

FIRST REGULAR SESSION

# HOUSE BILL NO. 306

## 91ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES WIGGINS, CLAYTON, SHOEMYER, BERKOWITZ,  
RANSDALL (Co-sponsors), WARD, FROELKER, WILLIAMS, BERKSTRESSER AND HOLT.

Read 1<sup>st</sup> time January 10, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

0600L.011

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### AN ACT

To amend chapter 265, RSMo, by adding thereto fifteen new sections relating to the agricultural producer protection act, with penalty provisions.

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

Section A. Chapter 265, RSMo, is amended by adding thereto fifteen new sections, to  
2 be known as sections 265.700, 265.703, 265.706, 265.709, 265.712, 265.715, 265.718, 265.721,  
3 265.724, 265.727, 265.730, 265.733, 265.736, 265.739 and 265.742, to read as follows:

**265.700. As used in sections 265.700 to 265.742, the following terms shall mean,  
2 unless the context clearly indicates otherwise:**

3 (1) "Active contractor", a person who owns a commodity that is produced by a  
4 contract producer at the contract producer's contract operation according to a production  
5 contract;

6 (2) "Agricultural contract", a marketing contract or a production contract;

7 (3) "Animal feeding operation", a lot, corral, building or other area in which  
8 livestock is confined and fed. An animal feeding operation does not include a livestock  
9 market;

10 (4) "Capital investment", an investment in one of the following:

11 (a) A structure, such as a building or manure storage structure;

12 (b) Machinery or equipment associated with producing a commodity which has a  
13 useful life in excess of one year;

14 (5) "Commodity", livestock, raw milk or a crop;

15 (6) "Confinement feeding operation", an animal feeding operation which livestock  
16 is confined to areas which are totally roofed;

17 (7) "Contract crop field", farmland located in this state where a crop is produced

18 according to a production contract by a contract producer who owns or leases the  
19 farmland;

20 (8) "Contract livestock facility", an animal feeding operation located in this state  
21 which livestock or raw milk is produced according to a production contract by a contract  
22 producer who holds a legal interest in the animal feeding operation. Contract livestock  
23 facility includes a confinement feeding operation, an open feedlot or an area which is used  
24 for the raising of crops or other vegetation and upon which livestock is fed for slaughter  
25 or is allowed to graze and feed;

26 (9) "Contract operation", a contract livestock facility or a contract crop field;

27 (10) "Contract producer", a producer who holds a legal interest in a contract  
28 operation and who produces a commodity under a production contract;

29 (11) "Contractor", a person who is an active contractor or passive contractor;

30 (12) "Crop", a plant used for food, animal feed, fiber, oil, pharmaceuticals,  
31 nutraceuticals or seed, including but not limited to alfalfa, barley, buckwheat, corn, flax,  
32 forage, millet, oats, popcorn, rye, sorghum, soybeans, sunflowers, tobacco, wheat and  
33 grasses used for forage or silage;

34 (13) "Farmland", agricultural land that is suitable for use in farming;

35 (14) "Investment requirement", a provision in a contract which requires the  
36 contract producer to make capital investments associated with producing a commodity  
37 subject to a production contract. The provisions may be included as part of one or more  
38 oral or written agreements or contracts, and may be included as part of a production  
39 contract;

40 (15) "Livestock", beef cattle, dairy cattle, poultry, sheep or swine;

41 (16) "Marketing contract", an oral or written agreement between a processor and  
42 a producer for the purchase of commodities grown or raised by the producer in this state.  
43 A marketing contract is executed when it is signed or orally agreed to by each party or by  
44 a person authorized to act on the party's behalf;

45 (17) "Open feedlot", an unroofed or partially roofed animal feeding operation in  
46 which no crop, vegetation, or forage growth or residue cover is maintained during the  
47 period that livestock are confined in the operation;

48 (18) "Passive contractor", a person who furnishes management services to a  
49 contract producer and who does not own a commodity that is produced by the contract  
50 producer at the contract producer's contract operation according to a production contract;

