

## Senate Bill 227

By: Senators Beatty of the 47<sup>th</sup>, Streat of the 19<sup>th</sup>, Thomas of the 54<sup>th</sup> and Mullis of the 53<sup>rd</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 13 of the Official Code of Georgia Annotated, relating to contracts, so as to  
2 enact the "Family Farm Fairness Act"; to provide a short title; to define certain terms; to  
3 provide for the applicability of this Act to certain contracts; to provide an obligation of good  
4 faith; to provide requirements for an agricultural contract; to provide for the cancellation of  
5 a contract; to provide for certain improper provisions in contracts; to provided for liens; to  
6 provide for remedies for breaches of certain contracts; to provide for certain unlawful acts;  
7 to prohibit a contractual provision imposing the laws of another state; to provide for the  
8 resolution of disputes; to provide penalties; to repeal conflicting laws; and for other  
9 purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 style="text-align:center">**SECTION 1.**

12 Title 13 of the Official Code of Georgia Annotated, relating to contracts, is amended by  
13 inserting at the end thereof the following:

14 style="text-align:center">"CHAPTER 12

15 13-12-1.

16 This chapter shall be known and may be cited as the 'Family Farm Fairness Act.'

17 13-12-2.

18 As used in this chapter, the term:

19 (1) 'Active contractor' means a person who owns a commodity that is produced by a  
20 contract producer at the contract producer's contract operation according to a production  
21 contract.

22 (2) 'Agricultural contract' means a marketing contract or a production contract.

- 1 (3) 'Animal feeding operation' means a lot, corral, building, or other area in which  
2 livestock is confined and fed. An animal feeding operation does not include a livestock  
3 market.
- 4 (4) 'Capital investment' means an investment in one of the following:  
5 (A) A structure such as a building or manure storage structure; or  
6 (B) Machinery or equipment associated with producing a commodity which has a  
7 useful life in excess of one year.
- 8 (5) 'Commodity' means livestock, raw milk, or a crop.
- 9 (6) 'Commodity commission' means an agricultural commodity commission established  
10 pursuant to Chapter 8 of Title 2.
- 11 (7) 'Confinement feeding operation' means an animal feeding operation in which  
12 livestock is confined to areas which are totally roofed.
- 13 (8) 'Contract crop field' means farm land located in this state where a crop is produced  
14 according to a production contract by a contract producer who owns or leases the farm  
15 land.
- 16 (9) 'Contract livestock facility' means an animal feeding operation located in this state  
17 in which livestock or raw milk is produced according to a production contract by a  
18 contract producer who holds a legal interest in the animal feeding operation. Contract  
19 livestock facility includes a confinement feeding operation, an open feedlot, or an area  
20 which is used for the raising of crops or other vegetation and upon which livestock is fed  
21 for slaughter or is allowed to graze or feed.
- 22 (10) 'Contract operation' means a contract livestock facility or a contract crop field.
- 23 (11) 'Contract producer' means a producer who holds a legal interest in a contract  
24 operation and who produces a commodity under a production contract.
- 25 (12) 'Contractor' means a person who is an active contractor or a passive contractor.
- 26 (13) 'Crop' means a plant used for food, animal feed, fiber, oil, or nutraceuticals,  
27 including, but not limited to, alfalfa, barley, buckwheat, corn, flax, forage, millet, oats,  
28 popcorn, rye, sorghum, soybeans, sunflowers, tobacco, wheat, and grasses used for  
29 forage or silage, but not timber or timber products.
- 30 (14) 'Farm land' means agricultural land that is suitable for use in farming.
- 31 (15) 'Investment requirement' means a provision in a contract which requires the contract  
32 producer to make capital investments associated with producing a commodity subject to  
33 a production contract. The provisions may be included as part of one or more oral or  
34 written agreements or contracts and may be included as part of a production contract.
- 35 (16) 'Livestock' means beef cattle, dairy cattle, poultry, sheep, or swine.
- 36 (17) 'Marketing contract' means an oral or written agreement between a processor and  
37 a producer for the purchase of commodities grown or raised by the producer in this state.

