

3675

2011-2012 Regular Sessions

I N A S S E M B L Y

January 26, 2011

Introduced by M. of A. FINCH, BUTLER, CROUCH, KOLB, BURLING -- Multi-Sponsored by -- M. of A. MAGEE, McDONOUGH, MOLINARO -- read once and referred to the Committee on Agriculture

AN ACT to amend the agriculture and markets law and the cooperative corporations law, in relation to establishing a dairy farmers' bill of rights

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. The agriculture and markets law is amended by adding two  
2 new sections 256-c and 256-d to read as follows:  
3 S 256-C. DAIRY FARMERS' BILL OF RIGHTS; DECLARATION OF POLICY. THE  
4 EXPRESSED INTENT OF THE AGRICULTURE AND MARKETS LAW AND THE POLICY OF  
5 THIS STATE IS TO FOSTER AND ENCOURAGE THE MARKETING OF MILK THROUGH  
6 PRODUCER OWNED AND CONTROLLED COOPERATIVES. THE ORDERLY MARKETING OF  
7 MILK FOR THE BENEFIT OF FARMERS, MILK DEALERS, AND CONSUMERS IS ENHANCED  
8 WHEN MILK PRODUCERS ARE FREE TO MAKE AN INDEPENDENT UNCOERCED DECISION  
9 REGARDING THEIR PARTICIPATION IN COOPERATIVE ASSOCIATIONS, AS AUTHORIZED  
10 BY STATE AND FEDERAL LAW. INTERFERENCE IN THE EXERCISE OF THIS FREE  
11 RIGHT OF CHOICE IS CONTRARY TO THE PUBLIC INTEREST. FOR THIS REASON, THE  
12 LEGISLATURE FINDS THAT THE PUBLIC INTEREST REQUIRES THAT THERE BE A  
13 SPECIFICATION OF PROHIBITED UNFAIR TRADE PRACTICES WHICH HAVE THE  
14 PURPOSE OF INTENTIONALLY IMPAIRING A PRODUCER'S FREEDOM TO BARGAIN  
15 COLLECTIVELY WITH OTHER PRODUCERS IN THE MARKETING OF THE PRODUCER'S  
16 PRODUCT.  
17 FOR PURPOSES OF THIS SECTION, (I) AN "ASSOCIATION OF PRODUCERS" OR  
18 "COOPERATIVE" SHALL MEAN ANY CORPORATION OR ASSOCIATION OF PERSONS  
19 ENGAGED IN THE PRODUCTION OF MILK AND OPERATING FOR THE MUTUAL BENEFIT  
20 OF ITS MEMBERS IN CONFORMITY WITH THE REQUIREMENT OF THE CAPPER-VOLSTEAD  
21 ACT, AND ANY FEDERATION OF SUCH CORPORATIONS OR ASSOCIATIONS, OR OF SUCH  
22 CORPORATIONS, ASSOCIATIONS, AND INDIVIDUAL PRODUCERS, AND (II) AN ASSO-  
23 CIATION OF PRODUCERS SHALL NOT BE CONSIDERED TO BE A MILK DEALER.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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1 S 256-D. UNFAIR PRACTICES BY DEALERS. 1. IT SHALL BE UNLAWFUL FOR ANY  
2 MILK DEALER OR ANY OF ITS OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES TO  
3 INTENTIONALLY IMPAIR A PRODUCER'S FREEDOM TO JOIN OR TO PARTICIPATE IN  
4 AN ASSOCIATION OF PRODUCERS OR COOPERATIVE BY:

5 (A) COERCING, THROUGH THREAT OF INJURY TO PERSON OR PROPERTY, OR TO  
6 HEALTH, SAFETY, BUSINESS OR FINANCIAL CONDITION, REPUTATION OR PERSONAL  
7 RELATIONSHIPS ANY PRODUCER IN THE EXERCISE OF HIS OR HER RIGHT TO JOIN  
8 AND BELONG TO AN ASSOCIATION OF PRODUCERS OR COOPERATIVE;

9 (B) SOLICITING OR REQUESTING ANY PRODUCER TO BREACH A MARKETING AGREE-  
10 MENT OR OTHER CONTRACTUAL AGREEMENT BETWEEN THE PRODUCER AND AN ASSOCI-  
11 ATION OF PRODUCERS OR COOPERATIVE;

12 (C) MAKING A LOAN OR GIFT OF MONEY, OR OF ANYTHING ELSE OF VALUE, OR  
13 OFFERING TO MAKE SUCH A LOAN OR GIFT FOR THE SPECIFIC PURPOSE OF INDUC-  
14 ING A PRODUCER TO REFUSE OR CEASE TO BELONG TO AN ASSOCIATION OF PRODUC-  
15 ERS OR COOPERATIVE;

16 (D) REFUSING TO DEAL WITH ANY PRODUCER, BECAUSE OF THE EXERCISE OF THE  
17 PRODUCER'S RIGHT TO JOIN AND BELONG TO AN ASSOCIATION OF PRODUCERS OR  
18 COOPERATIVE;

