

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

**288.680 Cancellation or modification of security by dairy plant; notice required; manner; increase in amount due and accrued; applicability to dairy products in interstate commerce; disclosure of financial and product information; audited financial statement; complaint by producer requesting independent audit; filing; costs; suspension or revocation of dairy plant license; reinstatement.**

Sec. 120.

(1) A dairy plant that produces manufactured dairy products shall not cancel or modify a security device unless written notice is given to the department by the dairy plant at least 90 days before the date of cancellation or modification and approval is given by the department for the cancellation or modification. The dairy plant shall send the notice of cancellation or modification to the department by certified mail.

(2) A dairy plant that produces manufactured dairy products shall notify the department at least 30 days before receiving dairy products that will increase the amount due and accrued from the dairy plant to an amount greater than the amount represented as a basis for the issuance of the license.

(3) Sections 116 to 121 and 123 do not apply to the sale of dairy products or manufactured dairy products in interstate commerce to an out-of-state purchaser not licensed under this act. The protection provided by these sections is available to a producer in another state selling dairy products to a licensee in this state.

(4) Except as otherwise provided for in subsection (5), financial and product information filed by a dairy plant that produces manufactured dairy products is not subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(5) Upon receipt of a written request, the department shall provide a producer a copy of the most recent audited financial statement of the dairy plant that produces the dairy products of that producer.

(6) A producer may file a written complaint with the department requesting an independent audit regarding the ability of a dairy plant that files an audited financial statement as a security device and that produces the dairy products of the producer to meet the minimum liquidity requirement described in section 117. The complaint shall be accompanied by a certified check in the amount of \$100.00 and a signed document guaranteeing full payment for the audit if required under subsection (7). Upon receipt of the complaint and check, the department shall notify the dairy plant and advise the dairy plant of the choice of either having an independent audit conducted or of voluntarily modifying the security device to either of the alternatives provided for in section 118 or 119.

(7) A dairy plant that requests an independent audit under subsection (6) shall bear the cost of that audit if the department determines that the independent audit establishes the dairy plant's inability to meet the minimum liquidity requirement described in section 117. The complainant shall bear the cost of the audit if the department determines that the audit establishes that the dairy plant meets the minimum liquidity requirement described in section 117.

(8) If the dairy plant fails to meet the minimum liquidity requirement described in section 117, the department shall return to the complainant the fee described in subsection (6) and suspend or revoke the dairy plant's license in the manner provided for in section 113. The department may reinstate a suspended license or reissue a revoked license if the dairy plant provides the department with a security device described in section 118 or 119. If the department determines that the dairy plant meets the minimum liquidity requirement described in section 117, the \$100.00 fee shall be forfeited to the dairy plant.

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