. § 1631 is relevant to agricultural suppliers who desire to protect their farm products production

74. As described by one attorney who was commenting upon a similar proposal presented to the Minnesota Legislature: "Purchase and production money financiers must temper the amount of their financing with the knowledge that their farm products collateral will consist of an uncertain amount having uncertain value to be shared with an unknown number of similar (but unknown) creditors having an unknown and uncontrollable amount of claims." Letter from Ted E. Deaner, Attorney at Law, to Mark J. Hansen, Minnesota Senate Counsel (Mar. 12, 1986) (copy of letter in files of the authors of this article).

75. The prorata priority option's stance towards agricultural liens contrasts sharply with the new value priority option's stance towards agricultural liens. *See supra* text accompanying notes 53-62 for discussion of the treatment of agricultural liens under the new value priority option.

security interests against buyers, commission merchants, and selling agents. Furthermore, by acquiring a farm products production security interest under U.C.C. article 9, agricultural suppliers gain protection from the bankruptcy trustee's avoidance powers contained in section 544 of the Bankruptcy Code.

The dynamic of the prorata priority option should be as follows. The multi-year land lender, operating lender, and livestock purchase money lender are guaranteed a priority position for each current production season's attribution amount. If these loans prove insufficient, the farmer who is financially troubled can still assure a new operating lender of a prorata position in the farm's farm products for that production season and a priority position in future years for the amount attributed to future production seasons. If these multiyear loans and current year operating loans still provide insufficient credit, the farmer can seek enabling credit from agricultural suppliers who can be assured of a prorata position in the farm's farm products for that production season. This dynamic should prevent borrowing capacity monopolization and provide adequate credit to farmers. This dynamic should provide more certainty and uniformity than the present state of the law with its uncertain and non-uniform competition between conflicting agricultural liens and article 9 security interests. Moreover, this dynamic should prevent the scenario of a desperate farmer who can obtain enabling credit from agricultural suppliers, with agricultural liens or crop production security interests that trump the operating lender's security interest, but who does not have enough operating money to put daily bread on the table or clothes in the closet.

In 1989, Arkansas amended its U.C.C. section 9-312(2) to create production money security interests that have substantial similarity to the farm products production security interests created by the prorata priority option.[76] However, the Arkansas approach also has significant differences from the prorata priority option.

First, the Arkansas approach requires the person intending to make a production credit loan to give prior secured parties a notice along the lines of the notice that purchase money security interest inventory lenders must give pursuant to section 9-312(3). Arkansas requires this notice because the prior secured parties can retain their priority by agreeing to make the enabling credit loan themselves. Second, the Arkansas approach uses a first-in-time priority to settle conflicts between production money security interests.

Third, the Arkansas approach addresses an issue that the prorata priority option does not address: the continuation of production security interests into the products of crops and livestock.[77] In agriculture, farm products

76. ARK. CODE ANN. § 4-9-312(2) (Supp. 1989).

77. Neither the new value priority option nor the prorata priority option address another issue: do the proposed statutory changes affect all security interests or only those security interests which come into existence after the proposed changes are enacted? Retroactive application of these proposed changes raises constitutional questions. For discussion of the constitutionality of retroactive application, see Nickles, *supra* note 53, at 1207 n.201.

collateral (the crops or livestock themselves) are important, but often equally as important are the products of these crops and livestock, such as milk, eggs, and wool-clip.[78] Arkansas addresses this issue by making clear that the production security interest applies to the farm products collateral, its proceeds, and the products of the farm products, and by adding the following language as a separate subsection of the statute: "Unless otherwise agreed, a security interest in farm products continues in products of the collateral and the security interest in products is a continuously perfected security interest if the interest in the original collateral was perfected." If state legislatures are concerned about the continuation of farm product production security interests into the products of crops and livestock, the prorata priority option can easily be changed to add a subsection (d) to the proposed section 9-312(2) that adopts the language quoted from the Arkansas statute and to clarify proposed subsection 9-312(2)(a) to cover products of farm products.

Finally, the Arkansas approach only applies to a limited group of operating lenders. The Arkansas Legislature expressly excluded national banks, state banks, and Farm Credit System banks having conflicting security interests from being subordinated to production security interests. In light of these exemptions from the law for most operating lenders, the operating lender most obviously covered, though unnamed, is the Farmers Home Administration (FmHA). By singling out the FmHA for special (adverse) treatment, the Arkansas approach might be preempted by federal common law[79] or might be unconstitutional.[80] The authors of this article know of no cases construing this Arkansas revised section 9-312(2).

G. The Attribution Option: Envisioning a New Relationship between Agricultural Lenders and the Agricultural Sector

The attribution option proposes a new relationship between agricultural lenders and their farm and ranch debtors. The attribution option begins with the premise that the differences in financing a farmer or rancher from financing a car dealer or an air conditioner manufacturer ought to be recognized. Currently, article 9 covers secured transactions in both the agricultural sector and the manufacturing sector and applies the same model of secured transactions to both. The original drafters of article 9 discussed a separate secured transactions article for agriculture in the late 1940s and early 1950s but decided to abandon the separate article in favor of a single, uniform secured transactions article for all sectors of the

78. *Id.* at 1213 n.206.

79. *See* United States v. Kimbell Foods, Inc., 440 U.S. 715 (1979). *Kimbell* held that federal law governs disputes involving FmHA lending. However, the Supreme Court decided that the content of the federal law is nondiscriminatory state commercial law. FmHA had argued that the content of the federal law should be federal common law, not state commercial law.

80. *See* Note, *Constitutional Law: Oklahoma Mortgage Foreclosure Moratoriums . . . Past, Present, and Future?*, 42 OKLA. L. REV. 647 (1989). In this note, the student author explains the doubtful constitutionality of an Oklahoma mortgage foreclosure moratorium statute that applies only to Farm Credit System banks.

economy.[81] The attribution option questions the original drafters' decision to have a uniform secured transactions article for all sectors. While the attribution option does not propose anything so drastic or ambitious as a separate secured transactions article for agriculture, it does posit that the agricultural sector would benefit from a priority rule for competing secured parties which emphasizes the cooperative, joint venture aspect of agriculture, rather than the predatory priority rule of first-in-time which more easily fits the manufacturing sector of our economy.

The attribution option accomplishes its policy goals by amending U.C.C. sections 9-312(2) and 9-310. The proposed statutes for the attribution option closely resemble those proposed for the prorata priority option. However, as will be discussed after the proposed statutes are set forth, the attribution option rewrites section 9-312(2) in a way which forces a reenvisioning of the purpose and the method of agricultural financing.

For the attribution option, section 9-312(2) would be amended by deleting its present language and substituting the following:

(2)(a) A perfected security interest in farm products or their proceeds which represents new value given to enable the debtor for the current production season to produce or to market the farm products by acquiring goods, services, or labor or by acquiring an operating loan for maintenance, insurance, general farm expenses, or reasonable household expenses, and given not more than six months before the farm products become growing farm products by planting or otherwise, takes priority over an earlier perfected security interest in the farm products, and also in the proceeds of the farm products, even though the person giving new value had knowledge of the earlier security interest in farm products. For the purpose of this subsection, where a debtor has farm products with different production seasons, an indeterminate production season, or a continuous production season, all of the farm products subject to a farm products production security interest shall be deemed to become growing farm products on April 1st.

(b) The priority provided for in subsection (a) is subject to these limitations:

(i) The farm products production security interest in farm products has priority only to the extent that before the debtor receives value, or within ten days thereafter, a financing statement covering the collateral is filed.

(ii) An earlier perfected security interest that secures a purchase money obligation, or rent, for the land on which the farm products were grown, a purchase money obligation on livestock, or an obligation for an operating

81. Dunham, *Reflections of a Drafter: Allison Dunham*, 43 OHIO ST. L.J. 569 (1982). *Cf.* 1 G. GILMORE, SECURITY INTERESTS IN PERSONAL PROPERTY § 9.z (1965) (an original drafter discusses the historical background of article 9).

In a jocular tone, Professor Dunham reported that when the original drafters thought about a separate secured transactions article for farmers and ranchers, they concluded it really only needed one section: upon request from a farmer or rancher, it would be illegal for lenders to refuse to make the loan; upon default by a farmer or rancher, it would be illegal for lenders to collect the loan. Dunham, *supra*, at 570.

loan for maintenance, insurance, general farm expenses, and for reasonable household expenses is a farm products production security interest to the extent of an amount of the obligation or rent that is determined by law to be proportionately and fairly attributable to a one-year period beginning six months before the farm products became growing farm products by planting or otherwise.

(iii) Purchase money security interests in other goods not used to produce farm products, in equipment (whether or not used to produce the farm products), and inventory cannot be farm products production security interests.

(iv) When more than one farm products production security interest attaches to a farm product, they rank equally according to the ratio that the new value incurred with respect to each farm products production security interest bears to the total new value attributable to all of the farm products production security interests.

(v) A purchase money security interest in unused goods that are farm products, but are not crops or livestock or products of crops or livestock in their unmanufactured state, has priority over a conflicting security interest in the same collateral, but not its proceeds or products, if before the debtor receives value, or within ten days thereafter, a financing statement covering the collateral is filed. Upon consumption, a purchase money security interest in such farm products shall be a farm products production security interest if the security agreement and financing statement so provide.

(c) Unless otherwise agreed, a security interest in farm products continues in products of the collateral, and the security interest in products is a continuously perfected security interest if the interest in the original collateral was perfected.

(d) Creating or perfecting a farm products production security interest or security interest under subsection (2)(b)(v) of this section shall not operate under any circumstances as a default on, an accelerating event under, or otherwise as a breach of, any note or other instrument or agreement of any kind or nature to pay debt; any loan or credit agreement; or any security arrangement of any kind or nature whether the collateral is real or personal property.

Section 9-310 would be amended by making its present language subsection (1) and adding a subsection (2) which reads as follows:

(2) If the goods subject to such a lien are farm products, such lien takes priority over a perfected security interest in farm products only if it is a farm products production security interest in accordance with § 9-312(2) and only if the secured party complies with the requirements of § 9-312(2).

To a significant degree, as evidenced by the great similarity in the language of their proposed statutes, the attribution option shares the policy goals of, and has the same consequences as, the prorata priority option. Indeed, much of the discussion about the prorata priority option in this article is also relevant to the discussion of the attribution option. To avoid repetition, the discussion from the prorata priority option is not restated.

Yet, fundamental distinctions exist between these two options. In the discussion which follows, the authors emphasize the distinctions between the attribution option and the prorata priority option. Concurrently, the discussion emphasizes the distinctions between the attribution option and the new value priority option.

Article 9 adopts the model of hard-asset financing for all secured transactions. The lender takes a security interest in identified collateral.[82] Article 9 also adopts a public notice system. The original drafters concluded, correctly as thirty years has now shown, that hard-asset financing combined with a public notice system would greatly foster secured transactions. Article 9 reduced the complexity of secured financing by eliminating the bewildering array of prior security devices,[83] promoted state-adopted national uniformity, and provided certainty for the security agreements that creditors and debtors themselves negotiated. The original drafters intended to facilitate the business of financing, rather than to influence practices in the secured financing sector with standards and rules of behavior.[84] They succeeded in article 9 by simply making financing simpler.

The original drafters of article 9 were realists. Their objective was a coherent financing system in the context of the 1950s when article 9 was developing. During that time, the commercial world saw the "reality" of expansion as the first order of business. America had returned to a non-war economy and endless vistas of opportunity appeared ahead.[85] Thus, the original drafters responded with an article on secured financing that would promote economic health and exploit economic opportunity. Agricultural financing was a minor part of the drafters' enterprise. Not surprisingly, therefore, the original drafters adopted one model for all sectors of the American economy.

The converting option and the new value priority option previously discussed in this article adopt, unchallenged, article 9's unitary, hard-asset model for secured transactions. The prorata priority option generally adopts the hard-asset model, but questions that model with its prorata

82. The most significant departure from the hard-asset financing model lay in the original drafters' strong drive to extend asset financing into the secondary markets of accounts receivable and chattel paper. The original drafters sought to validate secondary markets for sellers and manufacturers through approval of their use of accounts receivable and chattel paper financing. In the 1950s, accounts receivable financing was still seen as a fringe transaction only engaged in by questionable or failing businesses. *See, e.g.*, Corn Exch. Nat'l Bank & Trust Co. v. Klaudner, 318 U.S. 434, 438-40 (1943) (customers perceive suppliers with accounts receivable financing as undesirable). The larger firms used stock offerings and other investment security devices for long-term financing while small and mid-sized firms sought loans, offering specific goods (hard assets) as collateral.

83. Gilmore, *The Secured Transactions Article of the Commercial Code*, 16 LAW & CONTEMP. PROBS. 27, 30-31 (1951) (describing the various security devices in existence prior to the U.C.C.).

84. Barnes, *Toward a Normative Framework for the Uniform Commercial Code*, 64 TEMP. L. REV. 117, 148-49 (1989).

85. Professor Gilmore wrote that "the Uniform Commercial Code . . . was not designed . . . to abolish the past, even on the level of semantics or vocabulary." Barnes, *supra* note 84, at 144-45.

sharing between farm products production security interests. In contrast, the attribution option questions whether the unitary, hard-asset model is best for all sectors of the economy and impliedly concludes that the hard-asset model unwisely mutes the subtle policy-based reasons that should distinguish agricultural financing from manufacturing financing. The attribution option purposefully challenges the hard-asset model by adopting priority prorata sharing for all security interests in farm products. A key feature of article 9 is the priority provision of section 9-312(5). The first-in-time priority principle served well to provide certainty to the security agreement which expressed the freely contracted bargain of the parties. It allowed multiple creditors to consider their relative priority as secured parties to a common debtor.