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

3 (18) 'Open feedlot' means an unroofed or partially roofed animal feeding operation in  
4 which no crop, vegetation, forage growth, or residue cover is maintained during the  
5 period that livestock is confined in the operation.

6 (19) 'Passive contractor' means a person who furnishes management services to a  
7 contract producer and who does not own a commodity that is produced by the contract  
8 producer at the contract producer's contract operation according to a production contract.

9 (20) 'Processor' means a person engaged in the business of manufacturing goods from  
10 commodities, including by slaughtering or processing livestock, processing raw milk, or  
11 processing crops.

12 (21) 'Produce' means to do any of the following:

13 (A) Provide feed or services relating to the care and feeding of livestock. If the  
14 livestock is dairy cattle, then produce includes milking the dairy cattle and storing raw  
15 milk; or

16 (B) Provide for planting, raising, harvesting, and storing a crop. Produce includes  
17 preparing the soil for planting and nurturing the crop by the application of fertilizers,  
18 soil conditioners, or pesticides.

19 (22) 'Producer' means a person who produces a commodity, including, but not limited  
20 to, a contract producer. Producer does not include a commercial fertilizer, pesticide  
21 applicator, a feed supplier, or a veterinarian, when acting in such capacity.

22 (23) 'Production contract' means an oral or written agreement that provides for the  
23 production of a commodity or the provision of management services relating to the  
24 production of a commodity by a contract producer. A production contract is executed  
25 when it is signed or orally agreed to by each party to the contract or by a person  
26 authorized to act on the party's behalf.

27 13-12-3.

28 The provisions of this chapter shall apply to production contracts that relate to the  
29 production of a commodity owned by an active contractor and produced by a contract  
30 producer at the contract producer's contract operation, if one of the following applies:

31 (1) The production contract is executed by an active contractor and a contract producer  
32 for the production of the commodity;

33 (2) The production contract is executed by an active contractor and a passive contractor  
34 for the provision of management services to the contract producer in the production of  
35 the commodity; or

1 (3) The production contract is executed by a passive contractor and a contract producer,  
2 if both of the following apply:

3 (A) The contract provides for management services furnished by the passive contractor  
4 to the contract producer in the production of the commodity; and

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

7 13-12-4.

8 An agricultural contract imposes an obligation of good faith on all parties with respect to  
9 the performance and enforcement of the agricultural contract.

10 13-12-5.

11 (a) An agricultural contract must be accompanied by a clear written disclosure statement  
12 setting forth the nature of the material risks faced by the producer if the producer enters  
13 into the contract. The statement must meet the readability requirements of subsection (b)  
14 of this Code section. The statement may be in the form of a written statement or check list  
15 and may be developed in cooperation with producers or producer organizations. The  
16 statement shall disclose the following:

17 (1) In the case of production contracts, the producer's right to review as provided in this  
18 Code section;

19 (2) Contract duration;

20 (3) Contract termination;

21 (4) Renegotiation standards;

22 (5) Responsibility for environmental damage;

23 (6) Factors to be used in determining payment;

24 (7) Responsibility for obtaining and complying with local, state, and federal permits; and

25 (8) Any other contract term which the commodity commission determines is appropriate  
26 for disclosure.

27 (b)(1) As used in this subsection, 'legible type' means a typeface at least as large as  
28 ten-point modern type, one-point leaded. An agricultural contract entered into, amended,  
29 or renewed after July 1, 2001, must contain as the first page, or first page of text if it is  
30 preceded by a title page or pages, a cover sheet or sheets as provided in this subsection.  
31 The cover sheet or sheets must comply with paragraph (2) of this subsection and must  
32 contain all of the following:

33 (A) A brief statement that the document is a legal contract between the parties;

34 (B) The statement 'READ YOUR CONTRACT CAREFULLY. This cover sheet  
35 provides only a brief summary of your contract. This is not the contract and only the

1 terms of the actual contract are legally binding. The contract itself sets forth, in detail,  
2 the rights and obligations of both you and the contractor or processor. IT IS  
3 THEREFORE IMPORTANT THAT YOU READ YOUR CONTRACT  
4 CAREFULLY';

