

HOUSE BILL No. 2280

By Representatives Larkin and Faber, Alldritt, Flora, Garner, Grant, Henry, McClure, McCreary, McKinney, Merrick, O'Brien, Ostmeyer, Phelps, Thimesch, D. Williams and Wilson

2-5

AN ACT concerning agriculture; relating to agricultural contracts; good faith.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) As used in this act: "Agricultural contract" means production contract;

(b) "animal feeding operation" means a lot, corral, building or other area in which livestock is confined and fed. An animal feeding operation does not include a livestock market;

(c) "commodity" means livestock, raw milk or a crop;

(d) "confinement feeding operation" means an animal feeding operation in which livestock is confined to areas which are totally roofed;

(e) "contract crop field" means farmland located in this state where a crop is produced according to a production contract by a contract producer who owns or leases the farmland;

(f) "contract livestock facility" means an animal feeding operation located in this state in which livestock or raw milk is produced according to a production contract by a contract producer who holds a legal interest in the animal feeding operation. Contract livestock facility includes a confinement feeding operation, an open feedlot, or an area which is used for the raising of crops or other vegetation and upon which livestock is fed for slaughter or is allowed to graze or feed;

(g) "contract operation" means a contract livestock facility or a contract crop field;

(h) "contract producer" means a producer who holds a legal interest in a contract operation and who produces a commodity under a production contract;

(i) "contractor" means a person who is an active contractor or a passive contractor;

(j) "crop" means a plant used for food, animal feed, fiber, oil, pharmaceuticals, nutraceuticals or seed, including but not limited to, alfalfa, barley, buckwheat, corn, flax, forage, millet, oats, popcorn, rye, sorghum, soybeans, sunflowers, tobacco, wheat and grasses used for forage or silage;

1 (k) "farmland" means agricultural land that is suitable for use in
2 farming;

3 (l) "livestock" means beef cattle, dairy cattle, poultry, sheep or swine;

4 (m) "open feedlot" means an unroofed or partially roofed animal
5 feeding operation in which no crop, vegetation or forage growth or resi-
6 due cover is maintained during the period that livestock is confined in
7 the operation;

8 (n) "processor" means a person engaged in the business of manufac-
9 turing goods from commodities, including slaughtering or processing live-
10 stock, processing raw milk or processing crops;

11 (o) "produce" means to do any of the following:

12 (1) Provide feed or services relating to the care and feeding of live-
13 stock. If the livestock is dairy cattle, then produce includes milking the
14 dairy cattle and storing raw milk;

15 (2) provide for planting, raising, harvesting and storing a crop. Pro-
16 duce includes preparing the soil for planting and nurturing the crop by
17 the application of fertilizers or soil conditioners or pesticides;

18 (p) "producer" means a person who produces a commodity, including
19 but not limited to, a contract producer. Producer does not include a com-
20 mercial fertilizer or pesticide applicator, a feed supplier or a veterinarian,
21 when acting in such capacity;

22 (q) "production contract" means an oral or written agreement that
23 provides for the production of a commodity or the provision of manage-
24 ment services relating to the production of a commodity by a contract
25 producer. A production contract is executed when it is signed or orally
26 agreed to by each party to the contract or by a person authorized to act
27 on the party's behalf; and

28 (r) "secretary" means the secretary of the Kansas department of
29 agriculture.

30 Sec. 2. An agricultural contract imposes an obligation of good faith,
31 as defined in K.S.A. 84-1-201, and amendments thereto, on all parties
32 with respect to the performance and enforcement of the agricultural
33 contract.

34 Sec. 3. Any provision of an agricultural contract which waives a pro-
35 ducer right or an obligation of a contractor or processor established by
36 this act is void and unenforceable. This section does not affect other
37 provisions of an agricultural contract, including an agricultural contract
38 or related document, policy or agreement which can be given effect with-
39 out the voided provision.

40 Sec. 4. Any condition, stipulation or provision requiring the appli-
41 cation of the law of another state in lieu of this act is void and
42 unenforceable.

43 Sec. 5. The secretary may promulgate rules and regulations to im-

1 plement the provisions of this act.

2 Sec. 6. This act shall take effect and be in force from and after its
3 publication in the statute book.

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