With a public notice system, each secured party knew where he or she stood with regard to priority. Therefore, each could fix the terms of the security agreement, taking into account that known priority. For example, secured parties who financed the acquisition of rolled steel for appliance manufacturers knew, based on the filing system, who had priority and who the secured parties' competitors would be, should the manufacturer not have enough money to pay all the creditors. These secured parties were competitors because they sought a return on their investment from the same collateral and product. The translation of first-in-time priority into agriculture works well when talking about competing interests in a combine or tractor. The first-in-time secured party can be given priority, as in the manufacturing model of hard-asset financing, for agricultural-equipment purchase money security interests.

On further comparison, manufacturing and agriculture also share enabling interests. The agriculture provision is U.C.C. section 9-312(2). Inventory and manufacturing sectors are covered in sections 9-312(3) and (4). The new value priority option takes the position that the ability of agricultural suppliers to trump the earlier filed security interests of the operating lender in the present section 9-312(2) is not strong enough. The new value priority option creates a more potent enabling interest to free the farmer from the operating lender's loan priority. By contrast, the attribution option argues that the analogy between agriculture and manufacturing with respect to enabling interests is strained. While beneficial to set the farmer free from the operating lender's loan priority, the greater need is to set agriculture free of the manufacturing analogy.

Agriculture should be treated as the special case it appears to be. Agricultural uniqueness comes from the distinctive reliance on the land and its products by all the lenders. No hard asset exists which can be the solace of repossessing secured parties as there is for manufacturing or agricultural equipment. Rather, agriculture is a peculiar enterprise, combining skill, land, capital, and inputs. All who finance farm production share a reliance on the produced farm products. There is no asset on which one party can focus. No secured party can point to a more direct link to an asset's purchase money value, as is the case with manufacturing or agricultural equipment.

The attribution option pursues this distinctiveness of agricultural enabling credit, but links enabling credit's production value to the relative role played by all agricultural lenders. Lenders whose loans are on a long-term basis (land financiers, livestock purchase money lenders, long-term operating lenders) also provide financial support that is critical to the production of farm products in the current production season.[86] All lenders who have contributed to production, even though the contribution may not be linked in a direct causal way to the growing and marketing of crops, have made critical contributions. The new value priority option limits enabling credit priority to those who can show a causal link between the money loaned and crop production and marketing. This seems unfairly restrictive. Therefore, the attribution option concludes that agriculture is better served by applying the notion of pro-rata sharing across the board to all agricultural lenders.[87]

The attribution option applies prorata sharing across the board by changing the statutory language of section 9-312(2), as drafted for the prorata priority option, in one important way. Proposed subsection 9-312(2)(b)(ii) turns all long-term agricultural security interests into farm products production security interests for the amount proportionately and fairly attributable to the current production season. Once the attribution is set, proposed subsection 9-312(2)(b)(iv) ranks all farm products production security interests prorata. Changing the attributed amount of long-term agricultural financing into farm production security interests is the fundamental distinction between the prorata priority option and the attribution option. Furthermore, in accordance with proposed subsection 9-312(2)(a), farm products production security interests (the enabling credit) has priority over all other security interests in farm products (i.e. the non-attributed amounts of long-term agricultural loans).

Farm products production security interests are distinguished from other security interests in proposed subsection 9-312(2)(b)(iii) and, in a limited instance, proposed subsection 9-312(2)(b)(v). Farm products production security interests are protected in their priority by the language of proposed subsection 9-312(2)(c) and section 9-310(2). All agricultural liens must be farm products production security interests to have priority.

A telling criticism of the prorata priority option was that it turned the farmer's farm products into a single asset pool to be shared ratably, which in effect gave secured parties the same security status as they would have in bankruptcy.[88] The same criticism, raised several decibels, can be made of the attribution option.

86. For a chart that details the types of agricultural credit and their relationship to production, see appendix II of this article. *See also* Kripke, *Reflections of a Drafter: Homer Kripke*, 43 OHIO ST. L.J. 577, 582-83 (1982) (commercial law bar concerned about facilitation of secured credit and elimination of obstacles to its validity).

87. Obviously, U.C.C. § 9-315(2) is the pattern for the prorata sharing in the attribution option.

88. *See supra* text accompanying note 74.

While this criticism strongly reverberates, consider that the only reason a secured party has concerns about priority is because the debtor is unable to repay the aggregate debt against the farm products collateral. When a debtor is unable to pay all debts or, phrased differently, when the debtor's debts exceed assets, the debtor is functionally, if not formally, insolvent.[89] A secured party seeking to realize on collateral by enforcing priority is for all practical purposes seeking to assert security interests in the assets of an insolvent debtor. Where there is more than one creditor after the same collateral, there must be some system to establish priorities.

With this knowledge that insolvency is the eerie siren call directing section 9-312 and its priority provisions, the concern for the financial health of individual farmers and ranchers and the financial health of the agricultural sector becomes more important.[90] Those who deal with agricultural finance when the agricultural economy is unstable must be aware that talking about priority is talking about the need to address farm insolvency through rehabilitation or liquidation. Possibly the farmer can rehabilitate the farm business through an informal (nonbankruptcy) workout. Even in that circumstance, the parties still need accurate information about their legal positions and relative priority in order to make good business judgments.

The first reason for abandoning first-in-time priority for production lenders is that it does not encourage the farmer and the farmer's creditors to face economic reality. All parties must view the whole picture of the farmer's economic health, including long-term debt as well as production debt. Priority for production credit, narrowly defined, encourages a one season lender to carry the farmer and often foster misleading hopes.

If priority is given to production lenders (narrowly defined), as in the new value priority option, seed and fertilizer suppliers are assured repayment. These suppliers are likely sophisticated agribusiness lenders who see the potential for short-term profit. The self-interest of these suppliers does not necessarily coincide with the interests of the borrowing farmer. These suppliers have little incentive to contemplate debt restructuring (including liquidation) that may be the best solution to the farmer's economic woes. Agricultural suppliers assured of repayment can confidently give the farmer the message: "Go for broke one more time."

Mortgage lenders and operating lenders who provide capital year after year have self-interests also. If these mortgage lenders and operating lenders are given first-in-time priority, as in the converting option, they will see no long-term future for the individual farmer. First-in-time mortgage lenders and operating lenders will seek their self-interests by near-term foreclosure. First-in-time, long-term lenders must be encouraged to allow the farmer to restructure to allow the farmer to remain in agriculture in the coming years.

89. *See* 11 U.S.C. § 101(26) (1983).

90. The connection between insolvency and § 9-312(2) became very apparent during agriculture's financial stress of the 1980s, including the resort to bankruptcy — particularly chapter 12 of the Bankruptcy Code.

A second reason for abandoning first-in-time priority is that its continuance may be a disservice to the long-term health of the farmer and the agricultural sector. This appears to be most certainly true if production lenders (narrowly defined), as in the new value priority option, have first-in-time priority. While agricultural suppliers and the farmer appear to have a common goal for the current crop year, the agricultural supplier has no distress about whether the farmer has food or clothing until the next harvest. Agricultural suppliers assured of repayment from the next harvest may be quite willing to let the farmer live in desperate circumstances until that harvest arrives.

As an extension of this concern, consider how farm finance and production are different from manufacturing and inventory financing, which more easily fit into article 9's first-in-time priority and the purchase money security interests of sections 9-312(3) and 9-312(4). Acquisition of farm land is almost always financed with long-term debt. The land financier counts on more than the inherent value of the land. The land financier also counts on the productivity of the land and the farmer's skills to retire the debt. Additionally, agriculture involves the taking of seed and other inputs of modest value to produce a crop or farm product worth many tens of times the value of the inputs. Indeed, the inputs themselves are nearly worthless once they are planted or consumed in farm production. What counts most is the intensive exercise of the farmer's horticultural and husbandry skills. These horticultural and husbandry skills are acquired and financed by long-term and short-term operating loans. Agricultural suppliers can view agriculture as a seasonal venture; land financiers and operating lenders necessarily must view agriculture as a cycle of year-to-year production from which the long-term debts will be retired. This requires long-term care for the land and the human resources of agriculture, as well as seasonal care for the farm products. Thus, first-in-time priority for agricultural suppliers (narrowly defined) can do a disservice to the well-being of the land and the human resources of agriculture by over-rewarding a short-term, current production season vision of agriculture.

Agricultural suppliers have the smallest stake in all of this. A small harvest, farm and ranch land in poor condition when the year is over, and farmers and their families impoverished and discouraged, still produce more than enough to ensure repayment of the input loans. While the need to reduce the monopoly power of farm financiers with floating liens is similar to the need which produced the purchase money security interests for equipment and inventory, freeing farmers by greater dependence on short-term credit may not be healthy for a particular farmer or the agricultural economy.[91]

91. Reliance on short-term credit (whether private or governmental) raises a host of policy issues about the impact of such reliance on the well-being, including the environmental well-being, of the agricultural sector. *See, e.g.*, Davidson, *Environmental Analysis of the Federal Farm Programs*, 8 VA. ENVTL. L.J. 235-70 (1989). Agricultural geographers (such as Michael Lewis, North Carolina State, Godson Obia, Kearney State, and Rebecca Roberts, Iowa State)

Indeed, the original drafters' decision to single out crops for treatment different from other collateral subject to purchase money security interests may also be significant. U.C.C. section 9-312(2) in its present form is limited to crops. Section 9-312(2) is meant to be analogous to sections 9-312(3) and 9-312(4). Yet, the original drafters realized how very different crop financing is from manufacturing or inventory financing where the security interest is backed by hard assets as collateral. The crop production financier does not have the luxury of goods which serve as both product and collateral. Even agricultural suppliers who sell tangible supplies to the crop producer (such as fertilizer or seed) do not rely on the supplies as collateral even though statutory liens relating to the sale of these supplies are essentially purchase money liens. The suppliers know that the supplies will be consumed in the production process of farming. The collateral value of the supplies is in the role the supplies play in producing the crops.[92] Thus, the production lender of 9-312(2) is primarily interested in something the loan will allow the farmer to produce rather than what the farmer purchases for use on the farm. By contrast, in hard-asset financing, the asset acquired with the loan proceeds presumably is an essential part of the determination to make the loan because of its inherent and continuing value. This is a significant difference and the attribution option emphasizes this difference by applying prorata priority to all enabling credit.

To illustrate this fundamental difference between "purchase money security interests" in subsections 9-312(3) and 9-312(4) and the farm credit of subsection 9-312(2) which "enables the debtor to produce the crop," consider the categories of secured parties who loan money to farmers.[93] The closeness in time and causation varies among the three categories of value described. However, all three categories share the characteristic of enabling the farmer to produce the crop. In this they are different from the purchase money security interest of a lender who allows a debtor to acquire a tangible asset. Inherent in this difference may be the basic distinction between creating goods and processing goods. While the causal link to farm production is less tangible for farm operating loans and land obligations, their causal connection to production is no less real. Farming is the use of natural resources (land and water), the farmer's own human resources, and supplies to create a product. Most hard-asset financing arrangements, such as those provided for in sections 9-312(3) and (4), are intended to further the processing of someone else's raw goods. They are not intended to foster creation of the collateral itself.[94]

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have written about these policy issues for a number of years. *Cf., e.g.*, Lewis, *National Grasslands in the Dust Bowl*, 79 GEOGRAPHICAL REV. 161-71 (1989).

92. The comments made in this paragraph are also applicable to the supplies used for the production of livestock. Therefore, the attribution option applies to farm products (crops, livestock and farm supplies) production security interests.

93. See the chart in appendix II of this article.

94. Courts have sensed this distinction between creating goods and processing goods when

For these reasons, the attribution option groups together all those who extend enabling credit to the agricultural producer. The attribution option accepts that all agricultural lenders (the land financier, the livestock purchase money lender, the operating lender, the agricultural supplier) are important in terms of providing enabling credit and in terms of resolving the agricultural producers' financial problems when priority becomes an issue. Hence, the attribution option uses an attribution standard, rather than a causation rule, to determine who is entitled to prorata priority.

The attribution option thus uses a priority rule different from the usual first-in-time priority rule of U.C.C. section 9-312(5). First-in-time priority is well suited for multiple secured creditors who are in direct conflict concerning the same hard asset — the same identified collateral. The attribution option chooses prorata priority, patterned after section 9-315(2), because it is more appropriate to the agricultural setting where economic reality suggests that lenders must cooperate to ensure the health of farm enterprises and to prevent inefficiency in the farm credit marketplace. A first-in-time priority rule which allocates the full victory to one secured party and the full loss to later secured parties is inappropriate where the secured parties should be encouraged to view their security interests as complementary.

The attribution option thus takes the telling criticism of prorata priority — that it turns the farmer's farm products into a single asset pool — and reenvisions the single asset pool as a virtue. In the case of agricultural production credit, the less certain rule of prorata priority is the superior rule. First-in-time provides greater certainty, but the certainty comes with manufacturing and inventory assumptions which do not fit the agricultural sector of our economy. Prorata priority, with share and share alike for all lenders who contributed to the agricultural production, forces all agricultural creditors to ask the same question and make the same business judgment: Given that insolvency is our common concern, will the farm or ranch reasonably support the additional credit needed to operate this year, support the farmer and family, make the land payments, produce a crop, and put the farm or ranch in a position to continue in agriculture for the following year? If the answer is yes, secured creditors can cooperate to assist a successful production season by making the loan. If the answer is no, the potential creditor should deny the loan. In this latter situation, additional credit is of no help to the individual and is an inefficient use of credit in the agricultural sector.