5 (C) The written disclosure of risks required by subsection (a) of this Code section;

6 (D) A statement detailing, in plain language, the producer's right to cancel the contract  
7 as described in Code Section 13-12-6; and

8 (E) An index of the major provisions of the contract and the pages on which they are  
9 found, including all of the following:

10 (i) The names of all parties to the contract;

11 (ii) The definition sections of the contract;

12 (iii) The provisions governing termination, cancellation, renewal, and amendment  
13 of the contract by either party;

14 (iv) The duties or obligations of each party; and

15 (v) Any provisions subject to change in the contract.

16 (2) An agricultural contract must be in legible type, appropriately divided and captioned  
17 by its various sections, and written in clear and coherent language using words and  
18 grammar that are understandable by a person of average intelligence, education, and  
19 experience within the industry. This paragraph does not apply to the following terms in  
20 an agricultural contract:

21 (A) Particular words, phrases, provisions, or forms of agreement specifically required,  
22 recommended, or endorsed by a state or federal statute, rule or regulation; or

23 (B) Technical terms used to describe the services or property which are the subject of  
24 the contract, if the terms are customarily used by producers in the ordinary course of  
25 business in connection with the services or property being described.

26 (c) A contractor or processor may submit an agricultural contract to the appropriate  
27 commodity commission for review as to whether it complies with this Code section. After  
28 reviewing the contract, the commodity commission shall do one of the following:

29 (1) Certify that the contract complies with this Code section;

30 (2) Decline to certify that the contract complies with this Code section and note  
31 objections;

32 (3) Decline to review the contract because the contract's compliance with this Code  
33 section is subject to pending litigation; and

34 (4) Decline to review the contract because the contract is not subject to this Code  
35 section.

1 (d) In determining whether an agricultural contract or cover sheet is readable within the  
2 meaning of subsection (b) of this Code section, the commodity commission shall consider  
3 at least the following factors:

4 (1) The simplicity of the sentence structure;

5 (2) The extent to which commonly used and understood words are employed;

6 (3) The extent to which esoteric legal terms are avoided;

7 (4) The extent to which references to other sections or provisions of the contract are  
8 minimized;

9 (5) The extent to which clear definitions are used in the text of the contract; and

10 (6) Additional factors relevant to the readability or understandability of the contract.

11 (e) Actions of the commodity commission under this Code section are not subject to  
12 judicial review.

13 (f) A contract certified under this subsection is deemed to comply with subsections (a) and  
14 (b) of this Code section. Certification of a contract under this subsection does not  
15 constitute an approval of the contract's legality or legal effect. If the Commodity  
16 commission certifies a contract or fails to respond within 30 days of receipt of the contract,  
17 then the contractor or processor will have complied with this subsections (a) and (b) of this  
18 Code section and the remedies stated in subsection (h) of this Code section and Code  
19 Section 13-12-13 are not available.

20 (g) Failure to submit a contract to the commodity commission for review under this Code  
21 section does not show a lack of good faith or raise a presumption that the contract violates  
22 this Code section.

23 (h) In addition to the remedies provided in Code Section 13-12-13, a court reviewing an  
24 agricultural contract may change the terms of the contract or limit a provision to avoid an  
25 unfair result if the court finds all of the following:

26 (1) A material provision of the contract violates subsection (a) or (b) of this Code  
27 section;

28 (2) The violation caused the producer to be substantially confused about any of the  
29 rights, obligations, or remedies of the contract; and

30 (3) The violation has caused or is likely to cause financial detriment to the producer.

31 (i) If the court reforms or limits a provision of an agricultural contract, the court shall also  
32 make orders necessary to avoid unjust enrichment. Bringing a claim for relief under this  
33 Code section does not entitle a producer to withhold performance of an otherwise valid  
34 contractual obligation. No relief may be granted under this Code section unless the claim  
35 is brought before the obligations of the contract have been fully performed.

1 (j)(1) In a proceeding in which civil penalties are claimed from a party for a violation  
2 of this Code section, it is a defense to the claim that the party made a good faith and  
3 reasonable effort to comply.

