

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 121

BY AGRICULTURAL AFFAIRS COMMITTEE

AN ACT

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

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

6 SECTION 1. That Chapter 26, Title 22, Idaho Code, be, and the same is
7 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
8 ignated as Section 22-2619, Idaho Code, and to read as follows:

9 22-2619. ESTABLISHMENT OF A PROCESSED POTATOES NEGOTIATION PE-
10 RIOD. (1) "Potato processing producer association" means a nonprofit,
11 cooperative association, with or without capital stock, formed under the
12 provisions of this chapter with forty (40) or more persons currently engaged
13 in the planting, growing, harvesting, or producing, or having facilities for
14 growing, raising, or storing of raw potatoes for processing.

15 (2) "Potato processor" means any person who fries and freezes potatoes
16 for eventual resale and who contracts or purchases potatoes from growers who
17 are members of a potato processing producer association. For the purposes
18 of this subsection, a person who solely cleans, sorts, grades, or packages
19 potatoes for sale without significantly altering the natural condition of
20 the product is not a potato processor. For purposes of this subsection, a
21 person who solely dehydrates potatoes is not a potato processor.

22 (3) A potato processing producer association and a potato processor,
23 upon written notice by either party on or after October 31, shall enter into
24 in-person meetings to conduct negotiations for a period that shall not ex-
25 tend beyond March 15 of the following year. In the event that an agreement
26 has not been reached by March 15, each party is released from the negotiation
27 period. During the negotiation period, the parties shall negotiate in good
28 faith an agreement for the purchase and sale of raw potatoes for process-
29 ing. Such negotiations may include price, terms of sale, and compensation
30 for products produced for preseason fry contracts. For the purposes of this
31 subsection, "good faith" means honesty, fairness, the observance of reason-
32 able standards of fair dealing, and lawfulness of purpose with the absence
33 of any intent to defraud or act maliciously. Members of a potato process-
34 ing producer association and a potato processor shall not individually enter
35 into negotiations during the good faith negotiation period. Members of
36 a potato processing producer association and a potato processor are released
37 to enter into negotiations after the negotiation period.