H. The Non-U.C.C. Option: Taking Agricultural Credit Outside the Uniform Commercial Code

In 1986, the State of Washington amended its U.C.C. sections 9-310 and 9-312(2) to take conflicting security interests in crops and between

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they have refused to apply U.C.C. § 9-315 in situations where agricultural lenders with security interests in agricultural supplies have tried to assert those security interests against the farm products and farm proceeds of those supplies. *See* cases cited *supra* note 65.

crops and nonpossessory agricultural liens outside the U.C.C. In Washington, section 9-310 has a non-uniform subsection 3 which reads: "Conflicting priorities between non-possessory crop liens created under chapter 60.11 RCW and security interests shall be governed by chapter 60.11 RCW."[95] Section 9-312(2) is a non-uniform section which states: "Conflicting priorities between security interests in crops shall be governed by chapter 60.11."[96] Chapter 60.11 of the Revised Code of Washington is titled "Crop Liens," and contains fourteen sections relating to crop liens, governing their creation, their priority, and their enforcement.[97]

For the purposes of this article, what is of interest are not the details of the Washington crop lien statute but the fact that the Washington Legislature decided that the U.C.C. should have nothing to say about crop lien priorities, regardless of whether the lien is a voluntary, consensual security interest or a lien acquired by operation of law. In other words, the Washington Legislature abandoned the U.C.C. for a unique statutory scheme concerning crop security devices. Washington's approach is reminiscent of the situation in agricultural lending at the time the original drafters of the U.C.C. first contemplated secured transactions in the 1940s and 1950s.

In some respects, the present state of the law concerning the coordination of agricultural liens and article 9 security interests is like the Washington approach. As described in the status quo option presented earlier in this article, agricultural lien law outside the U.C.C. presently plays a significant role in priority disputes. However, the Washington approach is more drastic because it more fully and more forthrightly puts crop liens outside the U.C.C.

Adoption of this non-U.C.C. option entails the judgment that agricultural lending simply does not fit within U.C.C. article 9. Adoption of this non-U.C.C. option carries the judgment that agricultural lending is truly unique to each state and that each state should design its own crop lending scheme. State legislatures can make these judgments, but prudence dictates that such judgments be made very carefully and only after detailed thought about the intended and unintended consequences of such action. The authors of this article do not pretend to have plumbed the shallows, much less the depths, of the non-U.C.C. option as exemplified by the Washington laws.[98]

V. Conclusion

The Agricultural Lien Task Force has gathered information about agricultural liens from throughout the United States. The Task Force has

95. WASH. REV. CODE § 62A.9-10(3) (Supp. 1990).

96. *Id.* § 62A.9-312(2).

97. 1986 Wash. Laws ch. 242 (approved Apr. 3, 1986, effective Jan. 1, 1987), codified at WASH. REV. CODE §§ 60.11.010 to 60.11.140 (Supp. 1990).

98. Gordon W. Tanner, Partner, Stoel, Rives, Boley, Jones & Grey, Bellevue, Washington, brought the Washington approach to the attention of the Agricultural Lien Task Force.

developed and considered various proposals for coordinating agricultural liens and security interests. With this information and these proposals, the Task Force hopes that greater knowledge about agricultural credit laws spreads among those involved in agricultural lending and that wiser decisions emerge from the deliberations of those who make policy choices about the legal framework within which future agricultural loans will be made.

Indeed, with this survey, information about agricultural liens, and these proposals for coordinating agricultural liens and security interests, those involved in agricultural financing might consider whether agricultural financing should be made uniform through the adoption of federal legislation. Federal legislation could provide a fresh start for agricultural financing that combines its components into a single, coordinated approach. The Agricultural Lien Task Force did not consider the federalization of agricultural finance law; therefore, the authors do not present a national option as an additional proposal in this article. The authors believe, however, that this article sets forth the information and analysis that could serve as the foundation upon which to design and debate a national option.

APPENDIX I
RAPID FINDER CHARTS
STATUTORY AGRIGULTURAL LIENS

California Rapid Finder Chart: Non-UCC Statutory Agricultural Liens

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
LIEN FOR SERVICES, INCLUDING VETERINARY SERVICES LIEN. CAL. CIV. CODE §§ 3051-3052 (WEST SUPP. 1991).	PERSON RENDERING SERVICES TO PERSONAL PROPERTY, INCLUDING VETERINARY PROPRIETORS AND SURGEONS	PERSONAL PROPERTY PROVIDED WITH SERVICES, INCLUDING ANIMAL CARED FOR, BOARDED, FED OR TREATED BY A VETERINARY PROPRIETOR OR SURGEON	YES	NO	NOT SPECIFIED	NONE
THRESHER'S LIEN CAL. CIV CODE § 3061 (WEST 1974).	PERSON WHO WORKS WITH MACHINERY FOR THRESHING OR CRUSHING	MACHINE USED FOR THRESHING OR CRUSHING	NO	NO	NOT SPECIFIED	MULTIPLE JUDGMENTS FOR THRESHER'S LIENS ARE APPORTIONED ON A PRO RATA BASIS
AGRICULTURAL LABORER'S LIEN. CAL. CIV. CODE §§ 3061.5-3061.6 (WEST SUPP. 1991).	PERSON EMPLOYED TO HARVEST OR TRANSPORT CROPS OR FARM PRODUCTS FOR A LIMITED PARTNERSHIP	SEVERED CROPS AND FARM PRODUCTS OR PROCEEDS FROM THEIR SALE, UP TO 25% OF THE FAIR MARKET VALUE OF THE CROPS OR OF THE PROCEEDS	NO	WITHIN 45 DAYS AFTER LABOR CEASES, THE LIENHOLDER MUST EITHER FILE A CLAIM WITH THE STATE LABOR COMMISSIONER OR FORECLOSE ON THE LIEN	DATE OF COMMENCEMENT OF WORK OR LABOR	LIEN IS SUPERIOR T ALL OTHER LIENS PROCEEDS DIVIDED PRO RATA AMONG MULTIPLE LIEN CLAIMANTS
LIEN FOR SERVICE OF STALLION, JACK OR BULL. CAL. CIV. CODE §§ 3062-3064 (WEST 1974)	PERSON OWNING OR IN CHARGE OF A STALLION, JACK, OR BULL USED FOR PROPAGATION	FEMALE ANIMAL SERVED AND OFFSPRING RESULTING FROM SERVICE	NO	YES, WITH THE RECORDER OF THE COUNTY IN WHICH THE FEMALE ANIMAL IS KEPT	NOT SPECIFIED	NONE
LOGGER'S AND LUMBERMEN'S LIEN. CAL. CIV. CODE §§ 3065-3065c (WEST 1974 & SUPP. 1991).	PERSON WHO CUTS, PREPARES, OR TRANSPORTS LOGS OR MANUFACTURES TIMBER PRODUCTS, USING OWN MACHINERY, LABOR, LIVESTOCK, OR APPLIANCES	LOGS OR TIMBER REMAINING IN THE COUNTY WHERE THE WORK OR SERVICE WAS PERFORMED	NO	NO	DATE OF COMMENCEMENT OF WORK OR LABOR	SUPERIOR TO AL LIENS EXCEPT LANDOWNER'S CLAIM FOR REASONABLE STUMPAGE, IF LANDOWNER IS N THE DIRECT EMPLOYER OR CONTRACTOR PROCEEDS DIVIDE PRO RATA AMON MULTIPLE LIEN CLAIMANTS
LIVESTOCK SERVICE LIEN. CAL. CIV. CODE §§ 3080-3080.22 (WEST SUPP. 1991).	PERSON OR ENTITY WHO PROVIDES SERVICES FOR ANOTHER'S LIVESTOCK	LIVESTOCK WHICH HAVE BEEN PROVIDED WITH SERVICES	YES	NO	LIEN ARISES AS CHARGES FOR LIVESTOCK SERVICES BECOME DUE	SUPERIOR TO AL OTHER LIENS AN SECURITY INTERES IN THE LIVESTOCK
SCABIES AND TICK TREATMENT LIEN. CAL. FOOD & AGRIC. CODE §§ 9301-9333 (WEST 1986).	CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE	CATTLE OR SHEEP TREATED FOR SCABIES OR TICKS AT DEPARTMENT EXPENSE	NO	NO	NOT SPECIFIED	NONE
BOVINE TUBERCULOSIS EXAMINATION LIEN. CAL. FOOD & AGRIC. CODE §§ 10151-10152 (WEST 1986).	CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE	CATTLE CONFINED FOR TUBERCULOSIS TESTING AT DEPARTMENT EXPENSE	YES, IMPLIED BY THE STATUTE	NO	NOT SPECIFIED	NONE
BOVINE BRUCELLOSIS TREATMENT LIENS. CAL. FOOD & AGRIC. CODE §§ 10351-10359; 10381-10385 (WEST 1986).	CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE	DAIRY CALF OR CATTLE VACCINATED OR CONFINED AT DEPARTMENT EXPENSE	YES, IMPLIED BY STATUTE	NO	NOT SPECIFIED	NONE
PRODUCER'S LIEN CAL. FOOD & AGRIC. CODE §§ 55631-55653 (WEST 1986 & SUPP. 1991).	PRODUCER OF A FARM PRODUCT SOLD TO A PROCESSOR	FARM PRODUCT AND ANY ITEM RESULTING FROM PROCESSING OF FARM PRODUCT WHICH IS IN POSSESSION OF THE PROCESSOR	NO	NO	DATE ANY PORTION OF THE FARM PRODUCT IS DELIVERED TO THE PROCESSOR	SUPERIOR TO ALL CLAIMS EXCEPT LABORER'S CLAIMS FOR WAGES AND SALARIES FOR SERVICES TO PROCESSOR, ARIS AFTER DELIVERY OF THE PRODUCT AN UCC WAREHOUSEMAN'S LIENS
LIVESTOCK SELLER'S LIEN. CAL. FOOD & AGRIC. CODE §§ 55701-55704 (WEST 1986).	PERSON WHO SELLS OR FURNISHES LIVESTOCK TO A MEATPACKER	LIVESTOCK OR IDENTIFIABLE PROCEEDS AND PRODUCTS OF THE LIVESTOCK	NO	YES, LIEN STATEMENT MUST BE FILED WITH THE SECRETARY OF STATE AND THE STATE DEPARTMENT OF FOOD AND AGRICULTURE	DATE POSSESSION OF THE LIVESTOCK IS TRANSFERRED TO THE MEATPACKER	SUPERIOR TO ALL OTHER LIENS AND SECURITY INTERES WITHOUT REGARD TO TIME OF ATTACHMENT OR PERFECTION

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
DAIRY CATTLE SUPPLY LIEN. CAL. FOOD & AGRIC. CODE §§ 57401-57414 (WEST SUPP. 1991).	PERSON WHO PROVIDES FOOD OR MATERIALS USED TO RAISE OR MAINTAIN DAIRY CATTLE	PROCEEDS OF MILK OR MILK PRODUCTS FROM THE DAIRY CATTLE	NO	YES, WITH THE SECRETARY OF STATE IN THE SAME MANNER AS A UCC FINANCING STATEMENT	DATE CLAIM IS FILED	SAME PRIORITY AS A UCC FINANCING STATEMENT FILED AT THE SAME TIME AS THE LIEN CLAIM WAS FILED ONLY TWO DAIRY CATTLE SUPPLY LIENS ARE ENFORCEABLE AT ONE TIME
POULTRY AND FISH SUPPLY LIEN. CAL. FOOD & AGRIC. CODE §§ 57501-57545, 57700 (WEST SUPP. 1991).	PERSON WHO SUPPLIES FEED OR MATERIAL TO RAISE OR MAINTAIN DOMESTICATED BIRDS, DOMESTICATED RABBITS, OR FISH, OR FOR THE PRODUCTION OF EGGS	PROCEEDS OF SALES OF EGGS, POULTRY, OR FISH AND OF PRODUCTS DERIVED FROM EGGS, POULTRY, OR FISH	NO	YES, WITH THE SECRETARY OF STATE IN THE SAME MANNER AS A UCC FINANCING STATEMENT	DATE AND TIME THAT LIEN CLAIM IS FILED	PRIORITY IN ACCORDANCE WITH TIME OF FILING SAME PRIORITY AS A SECURITY INTEREST FILED AT THE TIME THE LIEN CLAIM WAS FILED ONLY TWO POULTRY AND FISH SUPPLY LIENS ARE ENFORCEABLE AT ONE TIME
AGRICULTURAL CHEMICAL AND SEED LIEN. CAL. FOOD & AGRIC. CODE §§ 57551-57595, 57700 (WEST SUPP. 1991).	PERSON WHO SUPPLIES AGRICULTURAL CHEMICALS OR SEEDS	PROCEEDS OF CROPS PRODUCED WITH THE AGRICULTURAL CHEMICALS OR SEEDS	NO	YES, WITH THE SECRETARY OF STATE IN THE SAME MANNER AS A UCC FINANCING STATEMENT	DATE AND TIME OF FILING	PRIORITY IN ACCORDANCE WITH TIME OF FILING SAME PRIORITY AS A SECURITY INTEREST FILED AT THE SAME TIME AS THE LIEN CLAIM IS FILED SUBJECT TO WAGE AND SALARY CLAIMS OF THE LIEN DEBTOR'S EMPLOYEES FOR PERSONAL SERVICES FOR THE AGRICULTURAL PRODUCTS ONLY TWO AGRICULTURAL CHEMICAL AND SEED LIENS ARE ENFORCEABLE AT ONE TIME