4 (2) Notwithstanding Code Section 13-12-13, a party who has made a good faith and  
5 reasonable effort to comply with this Code section may not be assessed attorney's fees  
6 or costs of investigation in an action for violating this Code section.

7 (k) A violation of this Code section shall not be a defense to a claim arising from a  
8 producer's breach of an agricultural contract. A producer may recover actual damages  
9 caused by a violation of this Code section only if the violation caused the producer to not  
10 understand the rights, obligations, or remedies of the contract.

11 (l) A claim that an agricultural contract violates this Code section must be raised within six  
12 years of the date the contract is executed by the producer.

13 13-12-6.

14 A contract producer may cancel a production contract by mailing a written cancellation  
15 notice to the contractor within three business days after the contract is executed or before  
16 a later cancellation deadline if a later deadline is specified in the contract. The contract  
17 producer's right to cancel, the method by which the contract producer may cancel, and the  
18 deadline for canceling the production contract shall be clearly disclosed in every  
19 production contract.

20 13-12-7.

21 (a) On or after July 1, 2001, a contractor or processor shall not enforce a provision in an  
22 agricultural contract if the provision provides that information contained in the agricultural  
23 contract is confidential.

24 (b) A provision which is part of an agricultural contract is void if the provision states that  
25 information contained in the agricultural contract is confidential. The confidentiality  
26 provision is void whether the confidentiality provision is express or implied; oral or  
27 written; required or conditional; or contained in the agricultural contract, another  
28 agricultural contract, or in a related document, policy, or agreement. This Code section  
29 does not affect other provisions of an agricultural contract or a related document, policy,  
30 or agreement which can be given effect without the voided provision. This Code section  
31 does not require a party to an agricultural contract to divulge information in the agricultural  
32 contract to another person.

1 13-12-8.

2 (a) A lien established under this Code section depends upon the execution of a production  
3 contract that provides for producing a commodity owned by a contractor or a contract  
4 producer at the contract producer's contract operation.

5 (b) A contract producer who is a party to a production contract shall have a lien as  
6 provided in this Code section. The amount of the lien shall be the amount owed to the  
7 contract producer pursuant to the terms of the production contract, which may be enforced  
8 as provided in subsection (f) of this Code section. If the production contract is for the  
9 production of livestock or raw milk, all of the following shall apply:

10 (1) For livestock, the lien shall apply to all of the following:

11 (A) If the livestock is not sold or slaughtered by the contractor, the lien shall be on the  
12 livestock;

13 (B) If the livestock is sold by the contractor, the lien shall be on cash proceeds from  
14 the sale. For purposes of this subparagraph, cash held by the contractor shall be deemed  
15 to be cash proceeds from the sale regardless of whether it is identifiable cash proceeds;  
16 and

17 (C) If the livestock is slaughtered by the contractor, the lien shall be on any property  
18 of the contractor that may be subject to a security interest.

19 (2) For raw milk, the lien shall apply to all of the following:

20 (A) If the raw milk is not sold or processed by the contractor, the lien shall be on the  
21 raw milk;

22 (B) If the raw milk is sold by the contractor, the lien shall be on cash proceeds from  
23 the sale. For purposes of this subparagraph, cash held by the contractor shall be deemed  
24 to be cash proceeds from the sale regardless of whether it is identifiable cash proceeds;  
25 and

26 (C) If the raw milk is processed by the contractor, the lien shall be on any property of  
27 the contractor that may be subject to a security interest.

28 (c) The lien on livestock or raw milk is created at the time the livestock arrives at the  
29 contract livestock facility and continues for one year after the livestock is no longer under  
30 the authority of the contract producer. For the purposes of this Code section, livestock is  
31 no longer under the authority of the contract producer when the livestock leaves the  
32 contract livestock facility.

33 (d)(1) If the production contract is for the production of crops, all of the following shall  
34 apply:

35 (A) If the crop is not sold or processed by the contractor, the lien shall be on the crop;

1 (B) If the crop is sold by the contractor, the lien shall be on cash proceeds from the  
2 sale. For purposes of this subparagraph, cash held by the contractor shall be deemed  
3 to be cash proceeds from the sale regardless of whether it is identifiable cash proceeds;  
4 and

5 (C) If the crop is processed by the contractor, the lien shall be on any property of the  
6 contractor that may be subject to a security interest.

