



Ohio Revised Code

Section 1729.67 Marketing agreements.

Effective: August 5, 1998

Legislation: House Bill 600 - 122nd General Assembly

(A) A cooperative and any member may make marketing agreements, whether written separately or contained in the bylaws, in which the member agrees to do any of the following:

(1) Sell, market, or deliver all or any specified part of products produced or to be produced either by the member or under the member's control, to or through the cooperative or any facilities furnished by it;

(2) Authorize the cooperative or any facilities furnished by it to act for the member in any manner with respect to all or any specified part of products produced or to be produced either by the member or under the member's control and any services to be furnished by the member;

(3) Buy or procure all or a specified part of goods or services from or through the cooperative or any facilities furnished by it;

(4) Authorize the cooperative or any facilities furnished by it to act for the member in any manner in the procurement of goods or services for the member.

(B) The term of marketing agreements may not exceed ten years.

(C) A marketing agreement authorized by division (A) of this section may require that liquidated damages be paid by the member in the event of a breach of the marketing agreement. Liquidated damages shall be specific, reasonable sums. Any provisions for liquidated damages shall be enforceable and not regarded as penalties.

(D) If a member breaches or threatens to breach a marketing agreement authorized by this section, the cooperative shall be entitled to an injunction to prevent the breach or any further breach, and to a decree of specific performance. Upon filing of a verified complaint showing the breach or threatened breach, and upon filing a sufficient bond, the cooperative is entitled to a temporary restraining order



against the member.

(E) If any marketing agreement authorized by division (A)(1) or (2) of this section contains an assignment to the cooperative of any part or all of the funds due or to become due the member during the life of the marketing agreement for any product produced or to be produced by the member or for any services performed or to be performed in producing any product, any person who accepts or receives the product from the member is bound by the assignment after receiving written notice from the cooperative or the member of the amount and duration of the assignment. However, as to any seasonal crop, if no funds are paid or become payable by any person under such an assignment for a period of two consecutive years during the life of the marketing agreement, thereafter the assignment shall not be binding upon any person who receives or accepts such product from the member until the assignment is reaffirmed by the member in writing and written notice is given by the cooperative or the member. Any such reaffirmation shall continue to be effective during the life of the marketing agreement until another such lapse of two consecutive years occurs.