Colorado Rapid Finder Chart: Non-UCC Statutory Agricultural Liens

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
LIEN ON TRESPASSING LIVESTOCK. COLO. REV. STAT. §§ 35-46-108 TO 35-46-109 (1990).	PERSON TAKING CUSTODY OF TRESPASSING LIVESTOCK	TRESPASSING LIVESTOCK IN CUSTODY OF LIENHOLDER	YES	NO	NOT SPECIFIED	NONE
LIEN FOR SERVICE OF MALE ANIMAL. COLO. REV. STAT § 35-48-101 TO 35-48-102 (1990).	PERSON WHO KEEPS A BULL, RAM, OR BOAR IN COLORADO	OFFSPRING OF THE BULL, RAM, OR BOAR	NO	NO	DATE OF BIRTH OF THE OFFSPRING	DOES NOT APPLY TO A BONA FIDE PURCHASER WITHOUT NOTICE OF THE LIEN
AGISTOR'S LIEN. COLO. REV. STAT. §§ 38-20-102 TO 38-20-103; 38-20-107 TO 38-20-116 (1990).	PERSON TO WHOM A DOMESTIC ANIMAL IS ENTRUSTED FOR CARE, FEEDING, AND MEDICAL OR OTHER SERVICES	DOMESTIC ANIMALS, INCLUDING LIVESTOCK, AND PROCEEDS FROM THE SALE OF THE DOMESTIC ANIMALS	YES	NO; CONTRACT FOR SERVICES MAY BE FILED WITH CLERK AND RECORDER OF COUNTY WHERE THE OWNER RESIDES OR IF THE OWNER IS NOT A COLORADO RESIDENT, WHERE THE CONTRACT WAS MADE	NOT SPECIFIED	SUPERIOR TO ALL OTHER LIENS
LIEN FOR LABOR. COL. REV. STAT. §§ 38-20-106 TO 38-20-116 (1990)	MECHANIC OR OTHER PERSON WHO PROVIDES LABOR AND FURNISHES MATERIAL FOR PERSONAL PROPERTY INCLUDING MOTOR VEHICLES	PERSONAL PROPERTY PROVIDED WITH LABOR OR MATERIAL	YES	NO	NOT SPECIFIED	NONE, UNDER COLO. REV. STAT. § 4-9-310 LIEN IS SUBJECT TO PERFECTED UCC SECURITY INTEREST

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
HARVESTER'S LIEN. COL. REV. STAT. §§ 38-24.5-101 TO 38-24.5-108 (1990).	PERSON WHO HARVESTS CROPS BY MANUAL OR MECHANICAL MEANS, EXCEPT THE OWNER OF THE CROPS	HARVESTED CROPS	NO	YES: WITH THE CLERK AND RECORDER OF THE COUNTY IN WHICH THE DEBTOR RESIDES OR, IF THE DEBTOR DOES NOT RESIDE IN COLORADO, WITH THE CLERK AND RECORDER OF THE COUNTY WHERE THE HARVESTED CROPS ARE KEPT TO PERFECT THE LIEN, THE LIENHOLDER MUST ALSO COMPLY WITH THE FILING REQUIREMENTS OF COLO. REV. STAT. TIT. 4, ART. 9.5, REGARDING FILING OF EFFECTIVE FINANCING STATEMENTS FOR FARM PRODUCTS	NOT SPECIFIED	SUBJECT TO ANY MORTGAGE, ENCUMBRANCE, SECURITY INTEREST, OR OTHER VALID LIEN ATTACHED TO THE CROPS OR FILED, PRIOR TO THE FILING OF THE HARVESTER'S LIEN

Florida Rapid Finder Chart: Non-UCC Statutory Agricultural Liens

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
LANDLORD'S LIEN FOR RENT. FLA. STAT. ANN. §§ 83.08, 83.11 TO 83.19 (WEST 1987).	PERSON TO WHOM RENT IS DUE	AGRICULTURAL PRODUCTS AND OTHER PROPERTY OF A LESSEE, SUBLESSEE, OR ASSIGNS	NO	NO	LIEN ON PROPERTY NOT KEPT ON THE PREMISES ATTACHES WHEN DISTRESS WARRANT IS LEVIED	LIEN UPON AGRICULTURAL PRODUCTS IS SUPERIOR TO ALL OTHER LIENS LIEN UPON OTHER PROPERTY USUALLY KEPT ON THE PREMISES IS SUPERIOR TO LIENS ARISING SUBSEQUENT TO THE TIME THE PROPERTY IS BROUGHT ONTO THE PREMISES LIEN IS COEQUAL WITH A LANDLORD'S LIEN FOR ADVANCES
LANDLORD'S LIEN FOR ADVANCES. FLA. STAT. ANN. §§ 83.10 TO 83.19 (WEST 1987).	LANDLORD	CROPS, ARTICLES ADVANCED BY A LANDLORD, AND ARTICLES PURCHASED WITH MONEY ADVANCED BY A LANDLORD	NO	NO	NOT SPECIFIED	LIEN ON CROPS IS COEQUAL WITH LIEN FOR RENT LIEN FOR ARTICLES ADVANCED IS SUPERIOR TO ALL OTHER LIENS
SELLER'S LIEN ON LIVESTOCK. FLA. STAT. ANN. § 534.54 (WEST 1988).	SELLER OF CATTLE OR HOGS	CATTLE OR HOGS, THEIR CARCASSES, PRODUCTS, AND PROCEEDS OF SALES	NO	NO	LIEN ATTACHES AND IS PERFECTED UPON DELIVERY OF THE CATTLE OR HOGS TO THE PURCHASER	MULTIPLE SELLER'S LIENS ON COMMINGLED PROPERTY ARE COEQUAL
LIEN UPON ANIMALS FOR CATTLE FEVER TICK ERADICATION. 1990 FLA. SESS. LAW SERV. CH. 90-321 (WEST).	FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES	ANIMALS TREATED FOR CATTLE TICK FEVER ERADICATION	YES, ANIMALS TAKEN INTO CUSTODY FOR TREATMENT	NO	NOT SPECIFIED	SALE OF ANIMAL TO ENFORCE LIEN VESTS PURCHASER WITH RIGHTS SUBJECT ONLY TO TAX LIENS
LIENS FOR LABOR ON AND WITH MACHINES. FLA. STAT. ANN. §§ 713.50, 713.56, 713.73 TO 713.76 (WEST 1988 & SUPP. 1990).	PERSON WHO PERFORMS LABOR OR FURNISHES MATERIAL FOR ANY ENGINE OR MACHINE	ENGINE OR MACHINE	YES	NO	NOT SPECIFIED	PRIOR IN DIGNITY TO SUBSEQUENTLY ACCRUING LIENS
LIENS FOR LABOR ON LOGS AND TIMBER. FLA. STAT. ANN. §§ 713.50, 713.57, 713.73 TO 713.76 (WEST 1988 & SUPP. 1990).	PERSON WHO PERFORMS LABOR ON LOGS OR TIMBER	LOGS, TIMBER AND ARTICLES MADE FROM THE LOGS OR TIMBER	YES	NO	NOT SPECIFIED	PRIOR IN DIGNITY TO SUBSEQUENTLY ACCRUING LIENS MULTIPLE LOGGERS' LIENS TAKE PRIORITY BASED ON TIME NOTICE GIVEN
LIEN FOR LABOR OR SERVICES ON PERSONAL PROPERTY. FLA. STAT. ANN. §§ 713.50, 713.58, 713.73 TO 713.76 (WEST 1988 & SUPP. 1990).	PERSON WHO PERFORMS LABOR OR SERVICES UPON THE PERSONAL PROPERTY OF ANOTHER	PERSONAL PROPERTY PROVIDED WITH LABOR AND SERVICES PERSONAL PROPERTY USED IN THE BUSINESS IN WHICH THE LABOR OR SERVICES ARE PERFORMED	YES	NO	NOT SPECIFIED	PRIOR IN DIGNITY TO SUBSEQUENTLY ACCRUING LIENS MULTIPLE LIENS TAKE PRIORITY BASED ON THE TIME NOTICE IS GIVEN

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
LIEN FOR LABOR IN RAISING CROPS. FLA. STAT. ANN. §§ 713.50, 713.59, 713.73 TO 713.76 (WEST 1988 & SUPP. 1990).	PERSON PERFORMING LABOR, OVERSEEING, OR MANAGING THE CULTIVATION AND HARVEST OF CROPS	CROPS CULTIVATED OR HARVESTED	YES	NO	NOT SPECIFIED	PRIOR IN DIGNITY TO SUBSEQUENTLY ACCRUING LIENS MULTIPLE CROP LIENS TAKE PRIORITY BASED ON THE TIME NOTICE IS GIVEN
LIEN FOR LABOR OR SERVICES IN GINNING COTTON. FLA. STAT. ANN. §§ 713.50, 713.595, 713.73 TO 713.76 (WEST 1988 & SUPP. 1990).	PERSON WHO CLASSIFIES OR GINS COTTON FOR A COTTON PRODUCER	COTTON GINNED OR CLASSIFIED	YES	NO	NOT SPECIFIED	PRIOR IN DIGNITY TO SUBSEQUENTLY ACCRUING LIENS MULTIPLE LIENS TAKE PRIORITY BASED ON THE TIME NOTICE IS GIVEN
LIENS FOR FURNISHING ARTICLES TO BE MANUFACTURED. FLA. STAT. ANN. §§ 713.50, 713.62, 713.73 TO 713.76 (WEST 1988 & SUPP. 1990).	PERSON FURNISHING LOGS, LUMBER, CLAY, SAND OR OTHER MATERIAL TO A MILL OR MANUFACTURER	LOGS, LUMBER AND OTHER MATERIAL FURNISHED TO A MILL OR MANUFACTURER	NO, IMPLIED BY STATUTE	NO	NOT SPECIFIED	PRIOR IN DIGNITY TO SUBSEQUENTLY ACCRUING LIENS
LIEN FOR CARE AND MAINTENANCE OF ANIMALS. FLA. STAT. ANN. §§ 713.50, 713.65, 713.73 TO 713.76 (WEST 1988 & SUPP. 1990).	PERSON WHO FEEDS OR CARES FOR ANIMALS, INCLUDING ALL STABLE KEEPERS	ANIMALS	YES	NO	NOT SPECIFIED	PRIOR IN DIGNITY TO SUBSEQUENTLY ACCRUING LIENS
LIEN FOR PROFESSIONAL SERVICES OF VETERINARIAN. FLA. STAT. ANN. §§ 713.50, 713.655, 713.73 TO 713.76 (WEST 1988 & SUPP. 1990).	VETERINARIAN WHO RENDERS PROFESSIONAL SERVICES TO AN ANIMAL	ANIMAL PROVIDED WITH VETERINARIAN SERVICES	NO, IMPLIED BY STATUTE	NO	NOT SPECIFIED	PRIOR IN DIGNITY TO SUBSEQUENTLY ACCRUING LIENS
LIENS FOR FEED OR BEDDING FOR RACEHORSES, POLO PONIES, AND RACE DOGS. FLA. STAT. ANN. §§ 713.50, 713.66, 713.73 TO 713.76 (WEST 1988 & SUPP. 1990).	PERSON FURNISHING FEED OR BEDDING TO RACEHORSES, POLO PONIES, AND RACE DOGS	RACEHORSES, POLO PONIES, AND RACE DOGS	NO, IMPLIED BY STATUTE	NO	NOT SPECIFIED	SUPERIOR TO ALL PREVIOUS AND SUBSEQUENT CLAIMS, LIENS AND MORTGAGES, BOTH RECORDED AND UNRECORDED
LIEN FOR SERVICE OF MALE ANIMAL. FLA. STAT. ANN. §§ 713.50, 713.70, 713.73 TO 713.76 (WEST 1988 & SUPP. 1990).	OWNER OF STALLION, JACKASS, OR BULL USED TO SERVICE FEMALE ANIMAL	FEMALE ANIMAL SERVED AND OFFSPRING RESULTING FROM THE SERVICE	NO	YES, WITH THE CLERK OF THE COUNTY WHERE THE OWNER OF THE FEMALE ANIMAL RESIDED AT THE DATE OF SERVICE	NOT SPECIFIED	PRIOR IN DIGNITY TO ALL SUBSEQUENTLY ACCRUING LIENS
LIENS FOR LOANS AND ADVANCES. FLA. STAT. ANN. §§ 713.50, 713.71, 713.73 TO 713.76 (WEST 1988 & SUPP. 1990).	ENTITY MAKING LOANS OR ADVANCES FOR PLANTING, FARMING, TIMBER-GETTING OR OTHER BUSINESS IN FLORIDA	CROPS, TIMBER, AND PRODUCTS GROWN OR PRODUCED WITH THE ASSISTANCE OF THE LOAN OR ADVANCE	NO	YES, WRITTEN CONSENT OF THE LIEN DEBTOR MUST BE FILED WITH THE CLERK OF THE CIRCUIT COURT IN THE COUNTY WHERE BUSINESS IS CONDUCTED	NOT SPECIFIED	PRIOR IN DIGNITY TO ALL ENCUMBRANCES, EXCEPT LABORER'S LIENS AND LANDLORD'S LIENS

Illinois Rapid Finder Chart: Non-UCC Statutory Agricultural Liens

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
LIEN UPON LIVESTOCK RUNNING AT LARGE. ILL. ANN. STAT. CH. 8, ¶¶ 1-5.1 (SMITH-HURD SUPP. 1990).	LAW ENFORCEMENT OFFICIAL OR OWNER OR OCCUPIER OF LAND WHO IMPOUNDS TRESPASSING LIVESTOCK	TRESPASSING LIVESTOCK THAT HAVE BEEN IMPOUNDED	YES, LIVESTOCK ARE IMPOUNDED	NO	NOT SPECIFIED	NONE
LIEN FOR SERVICE OF STALLIONS AND JACKS. ILL. ANN. STAT. CH. 8, ¶¶ 51-60 (SMITH-HURD SUPP. 1990).	OWNER OF STALLION OR JACK KEPT FOR SERVICE	MARE OR JENNET SERVED AND PROGENY OF SERVICE	NO	YES, WITH THE RECORDER OF DEEDS IN THE COUNTY IN WHICH THE MARE OR JENNET IS KEPT	NOT SPECIFIED	LIEN ON PROGENY IS A FIRST LIEN SERVICE FEE LIEN IS SUPERIOR TO ALL LIENS NOT DULY RECORDED PRIOR TO THE RECORDING OF THE SERVICE FEE LIEN
LIEN FOR CARE OF UNDELIVERED CATTLE. ILL. ANN. STAT. CH. 8, ¶¶ 87-104d (SMITH-HURD 1975 & SUPP. 1990).	TRANSPORTATION COMPANY REQUIRED TO HOLD CATTLE UNDER THE ILLINOIS BOVINE TUBERCULOSIS ERADICATION ACT	CATTLE HELD BY TRANSPORTATION COMPANY	YES, IMPLIED BY STATUTE	NO	NOT SPECIFIED	NONE
LIEN FOR HUMANE CARE OF ANIMALS. ILL. STAT. ANN. CH. 8, ¶ 712 (SMITH-HURD SUPP. 1990).	ILLINOIS DEPARTMENT OF AGRICULTURE AND HUMANE SOCIETIES	ABUSED ANIMAL IMPOUNDED BY DEPARTMENT OF AGRICULTURE	YES, ANIMAL IS IMPOUNDED	NO	NOT SPECIFIED	NONE