7 (2) The lien on a crop is created at the time the crop is planted and continues for one  
8 year after the crop is no longer under the authority of the contract producer. For purposes  
9 of this Code section, a crop is no longer under the authority of the contract producer  
10 when the crop or a warehouse receipt issued by a warehouse operator licensed under state  
11 law for grain from the crop is no longer under the custody or control of the contract  
12 producer.

13 (e)(1) In order to preserve a lien created pursuant to this Code section, a contract  
14 producer must file with the office of the Secretary of State a lien statement on a form  
15 prescribed by the Secretary of State. If the lien arises out of producing livestock or raw  
16 milk, the contract producer must file the lien within 45 days after the day that the  
17 livestock first arrives at the contract livestock facility. If the lien arises out of producing  
18 a crop, the contract producer must file the lien within 45 days after the day that the crop  
19 is first planted. The Secretary of State shall charge a fee of not more than \$10.00 for  
20 filing the statement. The Secretary of State may adopt rules for the electronic filing of the  
21 statements.

22 (2) The statement must include all of the following:

23 (A) An estimate of the amount owed pursuant to the production contract;

24 (B) The date when the livestock arrives at the contract livestock facility or the date  
25 when the crop was planted;

26 (C) The estimated duration of the period when the commodity will be under the  
27 authority of the contract producer;

28 (D) The name of the party to the production contract whose commodity is produced  
29 pursuant to the production contract;

30 (E) The description of the location of the contract operation by county and township;  
31 and

32 (F) The printed name and signature of the person filing the form.

33 (3) A lien created under this Code section until preserved and a lien preserved under this  
34 Code section are superior to and shall have priority over a conflicting lien or security  
35 interest in the commodity, including a lien or security interest that was perfected prior  
36 to the creation of the lien under this Code section.

1 (f) Before a commodity leaves the authority of the contract producer, the contract  
2 producer may foreclose a lien created in this subsection in the manner provided for the  
3 foreclosure of secured transactions. After the commodity is no longer under the authority  
4 of the contract producer, the contract producer may enforce the lien in any manner  
5 otherwise provided by law.

6 13-12-9.

7 (a) This Code section only applies to a production contract executed by a contract  
8 producer and a contractor if the contract producer must make capital investments of  
9 \$100,000.00 or more according to investment requirements provided in all production  
10 contracts in which the contract producer and the contractor are parties. The value of the  
11 capital investments shall be deemed to be the total dollar amount spent by the contract  
12 producer in satisfying the investment requirements, if that amount is ascertainable.

13 (b) Except as provided in subsection (d) of this Code section, a contractor shall not  
14 terminate, cancel, or fail to renew a production contract until the contractor has done the  
15 following:

16 (1) The contractor has provided the contract producer written notice of the intention to  
17 terminate, cancel, or not renew at least 90 days before the effective date of the  
18 termination, cancellation, or nonrenewal; and

19 (2) The contract producer has been reimbursed for damages incurred due to the  
20 termination, cancellation, or nonrenewal. Damages shall be based on the value of the  
21 remaining useful life of the structures, machinery, or equipment involved.

22 (c) Except as provided in subsection (d) of this Code section, if a contract producer  
23 materially breaches a production contract, including the investment requirements of a  
24 production contract, a contractor may not terminate, cancel, or fail to renew the production  
25 contract until the following have occurred:

26 (1) The contractor has provided a written notice of termination, cancellation, or  
27 nonrenewal at least 45 days before the effective date of such termination, cancellation,  
28 or nonrenewal. The notice must provide a list of complaints alleging causes for the  
29 breach; and

30 (2) The contract producer fails to remedy each cause of the breach as alleged in the list  
31 of complaints provided in the notice within 30 days following receipt of the notice. An  
32 effort by a contract producer to remedy a cause of an alleged breach shall not be  
33 construed as an admission of a breach in a civil cause of action.

