

HOUSE BILL No. 2281

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

2-5

AN ACT concerning agriculture; relating to agricultural contracts; confidentiality provisions.

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

Section 1. As used in this act:

(a) "Active contractor" means a person who owns a commodity that is produced by a contract producer at the contract producer's contract operation according to a production contract;

(b) "agricultural contract" means a production contract;

(c) "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;

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

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

(f) "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;

(g) "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;

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

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

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

(k) "crop" means a plant used for food, animal feed, fiber, oil, phar-

1 maceuticals, nutraceuticals or seed, including but not limited to, alfalfa,
2 barley, buckwheat, corn, flax, forage, millet, oats, popcorn, rye, sorghum,
3 soybeans, sunflowers, tobacco, wheat and grasses used for forage or silage;

4 (l) "farmland" means agricultural land that is suitable for use in
5 farming;

6 (m) "livestock" means beef cattle, dairy cattle, poultry, sheep or
7 swine;

8 (n) "open feedlot" means an unroofed or partially roofed animal feed-
9 ing operation in which no crop, vegetation or forage growth or residue
10 cover is maintained during the period that livestock is confined in the
11 operation;

12 (o) "passive contractor" means a person who furnishes management
13 services to a contract producer and who does not own a commodity that
14 is produced by the contract producer at the contract producer's contract
15 operation according to a production contract;

16 (p) "processor" means a person engaged in the business of manufac-
17 turing goods from commodities, including slaughtering or processing live-
18 stock, processing raw milk or processing crops;

19 (q) "produce" means to do any of the following:

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

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

26 (r) "producer" means a person who produces a commodity, including
27 but not limited to, a contract producer. Producer does not include a com-
28 mercial fertilizer or pesticide applicator, a feed supplier or a veterinarian,
29 when acting in such capacity;

30 (s) "production contract" means an oral or written agreement that
31 provides for the production of a commodity or the provision of manage-
32 ment services relating to the production of a commodity by a contract
33 producer. A production contract is executed when it is signed or orally
34 agreed to by each party to the contract or by a person authorized to act
35 on the party's behalf; and

36 (t) "secretary" means the secretary of the Kansas department of
37 agriculture.

38 Sec. 2. (a) On and after the effective date of this act, a contractor or
39 processor shall not enforce a provision in an agricultural contract if the
40 provision provides that information contained in the agricultural contract
41 is confidential.

42 (b) A provision which is part of an agricultural contract is void if the
43 provision states that information contained in th agricultural contract is

1 confidential. The confidentiality provision is void whether the confiden-
2 tiality provision is expressed or implied; oral or written; required or con-
3 ditional; or contained in the agricultural contract, another agricultural
4 contract, or in a related document, policy or agreement. This section does
5 not affect other provisions of an agricultural contract or a related docu-
6 ment, policy or agreement which can be given effect without the voided
7 provision. This section does not require a party to an agricultural contract
8 to divulge information in the agricultural contract to another person.

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

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

18 Sec. 5. The secretary may promulgate rules and regulations to im-
19 plement the provisions of this act.

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

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