51 (19) "Processor", a person engaged in the business of manufacturing goods from  
52 commodities, including by slaughtering or processing livestock, raw milk or crops;

53 (20) "Produce", to do any of the following:

54 (a) Provide feed or services relating to the care and feeding of livestock. If the  
55 livestock is dairy cattle, produce includes milking the dairy cattle and storing raw milk;

56 (b) Provide for planting, raising, harvesting and storing a crop. Produce includes  
57 preparing the soil for planting and nurturing the crop by the application of fertilizers as  
58 defined in section 266.291, RSMo, or soil conditions as defined in section 266.361, RSMo,  
59 or pesticides as defined in section 281.020, RSMo;

60 (21) "Producer", a person who produces a commodity, including but not limited  
61 to a contract producer. Producer does not include a commercial fertilizer or pesticide  
62 applicator, a feed supplier or a veterinarian when acting in such capacity;

63 (22) "Production contract", an oral or written agreement that provides for the  
64 production of a commodity or the provision of management services relating to the  
65 production of a commodity by a contract producer. A production contract shall be deemed  
66 executed when it is signed or orally agreed to by each party to the contract or by a person  
67 authorized to act on the party's behalf.

265.703. The provisions of sections 265.700 to 265.742 applies to production  
2 contracts that relate to the production of a commodity owned by an active contractor and  
3 produced by a contract producer at the contract producer's contract operation, if one of  
4 the following applies:

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

7 (2) The production contract is executed by an active contractor and a passive  
8 contractor for the provision of management services to the contract producer in the  
9 production of the commodity;

10 (3) The production contract is executed by a passive contractor and a contract  
11 producer, if all of the following apply:

12 (a) The contract provides for management services furnished by the passive  
13 contractor to the contract producer in the production of the commodity; and

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

265.706. An agricultural contract imposes an obligation of good faith, as defined  
2 in section 1-201 of the Uniform Commercial Code, on all parties with respect to the  
3 performance and enforcement of the agricultural contract.

265.709. 1. An agricultural contract shall be accompanied by a clear written  
2 disclosure statement setting forth the nature of the material risks faced by the producer  
3 if the producer enters into the contract. The statement must meet the readability  
4 requirements in subsection 2 of this section. The statement may be in the form of a written

5 statement or checklist and may be developed in cooperation with producers or producer  
6 organizations. The statement shall disclose the following:

7 (1) In the case of production contracts, the producer's right to review as provided  
8 in section 265.712;

9 (2) Contract duration;

10 (3) Contract termination;

11 (4) Renegotiation standards;

12 (5) Responsibility for environmental damage;

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

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

16 (8) Any other contract term which the attorney general determines is appropriate  
17 for disclosure.

18 2. (1) As used in this subsection, the term "legible type" means a typeface at least  
19 as large as ten-point modern type, one-point leaded.

20 (2) An agricultural contract entered into, amended or renewed after the effective  
21 date of sections 265.700 to 265.742 shall contain as the first page, or first page of text if it  
22 is preceded by a title page or pages, a cover sheet as provided in the section. The cover  
23 sheet or sheets shall comply with subdivision (3) of this subsection and shall contain all of  
24 the following:

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

26 (b) The following statement: "READ YOUR CONTRACT CAREFULLY. This  
27 cover sheet provides only a brief summary of your contract. This is not the contract and  
28 only the terms of the actual contract are legally binding. The contract itself sets forth, in  
29 detail, the rights and obligations of both you and the contractor or processor. IT IS  
30 THEREFORE IMPORTANT THAT YOU READ YOUR CONTRACT CAREFULLY.";

31 (c) The written disclosure of risks required in subdivision (2) of this subsection;

32 (d) A statement detailing, in plain language, the producer's right to review the  
33 contract as described in section 265.712;

34 (e) An index of the major provisions of the contract and the pages on which they  
35 are found, including all of the following:

36 a. The names of all parties to the contract;

37 b. The definition sections of the contract;

38 c. The provisions governing termination, cancellation, renewal and amendment of  
39 the contract by either party;

40 d. The duties or obligations of each party; and

41 e. Any provisions subject to change in the contract.

