

# HOUSE BILL NO. 2720

## 99TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE MCCREERY.

6716H.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 261, RSMo, by adding thereto one new section relating to livestock production contracts, with penalty provisions.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 261, RSMo, is amended by adding thereto one new section, to be known as section 261.400, to read as follows:

**261.400. 1. For the purposes of this section, the following terms shall mean:**

- 2           **(1) “Active contractor”, a person who owns livestock that is produced by a contract**  
3 **producer at the contract producer’s contract operation under a production contract**  
4 **executed under this section;**
- 5           **(2) “Contract livestock facility”, an animal feeding operation in which livestock or**  
6 **raw milk is produced according to a production contract executed under this section by a**  
7 **contract producer who holds a legal interest in the animal feeding operation. “Contract**  
8 **livestock facility” includes a concentrated animal feeding operation, an open feedlot**  
9 **operation, or an area that is used for raising crops or other vegetation and upon which**  
10 **livestock is fed or is allowed to graze or feed;**
- 11           **(3) “Contract operation”, a contract livestock facility;**
- 12           **(4) “Contract producer”, a person who holds a legal interest in a contract operation**  
13 **and who produces livestock at the contract producer’s contract operation under a**  
14 **production contract executed under this section;**
- 15           **(5) “Contractor”, an active contractor or passive contractor;**
- 16           **(6) “Livestock”, beef cattle, dairy cattle, sheep, or swine;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (7) "Passive contractor", a person who furnishes management services to a contract  
18 producer and who does not own livestock that is produced by the contract producer at the  
19 contract producer's contract operation according to a production contract that is executed  
20 under this section;

21 (8) "Produce", provide feed or services relating to the care and feeding of livestock.  
22 If the livestock is dairy cattle, "produce" includes milking the dairy cattle and storing raw  
23 milk at the contract producer's contract livestock facility;

24 (9) "Production contract", an oral or written agreement executed under this section  
25 that provides for the production of livestock or the provision of management services  
26 relating to the production of livestock by a contract producer.

27 2. This section applies to a production contract that relates to the production of  
28 livestock owned by an active contractor and produced by a contract producer at the  
29 contract producer's contract operation, if:

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

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

35 (3) The contract is executed by a passive contractor and a contract producer, if:

36 (a) The contract provides for management services furnished by the passive  
37 contractor to the contract producer in the production of the livestock; and

38 (b) The passive contractor has a contractual relationship with the active contractor  
39 involving the production of the livestock.

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

42 4. No contractor shall enforce a provision in a production contract if the provision  
43 provides that information contained in the production contract is confidential. A provision  
44 that is part of a production contract is void if the provision states that information  
45 contained in the production contract is confidential. The confidentiality provision is void  
46 whether the confidentiality provision is express or implied, oral or written, required or  
47 conditional, or contained in the production contract, another production contract, or in a  
48 related document, policy, or agreement. This section shall not affect other provisions of  
49 a production contract or a related document, policy, or agreement which can be given  
50 effect without the voided provision. This section shall not require a party to a production  
51 contract to divulge the information in the production contract to another person.

52           **5. The attorney general's office shall be the primary agency responsible for**  
53 **enforcing this section. In enforcing the provisions of this section, the attorney general may:**

54           **(1) Apply to the circuit court for an injunction to:**

55           **(a) Restrain a contractor from engaging in conduct or practices in violation of this**  
56 **section; or**

57           **(b) Require a contractor to comply with a provision of this section;**

58           **(2) Apply to the circuit court for the issuance of a subpoena to obtain a production**  
59 **contract for purposes of enforcing this section; or**

60           **(3) Bring an action in circuit court to enforce penalties provided in this section,**  
61 **including the assessment and collection of civil penalties.**

62           **6. A contractor who executes a production contract that includes a confidentiality**  
63 **provision in violation of this section is guilty of a misdemeanor.**

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