

AGRICULTURAL FAIR PRACTICES ACT OF 1967

W. E. Black

Extension Economist in Marketing and Policy
Texas A&M University

Agricultural products in the United States are produced by many widely scattered farmers and ranchers. Their marketing and bargaining position is weak and will remain so unless they can join together voluntarily in an association of producers or in cooperative organizations as authorized by law. Interference with this right adversely affects the free and orderly flow of goods in interstate and foreign commerce. The purpose of the Agricultural Fair Practices Act of 1967 is to establish standards of fair practice required of buyers and handlers¹ in dealings with agricultural products².

PROHIBITED PRACTICES

It is unlawful for any handler to knowingly engage in or permit any employee or agent to engage in the following practices:

1. To keep any farmer or rancher from joining or belonging to an association of producers, or to refuse to deal with him because he joins or belongs to such an association.
2. To discriminate against any producer in price, quantity, quality or other terms of purchase, acquisition or other handling of agricultural products because of his membership in or contract with an association of producers.
3. To force, frighten or bait any producer to enter into, maintain, breach, cancel or terminate a membership agreement or marketing contract with a handler.
4. To pay or loan money, give anything of value or offer any other inducement or reward to a producer for refusing to or ceasing to belong to an association of producers.

¹Includes any person who acquires, grades, packs, handles, stores, processes or contracts agricultural products from producers or associations of producers, or an agent or broker acting for such person.

²Excludes cotton or tobacco or their products.

5. To make false reports about the finances, management or activities of associations of producers or handlers.

6. To conspire, combine, agree or arrange with any other person to do, or aid or abet the doing of any act made unlawful by this Act.

NORMAL DEALINGS UNAFFECTED

Handlers and producers may select their customers and suppliers for any reason except a producer's membership in or contract with a producers' association. Handlers are not required to deal with a producers' association.

ENFORCEMENT

1. Whenever any handler engages in or there are reasonable grounds to believe any handler is about to engage in any prohibited act or practice, any affected person³ can seek relief through civil action, including application for permanent or temporary injunction, restraining order or other order. However, such person must assure payment as the court deems proper for costs or damages incurred or suffered by any party found wrongfully enjoined or restrained.

2. Whenever the United States Secretary of Agriculture believes any handler or group of handlers has engaged in any prohibited act or practice, he may request the Attorney General to bring civil action in his behalf in any appropriate Federal district court. He files with the court a complaint (a) setting forth the facts pertaining to such act or practice and (b) requests preventive relief including permanent or temporary injunction, restraining order or other order against the handler or handlers responsible for such acts or practices.

3. Any person injured in his business or property by any violation of this Act may sue therefor in the appropriate Federal district court without

³Includes individuals, partnerships, corporations or associations.

respect to the amount in question and shall recover damage suffered. In any court action, the court may allow the affected party a reasonable attorney's fee as part of the cost. Action to enforce provisions of this Act must be initiated within 2 years of the violation.

4. The Federal district courts have jurisdiction over all cases initiated under this Act and shall exercise the same regardless of prior administrative or other remedies used by the injured party.

This act is known as Public Law 90-288 (Bill S-109, 90th Congress) Approved April 16, 1968.