

110TH CONGRESS  
1ST SESSION

# S. 221

To amend title 9, United States Code, to provide for greater fairness in the arbitration process relating to livestock and poultry contracts.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 9, 2007

Mr. GRASSLEY (for himself, Mr. FEINGOLD, Mr. KOHL, Mr. HARKIN, Mr. HAGEL, and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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## A BILL

To amend title 9, United States Code, to provide for greater fairness in the arbitration process relating to livestock and poultry contracts.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fair Contracts for  
5 Growers Act of 2007”.

6 **SEC. 2. ELECTION OF ARBITRATION.**

7 (a) IN GENERAL.—Chapter 1 of title 9, United  
8 States Code, is amended by adding at the end the fol-  
9 lowing:

1 **“§ 17. Livestock and poultry contracts**

2 “(a) DEFINITIONS.—In this section:

3 “(1) LIVESTOCK.—The term ‘livestock’ has the  
4 meaning given the term in section 2(a) of the Pack-  
5 ers and Stockyards Act, 1921 (7 U.S.C. 182(a)).

6 “(2) LIVESTOCK OR POULTRY CONTRACT.—The  
7 term ‘livestock or poultry contract’ means any  
8 growout contract, marketing agreement, or other ar-  
9 rangement under which a livestock or poultry grower  
10 raises and cares for livestock or poultry.

11 “(3) LIVESTOCK OR POULTRY GROWER.—The  
12 term ‘livestock or poultry grower’ means any person  
13 engaged in the business of raising and caring for  
14 livestock or poultry in accordance with a livestock or  
15 poultry contract, whether the livestock or poultry is  
16 owned by the person or by another person.

17 “(4) POULTRY.—The term ‘poultry’ has the  
18 meaning given the term in section 2(a) of the Pack-  
19 ers and Stockyards Act, 1921 (7 U.S.C. 182(a)).

20 “(b) CONSENT TO ARBITRATION.—If a livestock or  
21 poultry contract provides for the use of arbitration to re-  
22 solve a controversy under the livestock or poultry contract,  
23 arbitration may be used to settle the controversy only if,  
24 after the controversy arises, both parties consent in writ-  
25 ing to use arbitration to settle the controversy.

1           “(c) EXPLANATION OF BASIS FOR AWARDS.—If arbi-  
2 tration is elected to settle a dispute under a livestock or  
3 poultry contract, the arbitrator shall provide to the parties  
4 to the contract a written explanation of the factual and  
5 legal basis for the award.”.

6           (b) TECHNICAL AND CONFORMING AMENDMENT.—  
7 The table of sections for chapter 1 of title 9, United States  
8 Code, is amended by adding at the end the following:

“17. Livestock and poultry contracts.”.

9 **SEC. 3. EFFECTIVE DATE.**

10           The amendments made by section 2 shall apply to  
11 a contract entered into, amended, altered, modified, re-  
12 newed, or extended after the date of enactment of this Act.

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