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
LABOR AND STORAGE LIEN. ILL. ANN. STAT. CH. 82, ¶¶ 40-47 (SMITH-HURD 1987).	PERSON, FIRM, OR CORPORATION WHICH EXPENDS LABOR, SKILL, OR MATERIAL ON CHATTEL OR STORES CHATTEL	CHATTEL UPON WHICH LABOR, SKILL, OR MATERIALS ARE EXPENDED OR WHICH IS STORED	NO	YES, WITH THE RECORDER OF THE COUNTY WHERE LABOR, SKILL OR MATERIAL WAS EXPENDED OR WHERE CHATTEL WAS STORED	DATE OF FIRST EXPENDITURE OF LABOR, SKILL OR MATERIAL OR DATE UPON WHICH STORAGE COMMENCES	LIEN IS SUBJECT TO PRIOR RECORDED UCC SECURITY INTEREST
LABOR OR STORAGE LIEN (SMALL AMOUNT). ILL. ANN. STAT. CH. 82, ¶¶ 47A-47f (SMITH-HURD 1987 & SUPP. 1990).	PERSON, FIRM OR CORPORATION THAT EXPENDS LABOR, SKILL OR MATERIAL UPON ANY CHATTEL OR STORES ANY CHATTEL	CHATTEL, WORTH LESS THAN $2000, UPON WHICH LABOR, SKILL, OR MATERIALS ARE EXPENDED OR WHICH IS STORED	YES	NO	DATE OF FIRST EXPENDITURE OF LABOR, SKILL OR MATERIAL OR DATE UPON WHICH STORAGE COMMENCES	ENFORCEMENT OF THE LIEN BARS ACTION AGAINST THE LIENHOLDER FOR RECOVERY OF THE VALUE OF THE CHATTEL
STABLE KEEPER'S LIEN. ILL. ANN. STAT. CH. 82, ¶ 58 (SMITH-HURD 1987); ILL. ANN. STAT. CH. 141, ¶ 3 (SMITH-HURD SUPP. 1990).	ANY PERSON KEEPING HORSES, CARRIAGES, AND HARNESS AT THE REQUEST OF THE OWNER OR POSSESSOR	HORSES, CARRIAGES, AND HARNESS	YES	NO	NOT SPECIFIED	ENFORCEMENT OF THE LIEN BARS ACTION AGAINST THE LIENHOLDER FOR RECOVERY OF THE VALUE OF THE CHATTEL
AGISTER'S LIEN. ILL. ANN. STAT. CH. 82 ¶ 59 (SMITH-HURD 1987); ILL. ANN. STAT. CH. 141, ¶ 3 (SMITH-HURD SUPP. 1990).	AGISTERS AND PERSONS KEEPING, YARDING, FEEDING, OR PASTURING DOMESTIC ANIMALS	DOMESTIC ANIMALS KEPT, YARDED, FED OR PASTURED	YES	NO	NOT SPECIFIED	ENFORCEMENT OF THE LIEN BARS ACTION AGAINST THE LIENHOLDER FOR RECOVERY OF THE VALUE OF THE PROPERTY
THRESHERMEN'S LIEN. ILL. ANN. STAT. CH. 82 ¶ 59A (SMITH-HURD 1987); ILL. ANN. STAT. CH. 141, ¶ 3 (SMITH-HURD SUPP. 1990).	OWNER OR LESSEE OF A THRESHING MACHINE, CLOVER HULLER, CORN SHELLER, OR HAY BALER	GRAIN, SEED, CLOVER, OR HAY PROCESSED WITH LIENHOLDER'S MACHINERY	NO	NO	DATE OF COMMENCEMENT OF HULLING THRESHING, SHELLING, OR BALING	ENFORCEMENT OF THE LIEN BARS ACTION AGAINST THE LIENHOLDER FOR RECOVERY OF THE VALUE OF THE PROPERTY
HORSESHOER'S LIEN. ILL. ANN. STAT. CH. 82, ¶¶ 201-212 (SMITH-HURD 1987).	PERSON WHO SHOES OR HAS AN EMPLOYEE SHOE AN ANIMAL	SHOD ANIMAL	NO	YES, WITH THE RECORDER OF THE COUNTY WHERE THE ANIMAL IS LOCATED	NOT SPECIFIED	SUPERIOR TO ALL OTHER SUBSEQUENTLY RECORDED LIENS AND CLAIMS
LANDLORD'S LIEN ON CROPS. ILL. ANN. STAT. CH. 110, ¶¶ 9-316 TO 9-317 (1984 & SUPP. 1990).	LANDLORD	CROPS GROWING OR GROWN ON DEMISED PREMISES	NO	NO	DATE THAT CROP STARTS GROWING	NONE (ILL. APP. CTS HAVE RULED THAT THE LIEN IS SUPERIOR TO UCC SECURITY INTERESTS IN CROP PROCEEDS

Iowa Rapid Finder Chart: Non-UCC Statutory Agricultural Liens

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
LANDLORD'S LIEN. IOWA STAT. ANN. §§ 570.1-570.10 (WEST 1950 & SUPP. 1990).	LANDLORD OF LEASED PREMISES	CROPS GROWN ON THE PREMISES AND TENANT'S PERSONAL PROPERTY USED OR KEPT ON THE PREMISES	NO	NO	DATE PROPERTY IS BROUGHT ONTO LEASED PREMISES	NONE (IOWA COURTS HOLD THAT THE LIEN ON CROPS IS SUPERIOR TO A CONSENSUAL LIEN GIVEN BY A TENANT AFTER THE LANDLORD'S LIEN ATTACHES
AGRICULTURAL SUPPLY DEALER'S LIEN. IOWA CODE ANN. §§ 570A.1-570A.11 (WEST SUPP. 1990 & 1990 IOWA LEGIS. SERV. NO. 170, § 58).	AGRICULTURAL SUPPLY DEALER ENGAGED IN RETAIL SALE OF SPECIFIED AGRICULTURAL SUPPLIES TO FARMERS	CROPS AND LIVESTOCK PRODUCED USING THE AGRICULTURAL SUPPLIES	NO	YES, WITH IOWA SECRETARY OF STATE	DATE LIEN STATEMENT IS FILED	SUPERIOR TO SUBSEQUENT LIENS EXCEPT LIENS OF SUPPLY DEALERS LANDLORDS, AND THRESHERMEN OR CORNSHELLERS EQUAL TO PRIOR PERFECTED LIEN OR SECURITY INTEREST OF A FINANCIAL INSTITUTION WHICH DOES NOT AGREE TO EXTEND CREDIT FOR THE AGRICULTURAL SUPPLY DEALER'S LIEN SUPERIOR IN PART TO PRIOR LIENS AND SECURITY INTERESTS IN LIVESTOCK

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
THRESHERMAN'S OR CORNSHELLER'S LIEN. IOWA CODE ANN. §§ 571.1 - 571.6 (WEST 1950 & SUPP. 1990).	ENTITY WHICH OPERATES A MACHINE TO THRESH, BAIL, COMBINE, OR SHELL A FARM PRODUCT OR WHICH CUSTOM HARVESTS A FARM PRODUCT	FARM PRODUCT HARVESTED OR PROCESSED WITH THE MACHINERY	NO	YES, WITH THE IOWA SECRETARY OF STATE	NOT SPECIFIED	PRIOR AND SUPERIOR TO A LANDLORD'S LIEN OR ANY SECURITY INTEREST
FORWARDING AND COMMISSION MERCHANT'S LIEN. IOWA CODE ANN. §§ 576.1-576.2 (WEST 1950 & SUPP. 1990).	FORWARDING AND COMMISSION MERCHANTS	EVERY KIND OF PROPERTY, INCLUDING AGRICULTURAL PRODUCTS	YES	NO	NOT SPECIFIED	NONE
ARTISAN'S LIEN. IOWA CODE ANN. §§ 577.1-577.2 (WEST SUPP. 1990).	PERSON WHO MAKES, REPAIRS, IMPROVES, OR ENHANCES THE VALUE OF ANY INANIMATE PERSONAL PROPERTY	INANIMATE PERSONAL PROPERTY	YES	NO	NOT SPECIFIED	SUBJECT TO ALL PRIOR LIENS OF RECORD
COLD STORAGE LOCKER LIEN. IOWA CODE ANN. §§ 578.1-578.2 (WEST 1950 & SUPP. 1990).	LESSOR OWNING OR OPERATING A REFRIGERATED LOCKER PLANT	ALL PROPERTY OF EVERY KIND	YES	NO	NOT SPECIFIED	NONE
LIEN FOR CARE OF STOCK AND STORAGE OF BOATS AND MOTOR VEHICLES. IOWA CODE ANN. §§ 579.1-579.3 (WEST 1950).	STABLE KEEPERS, HERDERS, FEEDERS, STOCK KEEPERS, AND KEEPERS OF PLACES FOR THE STORING MOTOR VEHICLES, BOATS, AND BOAT ENGINES AND MOTORS	PROPERTY KEPT AND STORED,INCLUDING LIVESTOCK	YES	NO	NOT SPECIFIED	SUBJECT TO ALL PRIOR LIENS OF RECORD
LIEN FOR SERVICES OF ANIMALS. IOWA CODE ANN. §§ 580.1-580.9 (WEST 1950 & SUPP. 1990).	OWNER OR KEEPER OF A STALLION, JACK, OR BULL ENTITY PROVIDING ARTIFICIAL INSEMINATION SERVICES	PROGENY RESULTING FROM THE SERVICES	NO	NO	DATE OF PROGENY'S BIRTH	LIEN IS DESIGNATED A "PRIOR" LIEN
VETERINARIAN'S LIEN. IOWA CODE ANN. §§ 581.1-581.4 (WEST 1950 & SUPP. 1990).	VETERINARIAN LICENSED AND REGISTERED UNDER IOWA LAW	LIVESTOCK PROVIDED WITH VETERINARIAN'S SERVICES	NO	YES, WITH THE CLERK OF THE DISTRICT COURT OF THE COUNTY WHERE THE LIVESTOCK'S OWNER RESIDES	DATE OF FILING OF LIEN STATEMENT	PRIORITY OVER ALL OTHER LIENS AND ENCUMBRANCES

Minnesota Rapid Finder Chart: Non-UCC Statutory Agricultural Liens

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
LIEN OF BOARD OF ANIMAL HEALTH. MINN. STAT. ANN. § 35.12 (WEST SUPP. 1991).	MINNESOTA BOARD OF ANIMAL HEALTH	DOMESTIC ANIMALS AND LIVESTOCK, INCLUDING POULTRY, WHOSE OWNERS AND KEEPERS ARE LIABLE FOR EXPENSES INCURRED BY THE BOARD UNDER MINN. STAT. CH. 35	NO	NO	NOT SPECIFIED	NONE
GRAIN BANK LIEN. MINN. STAT. ANN. §§ 236.01-236.09 (WEST SUPP. 1991).	OPERATOR OF GRAIN BANK (FEED-PROCESSING PLANT) LICENSED TO OPERATE IN MINNESOTA	GRAIN REPRESENTED BY A GRAIN BANK RECEIPT, ISSUED FOR GRAIN RECEIVED FOR PROCESSING	YES	NO	NOT SPECIFIED	NONE
LIEN ON NEGLECTED ANIMAL. MINN. STAT. ANN. § 343.29 (WEST 1990).	PEACE OFFICERS, AGENTS OF SOCIETIES FOR THE PREVENTION OF CRUELTY TO ANIMALS AND OTHER PERSONS PROVIDING CARE FOR NEGLECTED ANIMALS	ANIMALS PROVIDED WITH CARE	YES	YES, NOTICE OF POSSESSION OF THE ANIMAL MUST BE FILED WITH TOWN CLERK	NOT SPECIFIED	NONE
LIEN ON LIVESTOCK RUNNING AT LARGE. MINN. STAT. ANN. § 346.19 (WEST 1990).	CHAIRMAN OF TOWN BOARD	STALLION, BULL, BOAR, OR RAM RUNNING AT LARGE IN THE TOWN AND CASTRATED AT TOWN'S EXPENSE	? IMPLIED BY STATUTE	NO	NOT SPECIFIED	NONE
MECHANICS' LIEN ON PERSONAL PROPERTY. MINN. STAT. ANN. §§ 514.18 - 514.22 (WEST 1990)	PERSON WHO STORES, CARES FOR, OR ENHANCES THE VALUE OF PERSONAL PROPERTY, INCLUDING ANIMALS, TOOLS, AND EQUIPMENT	PERSONAL PROPERTY, INCLUDING ANIMALS, TOOLS, AND EQUIPMENT	NO. STATUTE PROVIDES FOR POSSESSORY AND NON POSSESSORY LIENS	IF POSSESSION IS LOST, LIEN STATEMENT MUST BE FILED IN THE SAME MANNER AS A UCC SECURITY INTEREST	NOT SPECIFIED	NONPOSSESSORY LIEN IS SUBJECT TO PRIOR RECORDED LIENS AND TO PURCHASE BY PARTIES WITHOUT NOTICE OF THE LIEN FILED LIEN IS CONSIDERED A UCC SECURITY INTEREST
LIEN FOR SHOEING ANIMAL. MINN. STAT. ANN. §§ 514.23-514.34 (WEST 1990)	PERSON WHO SHOES, OR HAS AN EMPLOYEE SHOE, AN ANIMAL	SHOD ANIMAL	NO	YES, WITH THE APPROPRIATE OFFICER FOR FILING UCC SECURITY INTERESTS	NOT SPECIFIED	PRECEDENCE OVER CLAIMS AND LIENS NOT DULY RECORDED BEFORE THE LIEN IS FILED LIEN DOES NOT ATTACH IF PROPERTY CHANGES HANDS BEFORE FILING

