

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

*As Engrossed: H3/21/13*

# A Bill

HOUSE BILL 2091

5 By: Representative Eubanks  
6

## For An Act To Be Entitled

8 AN ACT TO REGULATE PRODUCTION CONTRACTS; TO PROTECT  
9 GROWERS FROM CERTAIN PROVISIONS IN PRODUCTION  
10 CONTRACTS; TO DECLARE AN EMERGENCY; AND FOR OTHER  
11 PURPOSES.  
12  
13

### Subtitle

14 TO REGULATE PRODUCTION CONTRACTS; TO  
15 PROTECT GROWERS FROM CERTAIN PROVISIONS  
16 IN PRODUCTION CONTRACTS; AND TO DECLARE  
17 AN EMERGENCY.  
18  
19  
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
22

23 *SECTION 1. Arkansas Code § 2-32-201(b), concerning production*  
24 *contracts, is amended to read as follows:*

25 *(b) A production contract shall:*

26 *(1) Be written in a readable form and ~~shall be~~ accompanied by a*  
27 *clearly written disclosure statement setting forth the nature of the material*  
28 *risk faced by all growers if the growers enter into the production contract;*

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

31 *(3) Not prohibit or discourage a grower from associating with*  
32 *other growers to compare production contract terms or to address concerns or*  
33 *problems;*

34 *(4) Not prohibit or discourage growers from seeking*  
35 *professional, legal, financial, and agricultural production advice and*  
36 *counsel related to the production contract's terms, obligations, and*



1 *responsibilities; and*

2 *(5)(A) Not deny ~~any~~ a party to the production contract the*  
3 *ability to address a dispute in any court of competent jurisdiction.*

4 *(B) If after a dispute arises, all parties to the*  
5 *production contract agree, then ~~any~~ a dispute arising under the contract may*  
6 *be submitted to arbitration; and*

7 *(6)(A) Not require a grower to purchase additional equipment or*  
8 *upgrade structures housing poultry as a condition to the renewal of a*  
9 *contract with the grower.*

10 *(B) The prohibition stated in subdivision (b)(6)(A) of*  
11 *this section applies only to a grower who performs in the top eighty percent*  
12 *(80%) of the grower's complex based on the most recent annual average of the*  
13 *grower's cost of production.*

14  
15 *SECTION 2. EMERGENCY CLAUSE. It is found and determined by the*  
16 *General Assembly of the State of Arkansas that poultry integrators are*  
17 *imposing unreasonable, unnecessary, and burdensome requirements on poultry*  
18 *growers that unfairly force high-performing poultry growers to purchase*  
19 *additional equipment and upgrade structures in order to renew their contracts*  
20 *with the poultry integrators; that these types of contract provisions have an*  
21 *adverse effect on the poultry industry, which is an important part of*  
22 *Arkansas's economy that should be protected; and that this act is immediately*  
23 *necessary because without a statutory prohibition on these types of*  
24 *unreasonable and burdensome contract provisions, poultry integrators will*  
25 *begin enforcing these provisions as early as May 1, 2013, which will have a*  
26 *detrimental effect on the poultry industry in the state. Therefore, an*  
27 *emergency is declared to exist, and this act being immediately necessary for*  
28 *the preservation of the public peace, health, and safety shall become*  
29 *effective on:*

30 *(1) The date of its approval by the Governor;*

31 *(2) If the bill is neither approved nor vetoed by the Governor,*  
32 *the expiration of the period of time during which the Governor may veto the*  
33 *bill; or*

34 *(3) If the bill is vetoed by the Governor and the veto is*  
35 *overridden, the date the last house overrides the veto.*

36

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36

*/s/Eubanks*