42 (3) An agricultural contract shall be in legible type, appropriately divided and  
43 captioned by its various sections, and written in clear and coherent language using words  
44 and grammar that are understandable by a person of average intelligence, education and  
45 experience within the industry. This subdivision shall not apply to the following terms in  
46 an agricultural contract:

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

49 (b) Technical terms used to describe the services or property which are the subject  
50 of the contract, if the terms are customarily used by producers in the ordinary course of  
51 business in connection with the services or property being described.

52 3. (1) A contractor or processor may submit an agricultural contract to the  
53 attorney general for review as to whether it complies with this section. After reviewing the  
54 contract, the attorney general shall do one of the following:

55 (a) Certify that the contract complies with this section;

56 (b) Decline to certify that the contract complies with this section and note  
57 objections;

58 (c) Decline to review the contract because the contract's compliance with this  
59 section is subject to pending litigation;

60 (d) Decline to review the contract because the contract is not subject to this section.

61 (2) In determining whether an agricultural contract or cover sheet is readable  
62 within the meaning of subsection 2 of this section, the attorney general shall consider at  
63 least the following factors:

64 (a) The simplicity of the sentence structure;

65 (b) The extent to which commonly used and understood words are employed;

66 (c) The extent to which esoteric legal terms are avoided;

67 (d) The extent to which references to other sections or provisions of the contract are  
68 minimized;

69 (e) The extent to which clear definitions are used in the text of the contract;

70 (f) Any additional factors relevant to the readability or understandability of the  
71 contract.

72 (3) Actions of the attorney general pursuant to this subsection are not subject to  
73 judicial review.

74 (4) A contract certified pursuant to this subsection is deemed to comply with  
75 subsections 1 and 2 of this section. Certification of a contract pursuant to this subsection  
76 does not constitute an approval of the contract's legality or legal effect. If the attorney

77 general certifies a contract or fails to respond within thirty days of receipt of the contract,  
78 the contractor or processor will be deemed to have complied with subsections 1 and 2 of  
79 this section and the remedies stated in subdivision (6) of this subsection and section 265.733  
80 are not available.

81 (5) Failure to submit a contract to the attorney general for review pursuant to this  
82 subsection does not show a lack of good faith or raise a presumption that the contract  
83 violates this section.

84 (6) (a) In addition to the remedies provided in section 265.733, a court reviewing  
85 an agricultural contract may change the terms of the contract or limit a provision to avoid  
86 an unfair result if the court finds all of the following:

87 a. A material provision of the contract violates subsection 1 or 2 of this section;

88 b. The violation caused the producer to be substantially confused about any of the  
89 rights, obligations or remedies of the contract;

90 c. The violation has caused or is likely to cause financial detriment to the producer.

91 (b) If the court reforms or limits a provision of an agricultural contract, the court  
92 shall also make orders necessary to avoid unjust enrichment. Bringing a claim for relief  
93 pursuant to this subdivision does not entitle a producer to withhold performance of an  
94 otherwise valid contractual obligation. No relief shall be granted pursuant to this  
95 subdivision unless the claim is brought before the obligations of the contract have been  
96 fully performed.

97 (7) (a) In a proceeding in which civil penalties are claimed from a party for a  
98 violation of this section, it is a defense to the claim that the party made a good faith and  
99 reasonable effort to comply.

100 (b) Notwithstanding the provisions of section 265.733 to the contrary, a party who  
101 has made a good faith and reasonable effort to comply with this section shall not be  
102 assessed attorney's fees or costs of investigation in an action for violating this section.

103 (8) Violation of this section is not a defense to a claim arising from a producer's  
104 breach of an agricultural contract. A producer may recover actual damages caused by a  
105 violation of this section only if the violation caused the producer to not understand the  
106 rights, obligations or remedies of the contract.

107 (9) A claim that an agricultural contract violates this section shall be raised within  
108 six years of the date the contract is executed by the producer.