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
LIEN ON TIMBER FOR LABOR. MINN. STAT. ANN. §§ 514.40-514.50; 514.54-514.56 (WEST 1990).	PERSON WHO PERFORMS MANUAL LABOR OR OTHER SERVICES IN CUTTING, PROCESSING, OR HAULING TIMBER	TIMBER AND SPECIFIED TIMBER PRODUCTS	NO	YES, FOR MARKED TIMBER, WITH THE COMMISSIONER OF NATURAL RESOURCES FOR UNMARKED TIMBER, WITH THE DISTRICT COURT OF THE COUNTY IN WHICH THE SERVICES WERE PERFORMED	NOT SPECIFIED	PREFERRED TO ALL OTHER CLAIMS EXCEPT THOSE OF THE STATE OF MINNESOTA AND CLAIMS OF AN OWNER OR OCCUPANT OF LAN[D] FROM WHICH TIMBER IS UNLAWFULLY REMOVED
LIEN UPON OBSTRUCTING OR INTERMIXED LOGS. MINN. STAT. ANN. § 514.51 (WEST 1990).	PERSON WHO DRIVES OBSTRUCTING OR INTERMINGLED LOGS OR TIMBER OWNED BY ANOTHER	LOGS OR TIMBER	NO	NOT SPECIFIED	NOT SPECIFIED	NONE
LIEN ON SUBMERGED LOGS. MINN. STAT. ANN. §§ 514.52-514.53 (WEST 1990).	PERSON WHO RAISES OR FLOATS SUBMERGED LOGS OR TIMBER OWNED BY ANOTHER	LOGS OR TIMBER RAISED OR FLOATED	? IMPLIED BY STATUTE	NOT SPECIFIED	NOT SPECIFIED	NONE
LIEN OF COMMISSIONER OF NATURAL RESOURCES ON LOGS, TIMBER, AND LUMBER MINN STAT ANN §§ 514.57-514.58 (WEST 1990)	MINNESOTA COMMISSIONER OF NATURAL RESOURCES	LOGS, TIMBER, OR LUMBER INVOLVED WITH OFFICIAL SERVICES	YES, AUTHORIZED BY STATUTE	NO	NOT SPECIFIED	NONE
LIEN FOR SERVICE OF MALE ANIMALS MINN. STAT ANN §§ 514.62-514.63 (WEST 1990)	OWNER OF A BULL, RAM, OR BOAR	OFFSPRING OF THE MALE ANIMAL	NO	YES, WITH THE APPROPRIATE OFFICER FOR FILING UCC SECURITY INTERESTS	NOT SPECIFIED	NONE
LIEN FOR PROCESSING FARM PRODUCTS MINN STAT ANN §§ 514.65 514.66 (WEST 1990)	PERSON OWNING OR OPERATING SPECIFIED MACHINERY FOR HARVESTING AND PROCESSING CROPS	CROPS HARVESTED OR PROCESSED WITH THE SPECIFIED MACHINERY	NO	YES, WITH THE APPROPRIATE OFFICE FOR FILING UCC SECURITY INTERESTS	NOT SPECIFIED	PREFERRED TO ALL LIENS AND ENCUMBRANCES, EXCEPT A LIEN ON SEED FROM WHICH THE CROP WAS GROWN
LIEN ON CROPS FOR RENTAL VALUE OF FARM MACHINERY DURING MEDIATION MINN STAT ANN § 514.661 (WEST 1990)	CREDITOR WITH A PERFECTED OR UNPERFECTED SECURITY INTEREST IN SEASONAL USE MACHINERY, WHO ENGAGES IN DEBT MEDIATION	CROPS PRODUCED BY THE DEBTOR IN THE CALENDAR YEAR IN WHICH DEBT MEDIATION OCCURS	NO	YES, WITH THE APPROPRIATE OFFICE FOR FILING UCC SECURITY INTERESTS	NOT SPECIFIED	PERFECTED LIEN HAS PRIORITY OVER LIENS AND SECURITY INTERESTS, EXCEPT A PERFECTED LANDLORD'S LIEN UNPERFECTED LIEN HAS THE PRIORITY OF AN UNPERFECTED UCC SECURITY
VETERINARIAN'S LIEN. MINN. STAT. ANN. § 514.92 (WEST 1990).	LICENSED VETERINARIAN	ANIMAL PROVIDED WITH EMERGENCY VETERINARY SERVICES COSTING MORE THAN $25	NO	YES, WITH THE APPROPRIATE OFFICE FOR FILING UCC SECURITY INTERESTS	NOT SPECIFIED	PRIORITY OVER OTHER LIENS, ENCUMBRANCES AND OVER UCC SECURITY INTERESTS PERFECTED AFTER 3/22/86
AGRICULTURAL PRODUCER'S LIEN. MINN. STAT. ANN. § 514.945 (WEST SUPP. 1991).	PRODUCER OF AGRICULTURAL COMMODITIES, EXCEPT RAW MILK AND SPECIFIED GRAINS	AGRICULTURAL COMMODITIES, EXCEPT RAW MILK AND SPECIFIED GRAINS, DELIVERED TO A PURCHASER PROCEEDS AND PRODUCTS OF SUCH AGRICULTURAL COMMODITIES	NO	YES, LIEN IS PERFECTED UNTIL 20 DAYS AFTER DELIVERY WITHOUT FILING, AT WHICH TIME A LIEN STATEMENT MUST BE FILED WITH THE APPROPRIATE OFFICE FOR FILING UCC SECURITY INTERESTS	DATE AGRICULTURAL COMMODITIES ARE DELIVERED	CONTINUOUSLY PERFECTED LIEN HAS PRIORITY OVER OTHER LIENS AND ENCUMBRANCES REGARDLESS OF DATE FILED LIEN FILED 20 DAYS OR MORE AFTER DELIVERY HAS PRIORITY IN ORDER THAT IT IS FILED UNPERFECTED LIEN HAS PRIORITY OF UNPERFECTED UCC SECURITY INTERESTS PURCHASER WITHOUT WRITTEN NOTICE OF THE LIEN TAKES FREE OF THE LIEN

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
AGRICULTURAL PRODUCTION INPUT LIEN. MINN. STAT. ANN. §§ 514.950-514.959 (WEST 1990).	SUPPLIER OF CROP PRODUCTION INPUTS	CROPS GROWN WITH SUPPLIED CHEMICALS; CROPS GROWN FROM FURNISHED SEED; CROPS PRODUCED, HARVESTED, OR FINISHED WITH PETROLEUM PRODUCT, AND PROCEEDS AND PRODUCTS OF SUCH CROPS, EXCEPT A LESSOR'S PORTION OF SUCH CROPS	NO	YES, WITH THE APPROPRIATE OFFICE FOR FILING UCC SECURITY INTERESTS	DATE INPUTS ARE FURNISHED BY SUPPLIER TO PURCHASER	PERFECTED LIEN HAS SAME PRIORITY AS A UCC SECURITY INTEREST, EXCEPT THE LIEN HAS PRIORITY OVER THE INTEREST OF A LENDER WHO FAILS TO RESPOND TO A LIEN-NOTIFICATION STATEMENT
	SUPPLIER OF FEED OR LABOR USED IN RAISING LIVESTOCK	LIVESTOCK PROVIDED WITH FEED AND LABOR AND PROCEEDS AND PRODUCTS OF SUCH LIVESTOCK (UP TO THE DIFFERENCE BETWEEN THE SALES PRICE OF THE LIVESTOCK AND EITHER THE FAIR MARKET VALUE AT THE TIME THE LIEN ATTACHES OR THE ACQUISITION PRICE OF THE LIVESTOCK)				LIEN IS ALSO SUBJECT TO OTHER LIENS ARISING UNDER MINN. STAT. CH. 395 AND 514 OR TO SECURITY INTERESTS FOR UNPAID RENT FOR LAND WHERE CROPS ARE GROWN
LANDLORD'S LIEN ON CROPS. MINN. STAT. ANN. § 514.960 (WEST 1990).	PERSON OR ENTITY LEASING PROPERTY FOR AGRICULTURAL PRODUCTION	CROPS PRODUCED ON LEASED LAND DURING THE CROP YEAR AND PROCEEDS AND PRODUCTS OF SUCH CROPS	NO	YES, WITH THE APPROPRIATE OFFICE FOR FILING UCC SECURITY INTERESTS	NOT SPECIFIED	PERFECTED LIEN HAS PRIORITY OVER OTHER LIENS AND SECURITY INTERESTS UNPERFECTED LIEN HAS SAME PRIORITY AS UNPERFECTED UCC SECURITY INTEREST

Montana Rapid Finder Chart: Non-UCC Statutory Agricultural Liens

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
FARM LABORERS' LIENS. MONT. CODE ANN. §§ 71-3-401 TO 71-3-408 (1989).	FARM OR RANCH LABORER	CROPS GROWN, RAISED, OR HARVESTED WHEN THE LABOR WAS PERFORMED, UP TO $1000 WORTH OF CROPS OR THE VALUE OF WAGES DUE FOR 60 DAYS WORK	NO	YES, WITH THE MONTANA SECRETARY OF STATE	NOT SPECIFIED	PRIORITY OVER ALL OTHER LIENS, CHATTEL MORTGAGES, AND ENCUMBRANCES, EXCEPT SEED GRAIN AND THRESHER'S LIENS
LOGGERS' LIENS. MONT. CODE ANN. §§ 71-3-601 TO 71-3-616 (1989).	PERSON OR BUSINESS ENTITY WORKING ON OR ASSISTING IN OBTAINING TIMBER OR LUMBER	TIMBER OR LUMBER OWNED BY THE PERSON FOR WHOM SERVICES WERE PERFORMED AT THE TIME THE LIEN IS FILED, UP TO THE VALUE OF SERVICES PROVIDED 3 MONTHS BEFORE THE LIEN IS FILED	NO	YES, WITH THE CLERK OF THE COUNTY WHERE THE TIMBER WAS CUT OR MANUFACTURED	DATE THE LIEN IS FILED	SUPERIOR TO ALL OTHER LIENS EXCEPT OTHER LOGGER'S LIENS ARISING FROM CLAIMS FOR WORK ON SPECIFIED LOGS
LIEN FOR STUMPAGE. MONT. CODE ANN. §§ 71-3-601 TO 71-3-616 (1989).	OWNER OF TIMBERLAND WHO ALLOWS ANOTHER PERSON ONTO THE LAND TO CUT TIMBER	TIMBER TAKEN FROM THE TIMBERLAND, UP TO THE VALUE OF THE PRIVILEGE EXERCISED IN THE 3 MONTHS BEFORE THE LIEN IS FILED	NO	YES, WITH THE CLERK OF THE COUNTY IN WHICH THE TIMBER WAS CUT	NOT SPECIFIED	SUBJECT TO LOGGERS' LIENS
SEED OR GRAIN LIEN. MONT. CODE ANN. §§ 71-3-701 TO 71-3-705 (1989)	PERSON OR BUSINESS ENTITY FURNISHING SEED OR GRAIN OR THE FUNDS FOR SEED OR GRAIN TO ANOTHER	CROPS AND SEED OR GRAIN THRESHED FROM THE CROPS	NO	YES, WITH THE MONTANA SECRETARY OF STATE	NOT SPECIFIED	SUPERIOR TO ALL OTHER LIENS AND ENCUMBRANCES
HAIL INSURANCE LIEN. MONT. CODE ANN. §§ 71-3-711 TO 71-3-713 (1989).	PERSON OR BUSINESS ENTITY FURNISHING HAIL INSURANCE	CROPS AND SEED OR GRAIN THRESHED FROM CROPS, WHICH ARE PRODUCED ON THE LAND PROTECTED BY THE HAIL INSURANCE	NO	YES, WITH THE MONTANA SECRETARY OF STATE	NOT SPECIFIED SUBJECT TO PRIOR AND SUBSEQUENTLY RECORDED SEED LIENS	
THRESHERS' LIEN. MONT. CODE ANN. §§ 71-3-801 TO 71-3-810 (1989).	OWNER OR OPERATOR OF A MACHINE USED FOR HARVESTING CROPS	CROPS HARVESTED BY THE MACHINE	NO	YES, WITH THE MONTANA SECRETARY OF STATE	NOT SPECIFIED	PRIORITY OVER ANY MORTGAGE, ENCUMBRANCE, OR LIEN, EXCEPT FOR SEED LIENS
SPRAYING LIEN. MONT. CODE ANN. §§ 71-3-901 TO 71-3-909 (1989).	PERSON OR BUSINESS ENTITY PERFORMING SPRAYING OR DUSTING SERVICES	CROPS SPRAYED OR DUSTED	NO	YES, WITH THE MONTANA SECRETARY OF STATE	NOT SPECIFIED	PRIORITY OVER ALL MORTAGAGES, ENCUMBRANCES, AND LIENS, EXCEPT SEED, HAIL INSURANCE, THRESHING, LABOR, AND WAREHOUSE LIENS