19 (E) MAKING FALSE REPORTS ABOUT THE FINANCES OR MANAGEMENT OF AN ASSO-  
20 CIATION OF PRODUCERS OR OTHER MILK DEALERS IN RECKLESS DISREGARD OF THE  
21 TRUTH OR KNOWING THAT SUCH STATEMENTS ARE UNTRUE AND THAT THERE IS A  
22 REASONABLE LIKELIHOOD THAT SUCH STATEMENTS WILL IMPAIR A PRODUCER'S  
23 RIGHT TO MAKE AN INDEPENDENT DECISION TO BELONG TO AN ASSOCIATION OF  
24 PRODUCERS OR COOPERATIVE; AND

25 (F) CONSPIRING, COMBINING, AGREEING, OR ARRANGING WITH ANY OTHER  
26 PERSON TO DO, OR AID AND ABET THE DOING OF, ANY ACT MADE UNLAWFUL BY  
27 THIS SECTION.

28 2. FOR PURPOSES OF THIS SECTION: (A) AN "ASSOCIATION OF PRODUCERS" OR  
29 "COOPERATIVE" SHALL MEAN ANY CORPORATION OR ASSOCIATION OF PERSONS  
30 ENGAGED IN THE PRODUCTION OF MILK AND OPERATING FOR THE MUTUAL BENEFIT  
31 OF ITS MEMBERS IN CONFORMITY WITH THE REQUIREMENTS OF THE CAPPER-VOL-  
32 STEAD ACT, AND ANY FEDERATION OF SUCH CORPORATIONS OR ASSOCIATIONS, OR  
33 OF SUCH CORPORATIONS, ASSOCIATIONS, AND INDIVIDUAL PRODUCERS, AND (B) AN  
34 ASSOCIATION OF PRODUCERS SHALL NOT BE CONSIDERED TO BE A MILK DEALER.

35 3. NOTHING IN THIS SECTION IS INTENDED TO PREVENT BARGAINING BETWEEN  
36 MILK DEALERS AND PRODUCERS OR ASSOCIATIONS OF PRODUCERS WITH RESPECT TO  
37 PRICE OR ANY OTHER TERMS OF PURCHASE OR HANDLING OF MILK IN A COURSE OF  
38 DEALING NOT PROSCRIBED BY THIS SECTION, NOR TO PREVENT PRODUCERS FROM  
39 REQUIRING THAT PAYMENT BE MADE THROUGH AN ASSOCIATION OF PRODUCERS OR  
40 COOPERATIVE.

41 4. WHENEVER THE COMMISSIONER HAS REASON TO BELIEVE A VIOLATION OF THIS  
42 SECTION HAS OCCURRED, THE COMMISSIONER MAY COMMENCE SUCH JUDICIAL  
43 ACTION, OR INSTITUTE SUCH INVESTIGATION OR PROCEEDING AND ISSUE AN ORDER  
44 BASED THEREON, AS IS PROVIDED BY THIS ARTICLE OR ARTICLE THREE OF THIS  
45 CHAPTER; PROVIDED, HOWEVER, THAT THE COMMISSIONER SHALL TAKE NO ACTION  
46 AGAINST A MILK DEALER UNDER SECTION TWO HUNDRED FIFTY-EIGHT-C OF THIS  
47 ARTICLE FOR CONDUCT WHICH IS A VIOLATION OF THIS SECTION UNLESS SUCH  
48 DEALER IS AT THE TIME OF SUCH CONDUCT SUBJECT TO A FINAL ADMINISTRATIVE  
49 OR JUDICIAL ORDER WHICH PROHIBITS SUCH CONDUCT BY SUCH DEALER; AND  
50 PROVIDED FURTHER THAT NOTHING CONTAINED IN THIS SECTION SHALL IMPAIR OR  
51 DELAY THE PRIVATE RIGHT OF ACTION CREATED BY SECTION SEVENTY-FOUR OF THE  
52 COOPERATIVE CORPORATIONS LAW FOR ANY VIOLATION OF THAT SECTION.

53 S 2. Section 74 of the cooperative corporations law is amended to read  
54 as follows:

55 S 74. Liability for damages for encouraging or permitting delivery of  
56 products in violation of marketing agreements. Any person, firm or

1 corporation who solicits or persuades or aids or abets any member of any  
2 cooperative corporation incorporated under or subject to this chapter to  
3 breach his marketing contract with the corporation by accepting or  
4 receiving such member's products for sale, marketing, manufacturing or  
5 processing thereof contrary to the terms of any marketing agreement of  
6 which said person or any officer [or], manager, AGENT OR EMPLOYEE of the  
7 said corporation has knowledge or notice, shall be liable in the penal  
8 sum of [one hundred] NOT MORE THAN TEN THOUSAND dollars for each  
9 contract, to the cooperative corporation aggrieved in a civil suit for  
10 damages; and such cooperative corporation shall be entitled to an  
11 injunction against such person, firm or corporation to prevent further  
12 breaches.

13 S 3. This act shall take effect immediately.