265.712. A contract producer may cancel a production contract by mailing a  
2 written cancellation notice to the contractor within three business days after the contract  
3 is executed, or before a later cancellation deadline if a later deadline is specified in the  
4 contract. The contract producer's right to cancel, the method by which the contract

5 producer may cancel and the deadline for canceling the production contract shall be  
6 clearly disclosed in every production contract.

265.715. 1. A contractor or processor shall not on or after the effective date of  
2 sections 265.700 to 265.742 enforce a provision in an agricultural contract if the provision  
3 provides that information contained in the agricultural contract is confidential.

4 2. A provision which is part of an agricultural contract is confidential. The  
5 confidentiality provision is void whether the confidentiality provision is express or implied,  
6 oral or written, required or conditional contained in the agricultural contract, another  
7 agricultural contract or in a related document, policy or agreement. This section does not  
8 affect other provisions of an agricultural contract or a related document, policy or  
9 agreement which can be given effect without the voided provisions. This section does not  
10 require a party to an agricultural contract to divulge information in the agricultural  
11 contract to another person.

265.718. 1. A lien established pursuant to this section depends upon the execution  
2 of a production contract that provides for producing a commodity owned by a contractor  
3 by a contract producer at the contract producer's contract operation.

4 2. A contract producer who is a party to a production contract shall have a lien as  
5 provided in this section. The amount of the lien shall be the amount owed to the contract  
6 producer pursuant to the terms of the production contract, which may be enforced as  
7 provided in subsection 4 of this section.

8 (1) If the production contract is for the production of livestock or raw milk, all of  
9 the following shall apply:

10 (a) 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  
12 the 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 c. If the livestock is slaughtered by the contractor, the lien shall be on any property  
17 of the contractor that may be subject to a security interest as provided in section 9-102 of  
18 the Uniform Commercial Code;

19 (b) 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

26 The lien on livestock or raw milk is created at the time the livestock arrives at the contract  
27 livestock facility and continues for one year after the livestock is no longer under the  
28 authority of the contract producer. For purposes of this subdivision, livestock is no longer  
29 under the authority of the contract producer when the livestock leaves the contract  
30 livestock facility.

31 (2) If the production contract is for the production of crops, all of the following  
32 shall apply:

33 (a) If the crop is not sold or processed by the contractor, the lien shall be on the  
34 crop;

35 (b) If the crop is sold by the contractor, the lien shall be on cash proceeds from the  
36 sale. For purposes of this paragraph, cash held by the contractor shall be deemed to be  
37 cash proceeds from the sale regardless of whether it is identifiable cash proceeds;

38 (c) If the crop is processed by the contractor, the lien shall be on any property of  
39 the contractor that may be subject to a security interest as provided in section 9-102 of the  
40 Uniform Commercial Code.

41

42 The lien on a crop is created at the time the crop is planted and continues for one year after  
43 the crop is no longer under the authority of the contract producer. For purposes of this  
44 subdivision, a crop is no longer under the authority of the contract producer when the crop  
45 or a warehouse receipt issued by a warehouse operator licensed pursuant to chapter 411,  
46 RSMo, for grain from the crop is no longer under the custody or control of the contract  
47 producer.

48 3. (1) In order to preserve a lien created pursuant to this section, a contract  
49 producer shall file with the secretary of state a lien statement on a form prescribed by the  
50 secretary of state. If the lien arises out of producing livestock or raw milk, the contract  
51 producer shall file the lien within forty-five days after the day that the livestock first  
52 arrives at the contract livestock facility. If the lien arises out of producing a crop, the  
53 contract producer shall file the lien within forty-five days after the day that the crop is first  
54 planted. The secretary of state shall charge a fee of not more than ten dollars for filing the  
55 statement. The secretary of state may promulgate rules for the electronic filing of the  
56 statements. No rule or portion of a rule promulgated pursuant to the authority of this  
57 section shall become effective unless it has been promulgated pursuant to chapter 536,  
58 RSMo.

