

CHAPTER 202

COMMODITY PRODUCTION CONTRACTS

Referred to in §459.400

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202.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. “*Active contractor*” means a person who owns a commodity that is produced by a contract producer at the contract producer’s contract operation pursuant to a production contract executed pursuant to section 202.2.

2. “*Commodity*” means livestock, raw milk, or a crop.

3. “*Contract crop field*” means farmland where a crop is produced according to a production contract executed pursuant to section 202.2 by a contract producer who holds a legal interest in the farmland.

4. “*Contract livestock facility*” means an animal feeding operation as defined in section 459.102, in which livestock or raw milk is produced according to a production contract executed pursuant to section 202.2 by a contract producer who holds a legal interest in the animal feeding operation. “*Contract livestock facility*” includes a confinement feeding operation as defined in section 459.102, an open feedlot operation as defined in section 459A.102, 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.

5. “*Contract operation*” means a contract livestock facility or contract crop field.

6. “*Contract producer*” means a person who holds a legal interest in a contract operation and who produces a commodity at the contract producer’s contract operation under a production contract executed pursuant to section 202.2.

7. “*Contractor*” means an active contractor or a passive contractor.

8. a. “*Crop*” means a plant used for food, animal feed, fiber, or oil, if the plant is classified as a forage or cereal plant, including but not limited to alfalfa, barley, buckwheat, corn, flax, forage, millet, oats, popcorn, rye, sorghum, soybeans, sunflowers, wheat, and grasses used for forage or silage.

b. A “*crop*” does not include trees or nuts or fruit grown on trees; sod; shrubs; greenhouse plants; or plants or plant parts produced for precommercial, experimental, or research purposes.

9. “*Farmland*” means agricultural land that is suitable for use in farming as defined in section 9H.1.

10. “*Livestock*” means beef cattle, dairy cattle, sheep, or swine.

11. “*Passive contractor*” means a person who furnishes management services to a contract producer, and who does not own a commodity that is produced by the contract producer at the contract producer’s contract operation according to a production contract which is executed pursuant to section 202.2.

12. “*Produce*” means to do any of the following:

a. Provide feed or services relating to the care and feeding of livestock. If the livestock is dairy cattle, “*produce*” includes milking the dairy cattle and storing raw milk at the contract producer’s contract livestock facility.

b. Provide for planting, raising, harvesting, and storing a crop. “*Produce*” includes preparing the soil for planting and nurturing the crop by the application of fertilizers or soil conditioners as defined in section 200.3 or pesticides as defined in section 206.2.

13. “*Production contract*” means an oral or written agreement executed pursuant

to section 202.2 that provides for the production of a commodity or the provision of management services relating to the production of a commodity by a contract producer.

99 Acts, ch 169, §2, 22 – 24; 2006 Acts, ch 1030, §20, 21

Referred to in §101.21, 459A.103, 459B.103

202.2 Production contracts governed by this chapter.

1. This chapter applies to a production contract that relates to the production of a commodity owned by an active contractor and produced by a contract producer at the contract producer's contract operation, if one of the following applies:

a. The contract is executed by an active contractor and a contract producer for the production of the commodity.

b. The contract is executed by an active contractor and a passive contractor for the provision of management services to the contract producer in the production of the commodity.

c. The contract is executed by a passive contractor and a contract producer, if all of the following apply:

(1) The contract provides for management services furnished by the passive contractor to the contract producer in the production of the commodity.

(2) The passive contractor has a contractual relationship with the active contractor involving the production of the commodity.

2. A production contract is executed when it is signed or orally agreed to by each party or by a person who is authorized by a party to act on the party's behalf.

99 Acts, ch 169, §3, 22 – 24

Referred to in §202.1

202.3 Production contracts — confidentiality prohibited.

1. A contractor shall not on or after May 24, 1999, enforce a provision in a production contract if the provision provides that information contained in the production contract is confidential.

2. A provision which is part of a production contract is void if the provision states that information contained in the production contract is confidential. The confidentiality provision is void whether the confidentiality provision is express or implied; oral or written; required or conditional; contained in the production contract, another production contract, or in a related document, policy, or agreement. This section does not affect other provisions of a production contract or a related document, policy, or agreement which can be given effect without the voided provision. This section does not require a party to a production contract to divulge the information in the production contract to another person.

99 Acts, ch 169, §4, 22 – 24

Referred to in §202.5, 714.8

202.4 Enforcement.

1. The attorney general's office is the primary agency responsible for enforcing this chapter.

2. In enforcing the provisions of this chapter, the attorney general may do all of the following:

a. Apply to the district court for an injunction to do any of the following:

(1) Restrain a contractor from engaging in conduct or practices in violation of this chapter.

(2) Require a contractor to comply with a provision of this chapter.

b. Apply to district court for the issuance of a subpoena to obtain a production contract for purposes of enforcing this chapter.

c. Bring an action in district court to enforce penalties provided in section 202.5, including the assessment and collection of civil penalties.

99 Acts, ch 169, §5, 22 – 24

202.5 Penalties.

A contractor who executes a production contract that includes a confidentiality provision in a production contract in violation of section 202.3 is guilty of a fraudulent practice as provided in section 714.8.

99 Acts, ch 169, §6, 22 – 24

Referred to in §202.4