

MANUFACTURING MILK LAW OF 2001 (EXCERPT)
Act 267 of 2001

288.681 Change in security device; circumstances requiring dairy plant to provide change or increase; notice sent by department to dairy plant; notice to producers.

Sec. 121. (1) A dairy plant that produces manufactured dairy products may request a change in its security device at any time. The department shall allow the change in the dairy plant's security device if all requirements for the new security device have been met and all producers doing business with the licensee have been notified by the department.

(2) The department may require a dairy plant to provide a change or increase in a security device if the department has reason to believe, after reviewing relevant financial information, that 1 or more of the following circumstances exist:

(a) The dairy plant no longer meets the minimum liquidity requirement of this act.

(b) The dairy plant can no longer make payments in the manner provided for in section 115(1).

(c) The value of the dairy plant's security device falls below the requirements due to depreciation in the value of the security, an increase in the maximum liability to producers, or the cancellation or change of the security device as specified in this act.

(3) The department shall send written notice by certified mail to the dairy plant stating the reasons for the demand for change or increase in a security device and setting the date for providing the changed or increased security device.

(4) The department shall notify all producers shipping dairy products to a dairy plant that produces manufactured dairy products of the decision to require the dairy plant to modify or change a security device. The notice required under this subsection shall be provided within 5 days after the department's issuance of the order to require another security device.

History: 2001, Act 267, Eff. Feb. 8, 2002.