59 (2) The statement shall include all of the following:



- 60           **(a) An estimate of the amount owed pursuant to the production contract;**  
61           **(b) The date when the livestock arrives at the contract livestock facility or the date**  
62 **when the crop was planted;**  
63           **(c) The estimate duration of the period when the commodity will be under the**  
64 **authority of the contract producer;**  
65           **(d) The name of the party to the production contract whose commodity is produced**  
66 **pursuant to the production contract;**  
67           **(e) The description of the location of the contract operation, by county and**  
68 **township;**  
69           **(f) The printed name and signature of the person filing the form.**

70           **(3) Except as provided in section 430.030, RSMo, a lien created pursuant to this**  
71 **section until preserved and a lien preserved pursuant to this section are superior to and**  
72 **shall have priority over a conflicting lien or security interest in the commodity, including**  
73 **a lien or security interest that was perfected prior to the creation of the lien pursuant to**  
74 **this section.**

75           **4. Before a commodity leaves the authority of the contract producer as provided**  
76 **in subsection 2 of this section, the contract production may foreclose a lien created in that**  
77 **subsection in the manner provided for the foreclosure of secured transactions in sections**  
78 **9-504, 9-506 and 9-507 of the Uniform Commercial Code. After the commodity is no longer**  
79 **under the authority of the contract producer, the contract producer may enforce the lien**  
80 **in the manner provided in article 9, part 5 of the Uniform Commercial Code.**

**265.721. 1. This section only applies to a production contract executed by a**  
2 **contract producer and a contractor, if the contract producer makes capital investments of**  
3 **one hundred thousand dollars or more according to investment requirements provided in**  
4 **all production contracts in which the contract producer and the contractor are parties.**  
5 **The value of the capital investments shall be deemed to be the total dollar amount spent**  
6 **by the contract producer in satisfying the investment requirements, if such amount is**  
7 **ascertainable.**

8           **2. Except as provided in subsection 4 of this section, a contractor shall not**  
9 **terminate, cancel or fail to renew a production contract until the contractor has done the**  
10 **following:**

11           **(1) The contractor has provided the contract producer written notice of the**  
12 **intention to terminate, cancel or not renew at least ninety days prior to the effective date**  
13 **of the termination, cancellation or nonrenewal;**

14           **(2) The contract producer has been reimbursed for damages incurred due to the**  
15 **termination, cancellation or failure to renew. Damages shall be based on the value of the**

16 remaining useful life of the structures, machinery or equipment involved.

17       **3. Except as provided in subsection 4 of this section, if a contract producer**  
18 **materially breaches a production contract, including the investment requirements of a**  
19 **production contract, a contractor shall not terminate, cancel or fail to renew the**  
20 **production contract until the following have occurred:**

21       **(1) The contractor has provided a written notice of termination, cancellation or**  
22 **nonrenewal at least forty-five days prior to the effective date of such termination,**  
23 **cancellation or nonrenewal. The notice shall provide a list of complaints alleging causes**  
24 **for the breach;**

25       **(2) The contract producer fails to remedy each cause of the breach as alleged in the**  
26 **list of complaints provided in the notice within thirty days following receipt of the notice.**  
27 **An effort by a contract producer to remedy a cause of an alleged breach shall not be**  
28 **construed as an admission of a breach in a civil cause of action.**

29       **4. A contractor may terminate, cancel or fail to renew a production contract**  
30 **without notice or remedy as required in subsections 2 and 3 of this section is the basis for**  
31 **the termination, cancellation or nonrenewal is any of the following:**

32       **(1) A voluntary abandonment of the contractual relationship by the contract**  
33 **producer. A complete failure of a contract producer's performance under a production**  
34 **contract shall be deemed to be abandonment;**

35       **(2) The conviction of a contract producer of an offense of fraud or theft committed**  
36 **against the contract.**

37       **5. If a contractor terminates, cancels or fails to renew a production contract other**  
38 **than provided in this section, the contractor shall pay the contract producer the value of**  
39 **the remaining useful life of the structures, machinery or equipment involved.**

