

3/20/00 Referred back to Comm. from Calendar

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SENATE FILE 2301
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SF 2176)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for the free association of contract producers
2 of agricultural commodities and providing a penalty.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2301

1 Section 1. Section 202.1, Code Supplement 1999, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 1A. "Agricultural producer" means a
4 person who produces a commodity.

5 Sec. 2. Section 202.1, subsection 6, Code Supplement 1999,
6 is amended to read as follows:

7 6. "Contract producer" means a person an agricultural
8 producer who holds a legal interest in a contract operation
9 and who produces a commodity at the contract producer's
10 contract operation under a production contract executed
11 pursuant to section 202.2.

12 Sec. 3. NEW SECTION. 202.3A FREE ASSOCIATION.

13 1. A contractor shall not act or attempt to act in a
14 coercive or retaliatory manner that restricts a contract
15 producer from associating with persons, including but not
16 limited to communicating with another agricultural producer or
17 affiliating with an organization whose members are
18 agricultural producers.

19 2. Any provision in a contract executed between a contract
20 producer and a contractor, including a production contract, is
21 void if the provision restricts a contract producer from
22 associating with persons, including but not limited to
23 communicating with another agricultural producer or
24 affiliating with an organization whose members are
25 agricultural producers.

26 Sec. 4. Section 202.5, Code Supplement 1999, is amended by
27 adding the following new unnumbered paragraph:

28 NEW UNNUMBERED PARAGRAPH. A contractor who acts or
29 attempts to act in a coercive or retaliatory manner in
30 violation of section 202.3A is guilty of a aggravated
31 misdemeanor.

32 EXPLANATION

33 In 1999, the general assembly enacted House File 322 (1999
34 Iowa Acts, ch. 169) which provided for the production and
35 purchasing of agricultural commodities by regulating the

1 relationship between a contractor and a contract producer. A
2 contractor is a person who contracts with an agricultural
3 producer to produce a commodity on property held by the
4 agricultural producer. The agricultural producer is referred
5 to as a contract producer. The contract is referred to as a
6 production contract and commodity means crops, raw milk, and
7 livestock.

8 This bill creates a new Code section which prohibits a
9 contractor from acting or attempting to act in a coercive or
10 retaliatory manner that restricts a contract producer from
11 associating with persons including communicating with other
12 agricultural producers or affiliating with agricultural
13 producer organizations. The bill provides that any provision
14 in a contract executed between a contract producer and a
15 contractor is void if the provision restricts a contract
16 producer from associating with such persons.

17 The bill also provides that a contractor who acts or
18 attempts to act in a coercive or retaliatory manner in
19 violation of the bill's prohibition is guilty of an aggravated
20 misdemeanor. An aggravated misdemeanor is punishable by
21 confinement for no more than two years and a fine of at least
22 \$500 but not more than \$5,000.

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