34 (d) A contractor may terminate, cancel, or fail to renew a production contract without  
35 notice or remedy as required in subsections (a) and (b) of this Code section if the basis for  
36 the termination, cancellation, or nonrenewal is either of the following:

- 1 (1) A voluntary abandonment of the contractual relationship by the contract producer.  
2 A complete failure of a contract producer's performance under a production contract  
3 shall be deemed to be abandonment; or
- 4 (2) The conviction of a contract producer of an offense of fraud or theft committed  
5 against the contractor.
- 6 (e) If a contractor terminates, cancels, or fails to renew a production contract other than  
7 provided in this Code section, the contractor shall pay the contract producer the value of  
8 the remaining useful life of the structures, machinery, or equipment involved.

9 13-12-10.

10 (a) As used in this Code section, the term:

11 (1) 'Contract input' means a commodity or an organic or synthetic substance or  
12 compound that is used to produce a commodity including, but not limited to, any or the  
13 following:

- 14 (A) Livestock or plants;  
15 (B) Agricultural seeds;  
16 (C) Semen or eggs for breeding livestock; and  
17 (D) A fertilizer or pesticide.

18 (2) 'Producer right' means one of the following legal rights and protections:

- 19 (A) The right of a producer to join or belong to, or to refrain from joining or belonging  
20 to, an association of producers;
- 21 (B) The right of a producer to enter into a membership agreement or marketing  
22 contract with an association of producers, a processor, or another producer and the right  
23 of the producer to exercise contractual rights under such a membership agreement or  
24 marketing contract;
- 25 (C) The right of a producer to lawfully provide statements or information regarding  
26 alleged improper actions or violations of law by a contractor or processor. This right  
27 does not include the right to make statements or provide information if the statements  
28 or information are determined to be libelous or slanderous;
- 29 (D) The right of a producer to file, continue, terminate, or enforce a lien under Code  
30 Section 13-12-8;
- 31 (E) The right of a contract producer to utilize protections to cancel production  
32 contracts under Code Section 13-12-6;
- 33 (F) The right of a producer to disclose the terms of agricultural contracts under Code  
34 Section 13-12-7; or
- 35 (G) The right of a producer to enforce other protections afforded by this chapter or  
36 other laws or regulations.

1 (b) It shall be unlawful for any contractor or processor knowingly to engage or permit any  
2 employee or agent to engage in the following practices in connection with agricultural  
3 contracts:

4 (1) To take actions to coerce, intimidate, disadvantage, retaliate against, or discriminate  
5 against any producer because the producer exercises, or attempts to exercise, any  
6 producer right, including actions affecting the following:

7 (A) The execution, termination, extension, or renewal of an agricultural contract;

8 (B) The treatment of a producer, which may include providing discriminatory or  
9 preferential terms in an agricultural contract or interpreting terms of an existing  
10 agricultural contract in a discriminatory or preferential manner. The terms may relate  
11 to the price paid for a commodity; the quality or the quantity of a commodity  
12 demanded; or financing, including investment requirements;

13 (C) The grant of a reward or imposition of a penalty, including the denial of a reward.  
14 The reward or penalty may be in any form, including, but not limited to, financial  
15 rewards or penalties. Financial rewards or penalties may relate to loans, bonuses, or  
16 inducements; and

17 (D) Alter the quality, quantity, or delivery times of contract inputs provided to the  
18 producer;

19 (2) To provide false information to the producer, which may include false information  
20 relating to either of the following.

21 (A) A producer with whom the producer associates or an association of producers or  
22 an agricultural organization with which the producer is affiliated, including, but not  
23 limited to either of the following:

24 (i) The character of the producer; and

25 (ii) The condition of the finances or the management of the association of producers  
26 or agricultural organization; and

27 (B) Producer rights provided by this chapter or other provisions of law;

28 (3) To refuse to provide to a contract producer upon request the statistical information  
29 and data used to determine compensation paid to the contract producer under a  
30 production contract, including, but not limited to, feed conversion rates, feed analyses,  
31 origination, and breeder history;

32 (4) To refuse to allow a contract producer or the contract producer's designated  
33 representative to observe, by actual observation at the time of weighing, the weights and  
34 measures used to determine the contract producer's compensation under a production  
35 contract;

1 (5) To use the performance of any other contract producer to determine the  
2 compensation of a contract producer under a production contract or as the basis of the  
3 termination, cancellation, or nonrenewal of a production contract;

4 (6) To require a contract producer to make new or additional capital investments in  
5 connection with, or to retain, continue, or renew, a production contract which are beyond  
6 the investment requirements of such production contract. It shall not be a violation of this  
7 Code section if such new or additional capital investments are partially paid for by the  
8 contractor, or offset by other compensation or modifications to contract terms, in a  
9 manner the contract producer agrees to in writing as constituting acceptable and  
10 satisfactory consideration for the new capital investment.

11 (7) To execute an agricultural contract in violation of the disclosure of risks and  
12 readability requirements of Code Section 13-12-5;

13 (8) To execute an agricultural contract which includes a confidentiality provision in  
14 violation of Code Section 13-12-7;

15 (9) To execute an agricultural contract without a mediation provision as required under  
16 Code Section 13-12-13;

17 (10) To execute an agricultural contract which includes a waiver of any producer right  
18 or any obligation of a contractor or processor established under this chapter; or

19 (11) To execute an agricultural contract requiring the application of the law of another  
20 state in lieu of this chapter.

21 13-12-11.

22 Any provision of an agricultural contract which waives a producer right or an obligation  
23 of a contractor or processor established by this chapter is void and unenforceable. This  
24 Code section does not affect other provisions of an agricultural contract, including an  
25 agricultural contract or related document, a policy, or an agreement which can be given  
26 effect without the voided provision.

27 13-12-12.

28 Any condition, stipulation, or provision in an agricultural contract requiring the application  
29 of the law of another state in lieu of this chapter is void and unenforceable.

30 13-12-13.

31 An agricultural contract must contain language providing for resolution of disputes  
32 concerning the contract by mediation by the appropriate commodity commission. If there  
33 is a dispute involving an agricultural contract, either party may make a written request for  
34 mediation services as specified in the contract to facilitate resolution of the dispute. The

1 parties must receive a release from the commodity commission before the dispute can be  
2 heard by a court.

3 13-12-14.

4 (a) A contractor or processor committing an unfair practice under Code Section 13-12-10  
5 shall be subject to a civil penalty of up to \$10,000.00.

6 (b) A contractor or processor committing an unfair practice under Code Section 13-12-11  
7 shall be guilty of a simple misdemeanor and shall be fined \$1,000.00.

8 (c)(1) A producer who suffers damages because of a contractor or processor's violation  
9 of this chapter may obtain appropriate legal and equitable relief, including damages. In  
10 such a civil action against the contractor or processor, the court shall award the producer  
11 who is the prevailing party reasonable attorneys' fees and other litigation expenses.

12 (2) In order to obtain injunctive relief, the producer is not required to post a bond, prove  
13 the absence of an adequate remedy at law, or show the existence of special  
14 circumstances, unless the court for good cause otherwise orders. The court may order any  
15 form of prohibitory or mandatory relief that is appropriate under principles of equity,  
16 including, but not limited to, issuing a temporary or permanent restraining order.

17 (d) The appropriate commodity commission is the agency primarily responsible for  
18 enforcing this chapter. In enforcing the provisions of this chapter, the commodity  
19 commission may do any of the following:

20 (1) Apply to the superior court for an injunction to do either of the following:

21 (A) Restrain a contractor or processor from engaging in conduct or practices in  
22 violation of this chapter; or

23 (B) Require a contractor or processor to comply with a provision of this chapter;

24 (2) Apply to the superior court for the issuance of a subpoena to obtain an agricultural  
25 contract for purposes of enforcing this chapter; or

26 (3) Bring an action in superior court to enforce penalties provided in subsections (a) and  
27 (b) of this Code section."

28 **SECTION 2.**

29 All laws and parts of laws in conflict with this Act are repealed.