**265.724. 1. As used in this section, the following terms shall mean:**

2       **(1) "Contract input", a commodity or an organic or synthetic substance or**  
3 **compound that is used to produce a commodity, including but not limited to any of the**  
4 **following:**

- 5       **(a) Livestock or plants;**
- 6       **(b) Agricultural seeds;**
- 7       **(c) Semen or eggs for breeding livestock;**
- 8       **(d) A fertilizer or pesticide;**

9       **(2) "Producer right", one of the following legal rights and protections:**

- 10       **(a) The right of a producer to join or belong to, or to refrain from joining or**  
11 **belonging to, an association of producers;**
- 12       **(b) The right of a producer to enter into a membership agreement or marketing**

13 contract with an association of producers, a processor or another producer and the right  
14 of the producer to exercise contractual rights under such a membership agreement or  
15 marketing contract;

16 (c) The right of a producer to lawfully provide statements or information, including  
17 to the United States Secretary of Agriculture or to a law enforcement agency, regarding  
18 alleged improper actions or violations of law by a contractor or processor. Such right does  
19 not include the right to make statements or provide information if the statements or  
20 information are determined to be libelous or slanderous;

21 (d) The right of a producer to file, continue, terminate or enforce a lien pursuant  
22 to section 265.718;

23 (e) The right of a contract producer to utilize protections to review production  
24 contracts pursuant to section 265.712;

25 (f) The right of a producer to disclose the terms of agriculture contracts pursuant  
26 to section 265.715;

27 (g) The right of a producer to enforce other protections afforded by sections  
28 265.700 to 265.742 or other laws or regulations.

29 2. It shall be unlawful for any contractor or processor to knowingly engage or  
30 permit any employee or agent to engage in the following practices in connection with  
31 agricultural contracts:

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

35 (a) The execution, termination, extension or renewal of an agricultural contract;

36 (b) The treatment of a producer, which may include providing discriminatory or  
37 preferential terms in an agriculture contract or interpreting terms of an existing  
38 agricultural contract in a discriminatory or preferential manner. The terms may relate to  
39 the price paid for a commodity, the quality or the quantity of a commodity demanded or  
40 financing, including investment requirements;

41 (c) The grant of a reward or imposition of a penalty, including the denial of a  
42 reward. The reward or penalty may be in any form, including but not limited to, financial  
43 rewards or penalties. Financial rewards or penalties may relate to loans, bonuses or  
44 inducements;

45 (d) Alter the quality, quantity or delivery times of contract inputs provided to the  
46 producer;

47 (2) To provide false information to the producer, which may include false  
48 information relating to any of the following:

49           **(a) A producer with whom the producer associates or an association of producers**  
50 **or an agricultural organization with which the producer is affiliated, including but not**  
51 **limited to any of the following:**

52           **a. The character of the producer;**

53           **b. The condition of the finances or the management of the association of producers**  
54 **or agricultural organization;**

55           **(b) Producer rights provided by sections 265.700 to 265.742;**

56           **(3) To refuse to provide to a contract producer upon request the statistical**  
57 **information and data used to determine compensation paid to the contract producer under**  
58 **a production contract, including but not limited to, feed conversion rates, feed analysis,**  
59 **origination and breeder history;**

60           **(4) To refuse to allow a contract producer or the contract producer's designated**  
61 **representative to observe, by actual observation at the time of weighing, the weights and**  
62 **measures used to determine the contract producer's compensation under a production**  
63 **contract;**

64           **(5) To use the performance of any other contract producer to determine the**  
65 **compensation of a contract producer under a production contract or as the basis of the**  
66 **termination, cancellation or renewal of a production contract;**

67           **(6) To require a contract producer to make new or additional capital investments**  
68 **in connection with, or to retain, continue or renew, a production contract which are**  
69 **beyond the investment requirements of such production contract. It shall not be a violation**  
70 **of this section if such new or additional capital investments are partially paid for by the**  
71 **contractor, or offset by other compensation or modifications to contract terms, in a manner**  
72 **the contract producer agrees to in writing as constituting acceptable and satisfactory**  
73 **consideration for the new capital investment;**

