

Senate Substitute for HOUSE BILL No. 2123

AN ACT concerning agriculture; relating to poultry production contracts; prohibited acts and relief therefrom.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) As used in this section: (1) “Contractor” means a person who owns poultry that is raised or cared for by a poultry producer;

(2) “poultry” means posthatched to finished live chickens or turkeys that are raised by a poultry producer for slaughter by another;

(3) “poultry producer” means any individual or group of individuals that raise or care for live poultry for slaughter by another under terms of a written production contract;

(4) “production contract” means any written agreement that provides for the raising and care of poultry by a poultry producer for a contractor; and

(5) “production” means to raise and care for poultry under the terms of a poultry production contract.

(b) Poultry production contracts shall: (1) Be written in a readable form and shall be accompanied by a clearly written disclosure statement setting forth the nature of the material risks faced by the poultry producer if the poultry producer enters into such poultry production contract;

(2) be negotiated and entered into in an environment free from unfair or deceptive trade practices or other violations of law;

(3) not require disclosure of trade secrets and not be contrary to the uniform trade secrets act, K.S.A. 60-3320 *et seq.*, and amendments thereto;

(4) not require poultry producers to reveal intellectual property rights nor disclose personal financial information or production practices;

(5) not prohibit nor discourage poultry producers from associating with other poultry producers to compare contract terms or address concerns or problems;

(6) not prohibit nor discourage poultry producers from seeking professional, legal, financial and agricultural production advice and counsel related to production contract terms, obligations and responsibilities;

(7) not allow a contractor to terminate any poultry production contract with a poultry producer that has complied with the provisions of the poultry production contract; and

(8) not deny poultry producers of the ability to address a dispute in the Kansas courts. The poultry production contract may contain a provision to have the option of submitting any dispute arising under a poultry production contract to arbitration.

(c) Any provision of a poultry production contract which violates the provisions of subsection (b) is void and unenforceable. This subsection shall not affect other provisions of a poultry production contract, including a contract or related document, policy or agreement which can be given effect without the voided provision.

(d) A poultry producer who suffers damages because of a contractor’s violation of the provisions of subsection (b) may obtain appropriate legal and equitable relief, including, but not limited to, injunctive relief and punitive damages, as provided in K.S.A. 60-3702, and amendments thereto. In such a civil action against the contractor, the court may award the poultry producer who is the prevailing party, reasonable attorney fees and other litigation expenses.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.