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First Regular Session - 2019

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 121

BY AGRICULTURAL AFFAIRS COMMITTEE

1	AN ACT
2	RELATING TO POTATOES; AMENDING CHAPTER 26, TITLE 22, IDAHO CODE, BY THE ADDI-
3	TION OF A NEW SECTION 22-2619, IDAHO CODE, TO DEFINE TERMS AND TO PROVIDE
4	FOR A PROCESSED POTATOES NEGOTIATION PERIOD.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 26, Title 22, Idaho Code, be, and the same is hereby amended by the addition thereto of a $\underline{\text{NEW SECTION}}$, to be known and designated as Section 22-2619, Idaho Code, and to read as follows:

- 22-2619. ESTABLISHMENT OF A PROCESSED POTATOES NEGOTIATION PERIOD. (1) "Potato processing producer association" means a nonprofit, cooperative association, with or without capital stock, formed under the provisions of this chapter with forty (40) or more persons currently engaged in the planting, growing, harvesting, or producing, or having facilities for growing, raising, or storing of raw potatoes for processing.
- (2) "Potato processor" means any person who fries and freezes potatoes for eventual resale and who contracts or purchases potatoes from growers who are members of a potato processing producer association. For the purposes of this subsection, a person who solely cleans, sorts, grades, or packages potatoes for sale without significantly altering the natural condition of the product is not a potato processor. For purposes of this subsection, a person who solely dehydrates potatoes is not a potato processor.
- (3) A potato processing producer association and a potato processor, upon written notice by either party on or after October 31, shall enter into in-person meetings to conduct negotiations for a period that shall not extend beyond March 15 of the following year. In the event that an agreement has not been reached by March 15, each party is released from the negotiation period. During the negotiation period, the parties shall negotiate in good faith an agreement for the purchase and sale of raw potatoes for processing. Such negotiations may include price, terms of sale, and compensation for products produced for preseason fry contracts. For the purposes of this subsection, "good faith" means honesty, fairness, the observance of reasonable standards of fair dealing, and lawfulness of purpose with the absence of any intent to defraud or act maliciously. Members of a potato processing producer association and a potato processor shall not individually enter into negotiations during the good faith negotiation period. Members of a potato processing producer association and a potato processor are released to enter into negotiations after the negotiation period.