

Legislative Analysis



COSTS ASSOCIATED A WITH VIOLATION OF THE AGRICULTURAL MARKETING & BARGAINING ACT

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House Bill 4751 reported without amendment

Sponsor: Rep. Joel Johnson

(Enacted as Public Act 119 of 2012)

Committee: Agriculture

Complete to 10-10-11

A SUMMARY OF HOUSE BILL 4751 AS REPORTED FROM COMMITTEE

The Agricultural Marketing and Bargaining Act (PA 344 of 1972) allows producers of agricultural commodities to join together voluntarily in associations in order to engage in marketing, bargaining, shipping, or processing an agricultural commodity on behalf of the association members.

House Bill 4751 amends the act in the following ways.

****** It removes references in the act to the Agricultural Marketing and Bargaining Board and conveys all of the board's functions and responsibilities to the Michigan Department of Agriculture and Rural Development (MDARD). According to the department's website, the Agricultural Marketing and Bargaining Board was abolished effective July 15, 2007, with the legislative authority transferred to the MDARD.

****** Section 4 of the act lists prohibited unfair practices governing both handlers and associations, and it provides a process for the department to receive and handle complaints with respect to violations or threatened violations. The bill would add a provision to this section requiring the department to determine whether the expense of the proceedings from an alleged violation shall be the responsibility of any person found to have committed a violation.

MCL 290.702, et al.

FISCAL IMPACT:

A fiscal analysis is in process.

BACKGROUND INFORMATION:

As mentioned above, according to the department's website, the Agricultural Marketing and Bargaining Board was abolished effective July 15, 2007, with the legislative authority transferred to the MDARD. The Board oversaw the negotiation of prices for processing fruits and vegetables. That authority has also been transferred to the MDARD.

The act establishes a requirement on the part of handlers and associations to negotiate prices and other terms of sale of the commodity each year, and provides for binding arbitration between those parties if negotiations are not successful. The act also defines unfair practices and prescribes penalties. MDARD staff receives sworn complaints with respect to violations, investigates those complaints, and presents information to the director for review. The director, if he or she has probable cause to believe an unfair practice was committed, conducts a hearing under the provisions of the Administrative Procedures Act. The director accepts, rejects, or amends the hearing officer's opinion and orders remedies for the violation, as appropriate. Currently, only apples and asparagus are part of this program.

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