

April 5, 2001

S 1086. FARM CONTRACTS/FAIR PRACTICES. TO ENHANCE FAIRNESS IN

AGRICULTURAL CONTRACTS. Adds new section GS 106-499.1 to provide that no contract for the purchase of fruits, vegetables or other crops is binding unless it is written in plain English and contains a 3-day cancellation provision. Other crops include crops used for food, animal feed, fiber, oil, pharmaceuticals, or seed, including tobacco. All contracts must impose an obligation of good faith with regard to performance and enforcement on all parties, and contracts for the purchase of tobacco shall not contain exclusivity provisions that restrict the rights of producers to contract with other handlers or to sell at auction. Provides that producers who sell tobacco are entitled to have a certified public

grader present when tobacco is weighed and graded. Any violation of these requirements constitutes an Unfair and Deceptive Trade Practice pursuant to GS 75.1. Makes other clarifying changes.

Intro. by Wellons.

Ref. to Commerce	GS 106
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April 25, 2001

S 1086. FARM CONTRACTS/FAIR PRACTICES. Intro. 4/5/01. Senate committee substitute makes the following changes to 1st edition. (1) In bill's provision prohibiting contracts for the purchase of tobacco from containing exclusivity provisions, the committee substitute adds a provision specifying that tobacco contracts may require a producer to sell the entire crop grown on a farm identified as a separate farm with an identifiable farm number and/or tract number designated by the Farm Service Agency. (2) Committee substitute adds a provision excluding forestry products from the bill's new definition of "other crops" in GS 106-496.