

The Vermont Statutes Online

Title 6: Agriculture

Chapter 157: Bonds

§ 2881. Conditions and amount; failure to file

(a) Except as provided in section 2882 of this title, no handler shall purchase milk from a Vermont producer or milk cooperative, either directly or through a marketing service owned by one or more cooperatives, and the Secretary shall not issue a handler's license, unless the handler furnishes the Secretary a good and sufficient surety bond, executed by a surety company duly authorized to transact business in this State in an amount equal to 50 percent for all species other than cattle, and 100 percent for cattle, of the maximum amount due all milk producers in the State who sold milk to the handler for a 41-day period during the previous 12 months. The Secretary may accept, in lieu of such bond, a guaranteed irrevocable letter of credit. The bonds shall be taken for the benefit of Vermont milk producers and milk cooperatives in this State. At any time in his or her discretion, the Secretary may require such handlers to file detailed statements of the business transacted by them in this State, and at any time may require them to give such additional bonds as he or she deems necessary. If the handler refuses or neglects to file the detailed statements or to give bonds required by the Secretary, the Secretary may suspend the license of the handler until he or she complies with the Secretary's orders. The Secretary shall report to the Attorney General the name of any handler doing business in this State without a license, or after suspension of its license by the Secretary, and the Attorney General shall forthwith bring injunction proceedings against the handler. Renewals of bonds specified in this section shall be furnished the Secretary 60 days before the effective date of the bond. If the handler fails to file the bonds as required, the Secretary shall forthwith publish the name of the handler in four newspapers of general circulation in the State for a period of three consecutive days and notify, by registered mail, producers supplying such handler.

(b) A milk cooperative that sells milk from a Vermont producer either directly or through a marketing service owned by one or more cooperatives shall file a monthly detailed report that states where the milk from each bulk tank unit served is sold and shall specify the volume of milk that is sold by Vermont cooperative members and independent producers who market their milk through a milk cooperative either directly or through a marketing service owned by one or more cooperatives. (Added 1965, No. 175, § 19; amended 1981, No. 198 (Adj. Sess.), § 13, eff. April 22, 1982; 1993, No. 109 (Adj. Sess.), § 1; 2003, No. 42, § 2, eff. May 27, 2003; 2009, No. 48, § 6, eff. May 28, 2009; 2011, No. 39, § 6, eff. May 19, 2011.)

§ 2882. Exemptions from filing bond

(a) A milk cooperative or a nonprofit cooperative association organized under Vermont law or similar laws in other states shall not be required to furnish surety as provided in section 2881 of this title for payments made to a milk cooperative or to a producer who is a

member of a milk cooperative.

(b) A handler who does not purchase milk from Vermont producers or milk cooperatives either directly or through a marketing service owned by one or more cooperatives shall not be required to furnish surety as provided under section 2881 of this title.

(c) A handler who pays for milk in advance or at the time of delivery shall not be required to furnish surety as provided under section 2881 of this title. Every producer, or milk cooperative either directly or through a marketing service owned by the cooperatives, selling milk to handlers who pay for milk in advance or at the time of delivery shall, on July 1 of each year, notify the Secretary in writing of the identity of each handler and shall promptly notify the Secretary in writing of any changes to the most recent notification.

(d) A handler who purchases fewer than 150,000 pounds of milk per month from a milk cooperative, either directly or through a marketing service owned by one or more cooperatives, shall not be required to furnish surety as provided under section 2881 of this title. (Added 1965, No. 175, § 25; amended 2009, No. 48, § 6, eff. May 28, 2009; 2011, No. 39, § 6, eff. May 19, 2011.)

§ 2883. Nonpayment; forfeiture of bond

When for a period of five days after the date required for payment of any amount due any of his or her producers, the handler fails to pay the amount due for products delivered or furnished by them for the preceding pay period, the handler, by reason of such nonpayment, shall be in default as to all producers whose accounts shall then remain unpaid, and the bond or other security provided for in section 2881 of this title shall be forfeited to the extent of all sums then due from such handler to its several producers in this State and, by virtue of such default, the conditions of the bond or other securities shall be deemed to be broken. (1965, No. 175, § 22.)

§ 2884. Proceedings for recovery on bond

When the condition of a bond or other security is breached, if a producer or milk cooperative applies to a handler for payment of products furnished to that handler whose account remains unpaid as provided in section 2883 of this title, the Secretary shall institute appropriate proceedings thereon in his name as trustee for the benefit of all the producers or milk cooperatives in this State supplying the handler and to whom such handler may be indebted at the time the proceedings are instituted. The proceedings may be commenced in any county in this State where a producer of the handler resides. (Added 1965, No. 175, § 24; amended 2003, No. 42, § 2, eff. May 27, 2003; 2011, No. 39, § 6, eff. May 19, 2011.)

§ 2704. Trustee of handlers' bonds

All bonds or other securities required and furnished under the provisions of this part shall be given to the Secretary as trustee for each and all of the producers in this State and shall be conditioned for the faithful performance by the handler of all the acts prescribed and all the conditions imposed upon the handler by this part, and for compliance by the handler of all the general laws of this State now in force or hereafter enacted and regulations pursuant thereto. (1965, No. 175, § 23; amended 2003, No. 42, § 2, eff. May 27, 2003.)