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
AGISTERS' LIEN / LIEN FOR SERVICES. MONT. CODE ANN. §§ 71-3-1201 TO 71-3-1204 (1989).	PERSON WHO PROVIDES CARE OR FEED FOR LIVESTOCK PERSON WHO RENDERS SERVICES TO ARTICLE OF PERSONAL PROPERTY	LIVESTOCK FED OR CARED FOR PERSONAL PROPERTY PROVIDED WITH SERVICES	YES	NO	NOT SPECIFIED	SUBJECT TO PRIOR PERFECTED UCC SECURITY INTERESTS AND LIENS, IF NO NOTICE OF LIEN IS GIVEN
LIEN ON LIVESTOCK TRESPASSING IN STATE GRAZING DISTRICT. MONT CODE ANN. §§ 76-16-311 TO 76-16-318 (1989).	STATE GRAZING DISTRICT	LIVESTOCK TRESPASSING IN STATE GRAZING DISTRICT	YES	NO	NOT SPECIFIED	NONE SPECIFIED
LIVESTOCK TREATMENT LIEN. MONT. CODE ANN. § 81-2-109 (1989).	MONTANA DEPARTMENT OF LIVESTOCK	LIVESTOCK WHICH DEPARTMENT HAS INVESTIGATED OR TREATED BECAUSE OF A VIOLATION OF DISEASE CONTROL LAWS OR RULES	NO	NO	NOT SPECIFIED	NONE SPECIFIED
LIEN ON LIVESTOCK TRESPASSING IN A HERD DISTRICT. MONT. CODE ANN. § 81-4-307 (1989)	LANDOWNER IN A MONTANA HERD DISTRICT	LIVESTOCK THAT CAUSE DAMAGE WHILE TRESPASSING	NO	NO	NOT SPECIFIED	NONE SPECIFIED
LIEN ON HORSES TRESPASSING IN A HORSE HERD DISTRICT. MONT CODE ANN. §§ 81;4-326 TO 81-4-327 (1989).	LANDOWNER IN A MONTANA HORSE HERD DISTRICT	HORSES THAT CAUSE DAMAGE WHILE TRESPASSING	YES	NO	NOT SPECIFIED	NONE SPECIFIED

Nebraska Rapid Finder Chart: Non-UCC Statutory Agricultural Liens

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
ARTISAN'S LIEN. NEB. REV. STAT. §§ 52-201 TO 52-204 (1988).	PERSON WHO MAKES, ALTERS, REPAIRS, OR ENHANCES THE VALUE OF MACHINERY, FARM IMPLEMENTS, OR TOOLS PERSON WHO SHOES A HORSE OR MULE	MACHINERY, FARM TOOLS AND IMPLEMENTS HORSES OR MULES	NO, ALTHOUGH LIENHOLDER IS ENTITLED TO RETAIN PROPERTY	YES, IF POSSESSION IS LOST, THE LIENHOLDER MUST FILE A LIEN STATEMENT WITH THE CLERK OF THE COUNTY WHERE THE PROPERTY IS KEPT LIEN IS ALSO RECORDED ON STATE MASTER LIEN LIST	NONPOSSESSORY LIEN IS IN FORCE FROM AND AFTER DATE OF FILING	POSSESSORY LIEN IS SUPERIOR TO PERFECTED SECURITY INTERESTS NONPOSSESSORY LIEN IS SUPERIOR TO SUBSEQUENTLY FILED LIENS AND IS TREATED AS A UCC SECURITY INTEREST
THRESHER'S LIEN. NEB. REV. STAT. §§ 52-501 TO 52-504 (1988)	OWNER OR OPERATOR OF THRESHER, COMBINE, CORNPICKER, CORNHUSKER, OR CORNSHELLER	GRAIN, SEED, OR CORN HARVESTED OR PROCESSED BY THE OWNER OR OPERATOR USING THE MACHINE	NO	YES, WITH THE CLERK OF THE COUNTY WHERE THE WORK WAS PERFORMED LIEN IS ALSO RECORDED ON STATE MASTER LIEN LIST	NOT SPECIFIED	LIEN DOES NOT APPLY TO A LANDLORD'S OR LESSOR'S SHARE OF THE GRAIN, SEED OR CORN LIEN DOES NOT ATTACH TO GRAIN SEED, OR CORN IN THE HANDS OF AN INNOCENT PURCHASER OR GRAIN DEALER WITHOUT NOTICE OF LIEN
VETERINARIAN'S LIEN. NEB REV. STAT. §§ 52-701 TO 52-702 (1988).	LICENSED VETERINARIAN	LIVESTOCK TREATED OR CARED FOR	NO	YES, WITH THE CLERK OF THE COUNTY WHERE THE LIVESTOCK ARE LOCATED LIEN IS ALSO RECORDED ON STATE MASTER LIEN LIST	NOT SPECIFIED	LIEN IS FIRST PARAMOUNT AND PRIOR
PETROLEUM PRODUCTS LIEN. NEB REV. STAT. §§ 52-901 TO 52-905 (1988)	SUPPLIER OF PETROLEUM PRODUCTS USED TO POWER OR LUBRICATE FARM MACHINERY WHICH IS USED TO PRODUCE CROPS	CROPS, OWNED BY THE PERSON TO WHOM THE PETROLEUM PRODUCTS WERE FURNISHED, WHICH WERE PRODUCED USING THE PETROLEUM PRODUCTS	NO	YES, WITH THE CLERK OF THE COUNTY IN WHICH THE CROP IS PRODUCED LIEN IS ALSO RECORDED ON STATE MASTER LIEN LIST	DATE ON WHICH NOTICE OF LIEN IS FILED	IF A PETROLEUM PRODUCT IS SUPPLIED TO PERSON ON RENT OR LEASED LAND THE LIEN DOES NOT ATTACH TO A LANDLORD'S OR LESSOR'S SHARE OF THE CROP
FERTILIZER AND AGRICULTURAL CHEMICAL LIENS. NEB REV. STAT §§ 52-1101 TO 52-1104 (1988)	PERSON WHO FURNISHES FERTILIZER OR AGRICULTURAL CHEMICALS PERSON WHO FURNISHES MACHINERY TO APPLY FERTILIZER OR AGRICULTURAL CHEMICALS PERSON WHO PERFORMS WORK OR LABOR IN APPLYING FERTILIZER OR AGRICULTURAL CHEMICALS	CROPS PRODUCED WITHIN ONE YEAR ON LAND WHERE FERTILIZER OR AGRICULTURAL CHEMICAL WAS APPLIED. MACHINERY WAS USED, OR WORK OR LABOR OF APPLICATION WAS PERFORMED	NO	YES, WITH THE CLERK OF THE COUNTY WHERE THE CROPS ARE GROWING OR ARE TO BE PLANTED LIEN IS ALSO RECORDED ON STATE MASTER LIEN LIST	DATE ON WHICH NOTICE OF THE LIEN IS FILED	SUPERIOR TO SUBSEQUENT LIENS BUT NOT TO PRIOR LIENS UNLESS PRIOR LIENHOLDERS AGREE IN WRITING TO SUBORDINATION

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
SEED OR ELECTRICAL POWER AND ENERGY LIENS NEB. REV. STAT. §§ 52-1201 TO 52-1205 (1988)	PERSON WHO FURNISHES SEED OR ELECTRICAL POWER USED IN THE PRODUCTION OF CROPS	CROPS PRODUCED FROM THE FURNISHED SEED OR ELECTRICAL ENERGY	NO	YES, WITH THE CLERK OF THE COUNTY WHERE THE CROP IS GROWING OR WILL BE GROWN LIEN IS ALSO RECORDED ON STATE MASTER LIEN LIST	DATE OF FILING	PRIORITY IS ESTABLISHED BY THE DATE AND TIME OF FILING LIEN IS SUBJECT TO A PROPERLY ATTACHED AND FILED UCC SECURITY INTEREST UNLESS THE PRIOR LIENHOLDER AGREES IN WRITING TO SUBORDINATION
AGRICULTURAL PRODUCTION LIENS. NEB. REV. STAT. §§ 52-1401 TO 15-1411 (1988).	PERSON SUPPLYING AGRICULTURAL INPUT FOR PRODUCTION OF CROPS OR LIVESTOCK	CROPS AND LIVESTOCK PRODUCED OR BENEFITTING FROM THE AGRICULTURAL INPUT	NO	YES, WITH THE APPROPRIATE OFFICE FOR FILING SECURITY INTERESTS IN FARM PRODUCTS LIEN IS ALSO RECORDED ON STATE MASTER LIEN LIST	DATE THAT AGRICULTURAL PRODUCTION INPUT IS FURNISHED BY THE SUPPLIER TO THE PRODUCER	PRIORITY DEPENDS ON FILING AND ON THE RESPONSE OF PRIOR LENDERS TO NOTICE OF THE LIEN PROVIDED BY THE LIENHOLDER
LIEN FOR SERVICE OF ANIMALS. NEB. REV. STAT. §§ 52-1501 TO 52-1506 (1988).	OWNER, OWNER'S AGENT, OR LESSEE OF STALLION, JACK, OR BULL USED FOR BREEDING PURPOSES	FEMALE ANIMAL SERVED AND OFFSPRING RESULTING FROM THE BREEDING SERVICES	NO	YES, WITH THE COUNTY CLERK	LIEN ATTACHES TO OFFSPRING UPON BIRTH OF OFFSPRING	LIEN ON FEMALE ANIMAL IS A FIRST LIEN LIEN ON OFFSPRING IS SUBJECT TO A LIEN OF RECORD OF ANY MORTGAGE IN GOOD FAITH
AGISTER'S LIEN. NEB. REV. STAT. §§ 54-201, 54-209 (1988).	PERSON WHO CARES FOR AND FEEDS ANY LIVESTOCK UNDER A CONTRACT OR AGREEMENT	LIVESTOCK CARED FOR OR FED	NO	YES, PRIOR TO REMOVAL OF THE LIVESTOCK FROM THE LIENHOLDER'S PREMISES, THE LIENHOLDER MUST FILE AN AFFIDAVIT OF THE LIEN IN THE OFFICE OF THE CLERK OF THE COUNTY WHERE THE LIVESTOCK ARE KEPT LIEN IS ALSO RECORDED ON STATE MASTER LIEN LIST	NOT SPECIFIED	IF THE DEBTOR IS NOT A NEBRASKA RESIDENT OR BUSINESS, THE LIEN IS FIRST, PRIOR, AND PARAMOUNT IF THE DEBTOR IS A NEBRASKA RESIDENT OR BUSINESS, THE LIEN IS INFERIOR TO PRIOR LIENS
FEED LIEN. NEB. REV. STAT §§ 54-208 TO 54-209 (1988).	PERSON WHO DELIVERS FEED OR FEED INGREDIENTS TO LIVESTOCK UNDER A CONTRACT OR AGREEMENT	LIVESTOCK RECEIVING FEED OR FEED INGREDIENTS	NO	YES, WITH CLERK OF COUNTY WHERE THE LIVESTOCK ARE LOCATED LIEN IS ALSO RECORDED ON STATE MASTER LIEN LIST	NOT SPECIFIED	SUPERIOR TO PRIOR LIENS ONLY UPON THE AGREEMENT OF PRIOR LIENHOLDERS TO SUBORDINATE THEIR LIENS
LIEN ON TRESPASSING LIVESTOCK. NEB. REV. STAT. §§ 54-401 TO 54-408 (1988)	OWNER OF CULTIVATED LAND UPON WHICH LIVESTOCK TRESPASS	TRESPASSING LIVESTOCK	YES, IMPLIED BY STATUTE	NO	NOT SPECIFIED	NONE

North Dakota Rapid Finder Chart: Non-UCC Statutory Agricultural Liens

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
AGISTER'S LIEN. N.D. CENT. CODE §§ 35-17-01 TO 35-17-05 (1987).	PERSON ENTRUSTED WITH THE CARE AND FEEDING OF LIVESTOCK BY THEIR OWNER	LIVESTOCK CARED FOR AND FED	YES	YES, WITH THE REGISTER OF DEEDS OF THE COUNTY IN WHICH THE LIVESTOCK RESIDE	DATE ON WHICH CARE OR FOOD IS PROVIDED	PRIORITY OVER ALL LIENS AND ENCUMBRANCES, EXCEPT AGRICULTURAL PROCESSOR AND SUPPLIER LIENS
AGRICULTURAL PROCESSOR'S LIEN. N.D. CENT. CODE §§ 35-30-01 TO 35-30-03 (1987).	PERSON WHO PROCESSES ANY CROP OR AGRICULTURAL PRODUCT	CROP OR AGRICULTURAL PRODUCT PROCESSED	NO	YES, WITH THE REGISTER OF DEEDS IN THE COUNTY IN WHICH THE CROP OR AGRICULTURAL PRODUCT WAS GROWN	EFFECTIVE FROM DATE PROCESSING IS COMPLETED	PRIORITY OVER ALL LIENS AND ENCUMBRANCES, EXCEPT AN EXISTING AGRICULTURAL PROCESSOR'S LIEN
AGRICULTURAL SUPPLIER'S LIEN. N.D. CENT CODE §§ 35-31-01 TO 35-01-03 (1987).	PERSON WHO FURNISHES SUPPLIES OR SERVICES IN THE PRODUCTION OF CROPS, AGRICULTURAL PRODUCTS, OR LIVESTOCK	CROPS, AGRICULTURAL PRODUCTS, OR LIVESTOCK PRODUCED BY USE OF THE SUPPLIES OR SERVICES	NO	YES, WITH THE REGISTER OF DEEDS IN THE COUNTY IN WHICH THE CROP, AGRICULTURAL PRODUCT, OR LIVESTOCK WAS GROWN	EFFECTIVE FROM THE DATE ON WHICH SUPPLIES ARE PROVIDED OR SERVICES ARE PERFORMED	PRIORITY OVER ALL LIENS, EXCEPT AGRICULTURAL PROCESSOR'S LIENS

