

Chapter 60.13 RCW
PROCESSOR AND PREPARER LIENS FOR AGRICULTURAL PRODUCTS

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RCW 60.13.010 Definitions. As used in this chapter, the terms defined in this section have the meanings indicated unless the context clearly requires otherwise.

(1) "Agricultural product" means any unprocessed horticultural, vermicultural and its by-products, viticultural, berry, poultry, poultry product, grain, bee, or other agricultural products, and includes mint or mint oil processed by or for the producer thereof and hay and straw baled or prepared for market in any manner or form and livestock. When used in RCW 60.13.020, "agricultural product" means horticultural, viticultural, aquacultural, or berry products, hay and straw, milk and milk products, vegetable seed, or turf and forage seed and applies only when such products are delivered to a processor or conditioner in an unprocessed form.

(2) "Commercial fisher" means a person licensed to fish commercially for or to take food fish or shellfish or steelhead legally caught pursuant to executive order, treaty right, or federal statute.

(3) "Conditioner," "consignor," "person," and "producer" have the meanings defined in RCW 20.01.010.

(4) "Delivers" means that a producer completes the performance of all contractual obligations with reference to the transfer of actual or constructive possession or control of an agricultural product to a processor or conditioner or preparer, regardless of whether the processor or conditioner or preparer takes physical possession.

(5) "Fish" means food fish or shellfish or steelhead legally caught pursuant to executive order, treaty right, or federal statute.

(6) "Preparer" means a person engaged in the business of feeding livestock or preparing livestock products for market.

(7) "Processor" means any person, firm, company, or other organization that purchases agricultural products except milk and milk products from a consignor and that cans, freezes, dries, dehydrates, cooks, presses, powders, or otherwise processes those crops in any manner whatsoever for eventual resale, or that purchases or markets milk from a dairy producer and is obligated to remit payment to such dairy producer directly.

(8) "Vinifera grapes" means the agricultural product commonly known as *Vitis vinifera* and those hybrid of *Vitis vinifera* that have predominantly the character of *Vitis vinifera*.

(9) "Wine producer" means any person or other entity licensed under Title 66 RCW to produce within the state wine from vinifera grapes. [2013 c 23 § 118. Prior: 2012 c 106 § 1; 2002 c 278 § 1; 1991 c 174 § 2; 1987 c 148 § 1; 1985 c 412 § 1.]

RCW 60.13.020 Processor lien. Starting on the date a producer delivers any agricultural product to a processor or conditioner, the producer has a first priority statutory lien, referred to as a "processor lien." A commercial fisher who delivers fish to a processor also has a first priority statutory "processor lien" starting on the date the fisher delivers fish to the processor. This processor lien shall continue until twenty days after payment for the product is due and remains unpaid, without filing any notice of lien, for the contract price, if any, or the fair market value of the products delivered. The processor lien attaches to the agricultural products or fish delivered, to the processor's or conditioner's inventory, and to the processor's or conditioner's accounts receivable. However, no processor lien may attach to agricultural products or fish delivered by a producer or commercial fisher, or on the producer's or fisher's behalf, to a processor which is organized and operated on a cooperative basis and of which the producer or fisher is a member, nor may such lien attach to such processor's inventory or accounts receivable. [2013 c 23 § 119; 1987 c 148 § 2; 1985 c 412 § 2.]

RCW 60.13.030 Preparer lien for grain, hay, or straw. Starting on the date a producer delivers grain, hay, or straw to a preparer, the producer has a first priority statutory lien, referred to as a "preparer lien." This preparer lien shall continue twenty days after payment for the product is due and remains unpaid, without filing any notice of lien, for the contract price, if any, or the fair market value of the products delivered. The preparer lien attaches to the agricultural products delivered by the producer to the preparer, and to the preparer's accounts receivable. [1985 c 412 § 3.]

RCW 60.13.035 Notice of preparer lien for dairy products—Proof of lien. A person who controls or possesses amounts payable to the preparer of dairy products or the preparer's assigns, if the preparer or preparer's assigns is not a producer-handler, which are properly encumbered by a preparer's lien upon an account receivable shall not be obligated to pay a producer amounts to which the producer's preparer lien has attached until that person receives written notice of such lien, nor shall that person be liable to the producer for any amounts paid out prior to receipt of said notice. The notice required herein shall contain the information described in RCW 60.13.040(2). If requested by the person responsible for payment of such amounts, the producer must seasonably furnish reasonable proof that the preparer lien continues to exist and unless such proof is so furnished, that person has no obligation to pay the producer. A preparer of dairy products shall provide the name of the purchaser or marketing agent of the products to the producer upon request.

Failure to furnish the written notice as provided in this section shall not affect the status of the lien established under this chapter

in regard to the relationship with other creditors. [1986 c 178 § 15.]

RCW 60.13.038 Wine producer lien—First priority—Terms.

Starting on the date a producer of vinifera grapes delivers vinifera grapes to a wine producer, the producer has a first priority statutory lien, referred to as a wine producer lien. This wine producer lien shall continue, without filing notice of lien, until sixty days after payment for the product is due and remains unpaid, for the contract price, if any, or the fair market value of the products delivered. The wine producer lien attaches to the vinifera grapes delivered, to the wine producer's inventory, and to the wine producer's accounts receivable. For purposes of this section, payment is due on the date specified in the contract, or if not specified or no contract exists, then within thirty days from time of delivery. [2012 c 106 § 2.]

