

April 5, 2001

S 1009. AGRICULTURAL CONTRACTS FAIRNESS ACT. TO ENSURE FAIR DEALING BETWEEN PRODUCERS OF AGRICULTURAL COMMODITIES AND THE CONTRACTORS FOR THESE COMMODITIES WHEN ENTERING INTO MARKETING OR PRODUCTION CONTRACTS. As title indicates. Adds new GS 106, art. 70 (Fair Dealing in Agricultural Contracts). Generally applies to contracts among a “contract producer” (producer who produces a commodity under a production contract), an “active contractor” (person who owns a commodity produced under such circumstances pursuant to a contract), and a “passive contractor” (a person who provides management services to a contract producer). Applies to the products from beef cattle, dairy cattle, poultry, sheep, or swine. Generally provides for agricultural contracts to be accompanied by a written disclosure statement. Provides a three-day opportunity for contract producer to cancel an executed production contract. Authorizes the establishment of a lien in behalf of the contract producer for the amount owed to the producer. Establishes special requirements for production contracts in which the contract producer is required to make capital investments of \$100,000 or more. Makes it unlawful for a contractor to engage in certain unfair practices. Makes waiver of rights held by a producer void and unenforceable. Prohibits arbitration clauses. Provides for civil penalties and criminal sanctions. Allows the Attorney General to enjoin illegal practices. Applies to agricultural contracts entered into, amended, or renewed after effective date.

Intro. by Kinnaird.

Ref. to Commerce	GS 106
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