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
LIEN FOR VIOLATION OF HERDING AND DRIVING STATUTE. N.D. CENT. CODE §§ 36-12-01 TO 36-12-06 (1987).	PERSON WHOSE ANIMAL IS DRIVEN INTO OR ALLOWED TO REMAIN IN A HERD OR FLOCK	PROPERTY INTEREST OF THE HERDER OR DROVER IN OTHER ANIMALS IN THE HERD OR FLOCK	NO	NO	NOT SPECIFIED	NONE
LIEN FOR SHELTER AND CARE OF ANIMALS N D CENT CODE § 36-21 1 06 (1987)	OFFICIAL WHO TAKES LEGAL CUSTODY OF ABANDONED OR MISTREATED ANIMAL AND PROVIDES CARE	ABANDONED OR MISTREATED ANIMAL PROVIDED WITH CARE	YES	NO	NOT SPECIFIED	NONE
POUNDMASTER'S LIEN N D CENT CODE §§ 58 13-01 TO 58 13-07 (1985 & SUPP 1989)	POUNDMASTER WHO TAKES LIVESTOCK INTO A POUND	LIVESTOCK CARED FOR IN A POUND	YES	NO	NOT SPECIFIED	NONE

Oklahoma Rapid Finder Chart: Non-UCC Statutory Agricultural Liens

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
LIEN UPON DISINFECTED LIVESTOCK. OKLA. STAT. ANN. TIT. 2, § 6-4 (WEST 1973).	OKLAHOMA DEPARTMENT OF AGRICULTURE	LIVESTOCK DISINFECTED AT THE DEPARTMENT'S EXPENSE	NO	YES, WITH THE CLERK OF THE COUNTY IN WHICH THE LIVESTOCK ARE LOCATED	NOT SPECIFIED	NONE
LIEN ON PEANUTS. OKLA. STAT. ANN. TIT.2, § 1108 (WEST SUPP. 1991).	OKLAHOMA PEANUT COMMISSION	PEANUTS MARKETED IN OKLAHOMA	NO	NO	NOT SPECIFIED	PREFERRED LIEN WITH PRIORITY OVER ALL OTHER LIENS AND ENCUMBRANCES
LIEN FOR FEEDING, GRAZING, AND HERDING. OKLA. STAT. ANN. TIT. 4, §§ 191, 201 (WEST 1973).	PERSON EMPLOYED IN FEEDING, GRAZING, OR HERDING DOMESTIC ANIMALS	DOMESTIC ANIMALS FED, GRAZED, OR HERDED	NO	NO	NOT SPECIFIED	NONE
LIEN FOR FURNISHING FEED. OKLA. STAT. ANN. TIT. 4, §§ 192, 201 (WEST 1973).	PERSON OR BUSINESS ENTITY IN OKLA. OR BORDER COUNTIES OF ADJACENT STATES WHO PROVIDES FEED TO THE OWNER OF DOMESTIC ANIMALS	DOMESTIC ANIMALS PROVIDED WITH FEED	NO	NO	NOT SPECIFIED	NONE (COURTS HOLD THAT THE LIEN IS INFERIOR TO A SUBSEQUENT SECURITY INTEREST ACQUIRED BY A THIRD PARTY WITHOUT NOTICE OF THE LIEN
LIEN FOR KEEPING, BOARDING, OR TRAINING AN ANIMAL OKLA. STAT ANN TIT 4, §§ 193-194 (WEST 1973)	PERSON WHO KEEPS, BOARDS, OR TRAINS ANY ANIMAL	ANIMAL KEPT, BOARDED, OR TRAINED VEHICLE, HARNESS, OR EQUIPMENT WHICH ACCOMPANIES THE ANIMAL	YES	NO	NOT SPECIFIED	LIEN IS VALID AGAINST BONA FIDE PURCHASER WHO TAKES PROPERTY WITH NOTICE OF THE LIEN
LIEN FOR SERVICE OF MALE ANIMAL OKLA STAT ANN TIT 4, §§ 195 200 (WEST 1973)	OWNER OR KEEPER OF A STALLION, JACK OR BULL USED FOR BREEDING SERVICES	OFFSPRING RESULTING FROM SERVICE	NO	YES, WITH THE REGISTER OF DEEDS OF THE COUNTY IN WHICH THE MALE ANIMAL IS KEPT	DATE OF SERVICE	NONE
LANDLORD'S LIEN ON CROPS OKLA STAT ANN TIT 41, §§ 23-28 (WEST 1986)	LANDLORD WHO RENTS FARMLAND TO ANOTHER PERSON	CROPS PRODUCED OR MADE ON THE RENTED LAND	NO	NO	NOT SPECIFIED	NONE (COURTS HOLD THAT THE LIEN IS SUPERIOR TO A TENANT'S MORTGAGE LIEN ON CROPS AND INFERIOR TO A LABORER'S LIEN ON CROPS)
LIEN FOR SERVICES ON PERSONAL PROPERTY OKLA STAT ANN TIT 42, § 91 (WEST 1990)	PERSON WHO PERFORMS SERVICES ON PERSONAL PROPERTY	PERSONAL PROPERTY PROVIDED WITH SERVICES	YES	NO, UNLESS PROPERTY IS DELIVERED ON RECEIPT OF DISHONORED CHECK	NOT SPECIFIED	NONE
LABORER'S LIEN. OKLA. STAT. ANN. TIT. 42, §§ 92-96 (WEST 1990).	PERSON WHO PERFORMS LABOR OR WORK FOR ANOTHER	PRODUCTION OF LABOR OR WORK, INCLUDING CROPS	NO	NO	DATE WORK IS FIRST PERFORMED LIEN ATTACHES ONLY WHILE TITLE IN THE PROPERTY REMAINS WITH THE OWNER INCURRING THE DEBT	LIEN IS SUPERIOR TO ALL PRIOR OR SUBSEQUENT LIENS
LIEN FOR SERVICES ON PERSONAL PROPERTY OKLA. STAT. ANN. TIT. 42, §§ 97-102 (WEST 1990)	PERSON, FIRM, OR CORPORATION WHO OFFERS SERVICES FOR THE PRODUCTION, REPAIR, OR ALTERATION OF PERSONAL PROPERTY	PERSONAL PROPERTY	NO	YES, WITH THE CLERK OF THE COUNTY WHERE THE PROPERTY IS SITUATED	DATE OF COMMENCEMENT OF FURNISHING SERVICES	SUBJECT TO PRIOR MORTGAGE LIENS

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
THRESHER'S AND COMBINER'S LIEN. OKLA. STAT. ANN. TIT. 42, §§ 111-121 (WEST 1990).	PERSON, FIRM OR CORPORATION WHO THRESHES OR COMBINES GRAIN OR SEED FOR ANOTHER	THRESHED OR COMBINED GRAIN AND SEED	NO	YES, WITH THE CLERK OF COUNTY IN WHICH THE GRAIN OR SEED WAS GROWN, THRESHED, OR COMBINED	DATE OF COMMENCEMENT OF THRESHING OR COMBINING	SUBJECT TO PRIOR MORTGAGE
BLACKSMITH'S LIEN. OKLA. STAT. ANN. TIT. 42, §§ 131-132 (WEST 1990)	BLACKSMITHS, WHEELWRIGHTS, AND HORSESHOERS	ANIMALS SHOD AND ARTICLES PRODUCED OR REPAIRED	NO	YES, WITH THE CLERK OF THE COUNTY IN WHICH THE DEBTOR RESIDES	NOT SPECIFIED	SUBJECT TO ALL PRIOR LIENS

Texas Rapid Finder Chart: Non-UCC Statutory Agricultural Liens

TYPE OF LIEN / SOURCE OF LIEN	PARTY PROTECTED	PROPERTY TO WHICH LIEN ATTACHES	POSSESSION REQUIRED	FILING REQUIRED	DATE LIEN ATTACHES	SPECIAL PRIORITY PROVISIONS
LIEN ON CITRUS FRUIT. TEX. AGRIC. CODE ANN. §§ 72.025, 72.042-72.043 (VERNON 1982 & SUPP. 1991)	TEXAS DEPARTMENT OF AGRICULTURE	CITRUS FRUIT GROWING OR STANDING ON PREMISES WHICH THE DEPARTMENT HAS SANITIZED TO PREVENT MEXICAN FRUIT FLY INFESTATION	NO	NO, BUT DEPARTMENT MAY FIX THE LIEN BY FILING WITH THE CLERK OF THE COUNTY IN WHICH THE SANITIZED PREMISES ARE LOCATED	NOT SPECIFIED	NONE
LIVESTOCK SELLER'S LIEN. TEX. AGRIC. CODE ANN. §§ 148.026-148.028 (VERNON 1982 & SUPP. 1991).	PERSON WHO SELLS SHEEP, CATTLE, GOATS, OR HOGS TO A SLAUGHTER HOUSE	ANIMAL, ITS CARCASS, ITS PRODUCTS, AND PROCEEDS FROM SALE OF THE ANIMAL, CARCASS, OR PRODUCTS	NO	NO	ATTACHED AND PERFECTED UPON DELIVERY OF THE LIVESTOCK TO THE PURCHASER	PRIORITY OVER ANY OTHER LIEN OR PERFECTED SECURITY INTEREST
LIEN ON LIVESTOCK FOR TICK ERADICATION. TEX. AGRIC. CODE ANN. § 167.108 (VERNON 1982).	PEACE OFFICER AND ASSISTANTS WHO HELP DIP LIVESTOCK	LIVESTOCK TREATED OR IMPOUNDED FOR TICK ERADICATION	AUTHORIZED BUT NOT REQUIRED	YES, WITH THE CLERK OF THE COUNTY IN WHICH THE CATTLE ARE LOCATED	NOT SPECIFIED	NONE
AGRICULTURAL LANDLORD'S LIEN. TEX. PROP. CODE ANN. §§ 54.001-54.007 (VERNON 1984).	LANDLORD WHO LEASES LAND OR TENEMENTS AT WILL FOR A PERIOD OF YEARS	CROPS GROWN ON THE LAND AND PROPERTY ON THE LAND FURNISHED BY THE LANDLORD TO THE TENANT TO GROW, PREPARE, AND MARKET THE CROPS	NO	NO	NOT SPECIFIED	NONE
FARM, FACTORY, AND STORE WORKER'S LIEN. TEX. PROP. CODE ANN. §§ 58.001-58.009 (VERNON 1984)	SPECIFIED WORKERS INCLUDING FARM HANDS, MILL OPERATORS, AND LOGGERS EMPLOYED UNDER CONTRACT	THINGS OF VALUE OWNED, CONTROLLED BY, OR POSSESSED BY THE EMPLOYER, OR THE EMPLOYER'S AGENT, WHICH WERE CREATED BY THE WORKER'S LABOR OR CONNECTED TO THE PERFORMANCE OF THE LABOR	NO	YES, WITH THE CLERK OF THE COUNTY IN WHICH THE LABOR WAS PERFORMED	NOT SPECIFIED	FIRST LIEN, EXCEPT THAT A FARM HAND'S LIEN IS SUBORDINATE TO A LANDLORD'S LIEN
WORKER'S LIEN. TEX. PROP. CODE ANN. §§ 70.001, 70.004-70.008 (VERNON 1984)	WORKER WHO BY LABOR REPAIRS AN ARTICLE	ARTICLE REPAIRED	YES, EXCEPT FOR MOTOR VEHICLES, MOTORBOAT, VESSELS OR OUTBOARD MOTORS	NO	NOT SPECIFIED	NONE
STABLE KEEPER'S AND PASTURER'S LIENS. TEX. PROP. CODE ANN. §§ 70.003, 70.005-70.008 (VERNON 1984 & SUPP. 1991).	STABLE KEEPER WITH WHOM ANIMAL IS LEFT FOR CARE PERSON WHO OWNS OR LEASES PASTURES WITH WHOM ANIMALS ARE LEFT FOR GRAZING	ANIMAL LEFT FOR CARE OR GRAZING	YES	NO	NOT SPECIFIED	NONE
STOCK BREEDER'S LIEN. TEX. PROP. CODE ANN. §§ 70.201-70.202 (VERNON 1984)	OWNER OR KEEPER OF A STALLION, JACK, BULL, OR BOAR CONFINED TO BE BRED FOR A PROFIT	OFFSPRING OF THE MALE ANIMAL	NO	NO	DATE OF BIRTH OF THE OFFSPRING	LIEN IS DESIGNATED AS A "PREFERENCE" LIEN
IRRIGATION LIEN ON CROPS. TEX. WATER CODE ANN. § 51.051 (VERNON 1988)	PERSON WHO CONSTRUCTS FACILITIES FOR IRRIGATION WATER AND PROVIDES WATER FOR IRRIGATION	IRRIGATED CROPS	NO	NO	NOT SPECIFIED	PREFERENCE LIEN SUPERIOR TO ALL OTHER LIENS ON THE IRRIGATED CROPS

APPENDIX II
CHART ON AGRICULTURAL CREDIT

	Purpose of Credit	Level of Necessity	Temporal Proximity to Crop Production	Closeness of Connection to Crop Production
Level (1) Land Financer	Value to acquire or hold land	Essential	Variable depending on accounting method, but general agreement that current payments due in season are contemporaneous with crop.	Basic to process
Level (2) Operations Lender	(1) Family expenses, (2) maintenance of land (Shelter belts, drainage, etc.), (3) insurance, (4) all other general expenses.	Essential in the area of maintaining the family on the farm. Other items can be postponed or foregone but only with increased risks or higher costs or both.	Variable. Unless the payments are past due they are attributable to the current crop year.	These are intangibles but labor by the farm family is a basic part of process. Other maintenance items affect the cost, quality and quantity of crop.
Level (3) Inputs Supplier	Supply of seeds, fertilizers, insecticides and herbicides and the like.	Basic to quality and quantity of the crop.	Usually within the crop growing season.	Tangible basics in production process. Can't be foregone in the case of seeds. Almost as close a connection for fertilizers and other supplies.