

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: H2/24/05 S3/16/05

A Bill

HOUSE BILL 1570

5 By: Representatives Sullivan, Thompson, Abernathy, Berry, Bolin, Boyd, Clemons, Davenport,
6 Dickinson, Fite, Jeffrey, Ledbetter, Mack, Maxwell, Nichols, Norton, Petrus, S. Prater, Rankin, Scroggin,
7 *Ragland*
8 By: Senators G. Jeffress, J. Jeffress, Laverty
9

For An Act To Be Entitled

11 THE ARKANSAS LIVESTOCK AND POULTRY CONTRACT
12 PROTECTION ACT; AND FOR OTHER PURPOSES.
13

Subtitle

14 THE ARKANSAS LIVESTOCK AND POULTRY
15 CONTRACT PROTECTION ACT.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code Title 2, Chapter 32 is amended to add an
23 additional subchapter to read as follows:

24 2-32-201. Production contracts.

25 (a) As used in this section:

26 (1) "Contractor" shall have its common meaning within the
27 industry and shall include a person or entity who owns livestock, poultry, or
28 both that are raised or cared for by a grower;

29 (2) "Grower" shall have its common meaning within the industry
30 and shall include a person engaged in the business of raising and caring for
31 livestock, poultry, or both in accordance with a production contract,
32 marketing agreement, or other arrangement under which a person raises and
33 cares for livestock, poultry, or both whether the livestock and poultry are
34 owned by the person or by another person or entity;

35 (3) "Material risk" means:

36 (A) The duration of the production contract;



1 (B) The conditions for the termination of the production
2 contract, prior to the designated expiration of the production contract;

3 (C) The terms relating to payment to be made to the
4 grower, including, when applicable:

5 (i) The party liable for condemnations;

6 (ii) The method for figuring feed conversion ratios;

7 (iii) The method used to convert condemnations to
8 live weight;

9 (iv) The per unit charges for feed and other inputs
10 furnished by the contractor; and

11 (v) The factors to be used when grouping or ranking
12 growers;

13 (4) "Production contract" shall have its common meaning within
14 the industry and shall include any written agreement that provides for the
15 raising and care of livestock, poultry, or both by a grower for processing
16 for human consumption for a contractor; and

17 (5) "Production" shall have its common meaning within the
18 industry and shall include raising and caring for livestock, poultry, or both
19 for processing for human consumption under the terms of a production
20 contract.

21 (b) Production contracts shall:

22 (1) Be written in a readable form and shall be accompanied by a
23 clearly written disclosure statement setting forth the nature of the material
24 risks faced by all growers if the growers enter into production contracts;

25 (2) Be negotiated, entered into, and executed in an environment
26 free from unfair or deceptive trade practices or other violations of law;

27 (3) Not prohibit or discourage a grower from associating with
28 other growers to compare contract terms or to address concerns or problems;

29 (4) Not prohibit or discourage growers from seeking
30 professional, legal, financial, and agricultural production advice and
31 counsel related to production contract terms, obligations, and
32 responsibilities; and

33 (5)(A) Not deny any party to the contract the ability to address
34 a dispute in any court of competent jurisdiction.

35 (B) If after a dispute arises, all parties to the
36 production contract agree, then any dispute arising under the contract may be

1 submitted to arbitration.

2 (c)(1) Any provision of a production contract that violates the
3 provisions of subsection (b) of this section is void and unenforceable.

4 (2) This subsection (c) shall not affect other provisions of a
5 production contract, including a contract or related document, policy, or
6 agreement that can be given effect without the voided provision.

7 (d)(1) A grower who suffers damages because of a contractor's
8 violation of the provisions of subsection (b) of this section may obtain
9 appropriate legal and equitable relief, including, but not limited to,
10 injunctive relief, and any damages allowable by Arkansas law.

11 (2) In a civil action against the contractor, the court may
12 award the prevailing party reasonable attorney's fees and other litigation
13 expenses.

14 (e) This section applies to production contracts entered into on or
15 after September 1, 2005.

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17 /s/ Sullivan
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