RCW 60.13.040 Filing of statement evidencing lien—Contents—Standard filing forms, fees, and procedures.

(1) A producer or commercial fisher claiming a wine producer, processor, or preparer lien may file a statement evidencing the lien with the department of licensing after payment from the wine producer, processor, conditioner, or preparer to the producer or fisher is due and remains unpaid. For purposes of this subsection and RCW 60.13.050, payment is due on the date specified in the contract, or if not specified, then within thirty days from time of delivery.

(2) The statement shall be in a record, authenticated by the producer or fisher, and shall contain in substance the following information:

(a) A true statement or a reasonable estimate of the amount demanded after deducting all credits and offsets;

(b) The name of the wine producer, processor, conditioner, or preparer who received the agricultural product or fish to be charged with the lien;

(c) A description sufficient to identify the agricultural product or fish to be charged with the lien;

(d) A statement that the amount claimed is a true and bona fide existing debt as of the date of the filing of the notice evidencing the lien;

(e) The date on which payment was due for the agricultural product or fish to be charged with the lien; and

(f) The department of licensing may by rule prescribe standard filing forms, fees, and uniform procedures for filing with, and obtaining information from, filing officers. [2013 c 23 § 120; 2012 c 106 § 3; 2002 c 278 § 2; 2001 c 32 § 6. Prior: 1987 c 189 § 7; 1987 c 148 § 3; 1985 c 412 § 4.]

Effective date—2001 c 32: See note following RCW 62A.9A-102.

RCW 60.13.050 Priority of lien. (1)(a) If a statement is filed pursuant to RCW 60.13.040 within twenty days of the date upon which payment from the processor, conditioner, or preparer to the producer or commercial fisher is due and remains unpaid, the processor or preparer lien evidenced by the statement continues its priority over

all other liens or security interests upon agricultural products or fish, inventory, and accounts receivable, except as provided in (b) of this subsection. Such priority is without regard to whether the other liens or security interests attached before or after the date on which the processor or preparer lien attached.

(b) The processor or preparer lien shall be subordinate to liens for taxes or labor perfected before filing of the processor or preparer lien.

(2) If the statement provided for in RCW 60.13.040 is not filed within twenty days of the date payment is due and remains unpaid, the processor or preparer lien shall thereupon become subordinate to:

(a) A lien that has attached to the agricultural product or fish, inventory, or accounts receivable before the date on which the processor or preparer lien attaches; and

(b) A perfected security interest in the agricultural product or fish, inventory, or accounts receivable. [2013 c 23 § 121; 1987 c 148 § 4; 1985 c 412 § 5.]

RCW 60.13.053 Priority of lien—Wine. (1) (a) If a statement is filed pursuant to RCW 60.13.040 within sixty days of the date upon which payment from the wine producer is due and remains unpaid, the wine producer lien evidenced by the statement continues its priority over all other liens or security interests upon the vinifera grapes delivered, inventory, and accounts receivable, except as provided in (b) of this subsection. This priority is without regard to whether the other liens or security interests attached before or after the date on which the wine producer lien attached.

(b) The wine producer lien is subordinate to liens for taxes or labor perfected before filing of the wine producer lien.

(2) If the statement provided for in RCW 60.13.040 is not filed within sixty days of the date payment is due and remains unpaid, the wine producer lien thereupon becomes subordinate to:

(a) A lien that has attached to the vinifera grapes delivered, inventory, or accounts receivable before the date on which the wine producer lien attaches; and

(b) A perfected security interest in the vinifera grapes delivered, inventory, or accounts receivable. [2012 c 106 § 4.]

RCW 60.13.060 Duration of lien—Statement of discharge. (1) The wine producer or processor lien shall terminate twelve months after, and the preparer lien shall terminate fifty days after, the later of the date of attachment or filing, unless a suit to foreclose the lien has been filed before that time as provided in RCW 60.13.070.

(2) If a statement has been filed as provided in RCW 60.13.040 and the producer or commercial fisher has received payment for the obligation secured by the lien, the producer or fisher shall promptly file with the department of licensing a statement declaring that full payment has been received and that the lien is discharged. If, after payment, the producer or fisher fails to file such statement of discharge within ten days following a request to do so, the producer or fisher shall be liable to the wine producer, processor, conditioner, or preparer in the sum of one hundred dollars plus actual damages caused by the failure. [2013 c 23 § 122; 2012 c 106 § 5; 2002 c 278 § 3; 1987 c 148 § 5; 1985 c 412 § 6.]

RCW 60.13.070 Foreclosure and enforcement of lien—Costs. (1)

The wine producer, processor, or preparer liens may be foreclosed and enforced by civil action in superior court.

(2) In all suits to enforce wine producer, processor, or preparer liens, the court shall, upon entering judgment, allow to the prevailing party as a part of the costs, all moneys paid for the filing and recording of the lien and reasonable attorney fees. [2012 c 106 § 6; 1985 c 412 § 7.]