74           **(7) To execute an agricultural contract in violation of the disclosure of risks and**  
75 **readability requirements of section 265.709;**

76           **(8) To execute an agricultural contract which includes a confidentiality provision**  
77 **in violation of section 265.715;**

78           **(9) To execute an agricultural contract without a mediation provision as required**  
79 **in section 265.736;**

80           **(10) To execute an agricultural contract which includes a waiver of any producer**  
81 **right or any obligation of a contractor or processor established pursuant to sections**  
82 **265.700 to 265.742;**

83           **(11) To execute an agricultural contract requiring the application of the law of**  
84 **another state in lieu of sections 265.700 to 265.742.**

2           **265.727.** Any provision of an agricultural contract which waives a producer right  
3 or an obligation of a contractor or processor established by sections 265.700 to 265.742 is  
4 void and unenforceable. This section does not affect other provisions of an agricultural  
5 contract, including an agricultural contract or related document, policy or agreement  
which can be given effect without the voided provision.

2           **265.730.** Any condition, stipulation or provision requiring the application of the law  
of another state in lieu of sections 265.700 to 265.742 is void and unenforceable.

2           **265.733.** An agricultural contract shall contain language providing for resolution  
of disputes concerning the contract by mediation. If there is a dispute involving an  
3 agricultural contract, either party may make a written request to a mediation service  
4 approved by the attorney general for mediation services as specified in the contract to  
5 facilitate resolution of the dispute.

2           **265.736. 1.** A contractor or processor who commits an unfair practice pursuant to  
section 265.724 shall be subject to a civil penalty not to exceed ten thousand dollars.

3           **2.** A contractor or processor committing an unfair practice pursuant to section  
4 265.724 shall be guilty of a class A misdemeanor.

5           **3.** A producer who suffers damages because of a contractor's or processor's  
6 violation of sections 265.700 to 265.742 may obtain appropriate legal and equitable relief,  
7 including damages, as a suit in common law pursuant to Missouri's rules of civil procedure.

8           **(1)** In such a civil action against the contractor or processor, the court shall award  
9 the producer who is the prevailing party reasonable attorney fees and other litigation  
10 expenses.

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

16           **4.** The attorney general's office shall be the agency primarily responsible for  
17 enforcing the provisions of sections 265.700 to 265.742. In enforcing the provisions of  
18 sections 265.700 to 265.742, the attorney general may do all of the following:

19           **(1)** Apply to the district court for an injunction to do any of the following:

20           **(a)** Restrain a contractor or processor from engaging in conduct or practices in  
21 violation of sections 265.700 to 265.742;

22           **(b)** Require a contractor or processor to comply with a provision of sections 265.700  
23 to 265.742;

24           **(2)** Apply to district court for the issuance of a subpoena to obtain an agricultural

25 **contract for purposes of enforcing sections 265.700 to 265.742;**

26 **(3) Bring an action in district court to enforce penalties provided in subsections 1**  
27 **and 2 of this section.**

**265.739. The attorney general may promulgate rules to implement the provisions**  
2 **of sections 265.700 to 265.742. No rule or portion of a rule promulgated pursuant to the**  
3 **authority of sections 265.700 to 265.742 shall become effective unless it has been**  
4 **promulgated pursuant to chapter 536, RSMo.**

**265.742. 1. Except as provided in subsection 2 of this section, sections 265.700 to**  
2 **265.742 apply to agricultural contracts in force on or after the effective date of sections**  
3 **265.700 to 265.742, regardless of the date the agricultural contract is executed.**

4 **2. Sections 265.709, 265.712 and 265.721, subdivision (5) of subsection 2 of section**  
5 **265.724, and sections 265.730 and 265.733 shall apply to agricultural contracts executed**  
6 **or substantively amended after the effective date of sections 265.700 to 265.742.**