

**AGRICULTURAL MARKETING AND BARGAINING ACT (EXCERPT)**  
**Act 344 of 1972**

**290.716 Arbitration; agreements as to agricultural commodities; disputed quantities; offer; claim for relief; determination of reasonableness; joint settlement committee.**

Sec. 16.

(1) If the election provided for in section 15 is not exercised by the association or the handler involved in negotiations, and if the issues in dispute are not agreed upon through good-faith bargaining by the first day of the marketing period for the agricultural commodity, the parties shall be considered to have consented to the settlement of all issues in dispute by arbitration and the association shall agree that producers shall deliver the agricultural commodity to the handler or initiate the production of the agricultural commodity for future delivery to the handler and the handler shall accept delivery of the agricultural commodity or shall commit for the future delivery of the agricultural commodity.

(2) If the quantity of the agricultural commodity to be marketed is in dispute, the handler shall offer to accept for delivery a reasonable quantity of the agricultural commodity. This offer shall be made in writing to the accredited association at least 7 days prior to the start of the marketing period. A copy of this offer shall be sent by registered mail to the department. The accredited association may file a claim for relief with the department if it feels that the offer is unreasonable. The department shall determine the issue of reasonableness at a hearing in accordance with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. This determination shall have priority over all other department matters. The department shall base its determination on all of the following:

(a) Projections as to the quantity of the agricultural commodity to be produced.

(b) The relationship between the quantity of the commodity available and the amount of the quantity accepted by the handler.

(c) The kind, grade, and quality of the commodity available.

(d) The past practices of the handler in relation to the items in subdivisions (a), (b), and (c).

(3) If, upon the preponderance of the evidence, the department is of the opinion that the quantity is unreasonable, it shall order the handler to accept the quantity which the department finds to be reasonable. The finding of the department shall be final, subject to later modification by the joint settlement committee. This finding shall be enforced as provided in section 5. Within 15 days following the start of the marketing period for the agricultural commodity, the department shall establish a joint settlement committee to arbitrate the issues in dispute.

(4) The joint settlement committee consists of 1 committee member selected by the association, 1 committee member selected by the handler, and 1 committee member selected by the committee members representing the association and the handler. This third committee member shall be chairperson of the committee. If the third committee member cannot be agreed upon by the association and the handler committee members, the department shall submit a list composed of the names of 5 persons knowledgeable in the marketing of the agricultural commodity from which the third committee member shall be chosen. The selection shall be made by the association representative and the handler representative each striking 2 different names from the list. The remaining name shall be the person who serves as the third committee member and as its chairperson. The order of striking shall be determined by chance.

**History:** 1972, Act 344, Eff. Mar. 30, 1973 ;-- Am. 2012, Act 119, Imd. Eff. May 2, 2012