

AN ACT

relating to acreage contracts and quantity contracts for the purchase of agricultural products.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. This Act may be cited as the Producer Protection Act.

SECTION 2. Subtitle D, Title 5, Agriculture Code, is amended by adding Chapter 104 to read as follows:

CHAPTER 104. ACREAGE CONTRACTS AND QUANTITY CONTRACTS

Sec. 104.001. DEFINITIONS. In this chapter:

(1) "Acreage contract" means a contract that requires a producer to deliver to a purchaser all of the production of a specified agricultural product grown on land described in the contract, unless clearly and conspicuously stated otherwise in the contract's language. The term does not include a contract that requires a producer to deliver a specified quantity of an agricultural product.

(2) "Producer" means a person who produces an agricultural product and sells the product under an acreage contract or a quantity contract.

(3) "Purchaser" means a person who purchases an agricultural product under an acreage contract or a quantity contract.

(4) "Quantity contract" means a contract that requires

1 a producer to deliver to a purchaser a specified quantity of an
2 agricultural product, regardless of the amount of the product grown
3 by the producer.

4 Sec. 104.002. CONTRACT TYPE DISCLOSURE. A contract between
5 a producer and a purchaser regarding an agricultural product must
6 clearly and conspicuously state on its face that it is an acreage
7 contract or a quantity contract, as applicable.

8 Sec. 104.003. SUIT BY PURCHASER UNDER ACREAGE CONTRACT. A
9 purchaser may not file suit against a producer under an acreage
10 contract unless the producer knowingly fails to deliver to the
11 purchaser all of an agricultural product grown on specified land as
12 provided by the acreage contract.

13 SECTION 3. Chapter 104, Agriculture Code, as added by this
14 Act, applies only to a contract executed on or after the effective
15 date of this Act. A contract executed before the effective date of
16 this Act is governed by the law in effect when the contract was
17 executed, and the former law is continued in effect for that
18 purpose.

19 SECTION 4. This Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 338 was passed by the House on May 4, 2017, by the following vote: Yeas 139, Nays 3, 3 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 338 was passed by the Senate on May 24, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor