

CHAPTER 22

AGRICULTURE; COOPERATIVE MARKETING

22.01 CITATION.

HISTORY. 1923 c. 264 s. 2; M.S. 1927 s. 6080.

The members of a non-stock cooperative marketing corporation have the right to inspect the books, records, and papers of the corporation in proper cases and under reasonable circumstances. When under the statute creating the corporation or under its articles the right of expulsion exists, it is in the membership who may delegate that power to the board. *State ex rel v St. Cloud Co.* 200 M 2, 273 NW 603; 22 MLR 555.

22.02 DEFINITIONS.

HISTORY. 1923 c. 264 s. 2; M.S. 1927 s. 6080.

Fur-bearing animals and products therefrom are not "agricultural products." OAG April 1, 1944 (3229).

22.03 DECLARATION OF POLICY.

HISTORY. 1923 c. 264 s. 1; M.S. 1927 s. 6079.

CONSTRUCTION. The language of this statute must be liberally construed for the purpose of promoting its object. *Minn. Wheat Grow. Coop. Mark. Ass'n v Huggins*, 162 M 471, 203 NW 420.

22.04 WHO MAY ORGANIZE.

HISTORY. 1923 c. 264 s. 3; M.S. 1927 s. 6081.

22.05 PURPOSES.

HISTORY. 1923 c. 264 s. 4; M.S. 1927 s. 6082.

22.06 POWERS.

HISTORY. 1923 c. 264 s. 5; M.S. 1927 s. 6083.

The common law right of inspection exists. *State v St. Cloud Co.* 200 M 7, 273 NW 603.

A cooperative may buy grain consigned to it for sale, and from the sale price deduct the agreed commission. OAG June 7, 1944 (215b-3).

22.07 MEMBERS.

HISTORY. 1923 c. 264 s. 6; M.S. 1927 s. 6084.

Cooperative marketing associations organized in other states may become members of an association organized under this chapter if they amend their articles and by-laws to conform to the provisions of this chapter and their articles and by-laws are filed with the Secretary of State. 1934 OAG 183.

A corporation engaged in the creamery business may not become a stockholder in a cooperative marketing association organized under Laws 1923, Chapter 264. 1934 OAG 183, Sept. 15, 1934 (93a-14).

22.08 ARTICLES OF INCORPORATION.

HISTORY. 1923 c. 264 s. 7; M.S. 1927 s. 6085.

An amendment to the articles must first be approved by two-thirds of the directors and then adopted by a vote representing a majority of all members of the association. 1936 OAG 82, April 5, 1935 (92a-2).

22.09 AMENDMENTS TO ARTICLES OF INCORPORATION.

HISTORY. 1923 c. 264 s. 8; M.S. 1927 s. 6086.

22.10 BY-LAWS.

HISTORY. 1923 c. 264 s. 9; M.S. 1927 s. 6087.

Right to adopt, and powers under by-laws. State ex rel v St. Cloud Co. 200 M 10, 273 NW 603.

22.11 GENERAL AND SPECIAL MEETINGS.

HISTORY. 1923 c. 264 s. 10; M.S. 1927 s. 6088.

22.12 DIRECTORS; ELECTION.

HISTORY. 1923 c. 264 s. 11; M.S. 1927 s. 6089.

22.13 ELECTION OF OFFICERS.

HISTORY. 1923 c. 264 s. 12; M.S. 1927 s. 6090.

22.14 OFFICERS, EMPLOYEES, AND AGENTS BONDED.

HISTORY. 1923 c. 264 s. 13; M.S. 1927 s. 6091.

22.15 STOCK; MEMBERSHIP CERTIFICATES; VOTING; LIABILITY; LIMITATIONS ON TRANSFER AND OWNERSHIP.

HISTORY. 1923 c. 264 s. 14; M.S. 1927 s. 6092.

22.16 REMOVAL OF OFFICER OR DIRECTOR.

HISTORY. 1923 c. 264 s. 15; M.S. 1927 s. 6093.

22.17 REFERENDUM.

HISTORY. 1923 c. 264 s. 16; M.S. 1927 s. 6094.

22.18 MARKETING CONTRACT.

HISTORY. 1923 c. 264 s. 17; M.S. 1927 s. 6095.

CONSTITUTIONALITY. The contracts with growers violate neither the state nor federal constitutions. Minn. Wheat Grow. Coop. Mark. Ass'n v Huggins 162 M 471, 203 NW 420.

22.19 REMEDIES FOR BREACH OF CONTRACT.

HISTORY. 1923 c. 264 s. 18; M.S. 1927 s. 6096.

LIQUIDATED DAMAGES. Provision for liquidated damages in the contract does not conclusively establish that the parties contemplated that damages would be an adequate remedy for breach. Minn. Wheat Grow. Coop. Mark. Ass'n v Huggins, 162 M 471, 203 NW 420.

The cooperative act in effect provides that the mutual contracts are the very foundation upon which a cooperative depends, and to enforce the contracts, gives the cooperatives the right to proceed by injunction, specific performance, and to expel members. State v St. Cloud Co. 200 M 12, 273 NW 603.

22.20 PURCHASING BUSINESS OF OTHERS; PAYMENT; STOCK ISSUED.

HISTORY. 1923 c. 264 s. 19; M.S. 1927 s. 6097.

22.21 ANNUAL REPORTS.

HISTORY. 1923 c. 264 s. 20; M.S. 1927 s. 6098.

STOCKHOLDERS' INSPECTION RIGHT. The annual report required by statute is not a substitute for the stockholder's right to inspect the books but inspection will not be permitted when its purpose is to aid a competitor. State ex rel v St. Cloud Milk Prod. Ass'n, 200 M 3, 273 NW 603.

As the cooperative must make annual reports, a right of inspection cannot be denied. State ex rel v St. Cloud Co. 200 M 9, 273 NW 603.

22.22 APPLICATION.

HISTORY. 1923 c. 264 s. 21; M.S. 1927 s. 6099.

22.23 COOPERATIVE, WHEN NOT TO BE USED.

HISTORY. 1923 c. 264 s. 22; M.S. 1927 s. 6100.

22.24 INTEREST IN OTHER CORPORATIONS OR ASSOCIATIONS.

HISTORY. 1923 c. 264 s. 23; M.S. 1927 s. 6101.

22.25 CONTRACTS AND AGREEMENTS WITH OTHER ASSOCIATIONS.

HISTORY. 1923 c. 264 s. 24; M.S. 1927 s. 6102.

22.26 RIGHTS AND REMEDIES APPLY TO SIMILAR ASSOCIATIONS OF OTHER STATES.

HISTORY. 1923 c. 264 s. 24A; M.S. 1927 s. 6102-1.

22.27 ASSOCIATION HERETOFORE ORGANIZED MAY ADOPT PROVISIONS.

HISTORY. 1923 c. 264 s. 25; M.S. 1927 s. 6103.

Companies organized under Laws 1923, Chapter 326, may file certificates of amendment so as to come under the provisions of Laws 1923, Chapter 264. 1936 OAG 85, May 6, 1936 (92a-2).

22.28 BREACH OF MARKETING CONTRACT OF COOPERATIVE ASSOCIATIONS; SPREADING FALSE REPORTS CONCERNING ASSOCIATIONS.

HISTORY. 1923 c. 264 s. 26; M.S. 1927 s. 6104.

22.29 LIABILITY FOR DAMAGES FOR ENCOURAGING OR PERMITTING DELIVERY OF PRODUCTS IN VIOLATION OF MARKETING AGREEMENTS.

HISTORY. 1923 c. 264 s. 27; M.S. 1927 s. 6105.

CONSTITUTIONALITY. This section infringes the liberty of contract guaranteed by the state and federal constitutions. Minn. Wheat Grow. Coop. Mark. Ass'n v Radke, 163 M 403, 204 NW 314. The reasoning of this case was rejected by the supreme court in Liberty Warehouse v Tobacco Growers, 276 U. S. 71, 48 Sup. Ct. 291, 72-L. Ed. 473.

22.30 ASSOCIATION DEEMED NOT IN RESTRAINT OF TRADE.

HISTORY. 1923 c. 264 s. 28; M.S. 1927 s. 6106.

22.31 STATE MAY REPEAL OR AMEND.

HISTORY. 1923 c. 264 s. 29; M.S. 1927 s. 6107.

22.32 SUPERVISION.

HISTORY. 1923 c. 264 s. 30; M.S. 1927 s. 6108.

22.33 GOVERNOR TO ACT UPON REPORT.

HISTORY. 1923 c. 264 s. 31; M.S. 1927 s. 6109.

22.34 EXPENSES OF EXAMINATION, PAYMENT.

HISTORY. 1923 c. 264 s. 32; M.S. 1927 s. 6110.

22.35 FEES.

HISTORY. 1923 c. 264 ss. 34, 35; M.S. 1927 ss. 6112, 6113; 1943 c. 334 s. 1.

22.36 ACCOUNTING SYSTEM.

HISTORY. 1923 c. 284 s. 1; M.S. 1927 s. 6114.

FOR WHOM SERVICE RENDERED. The accounting service provided in this chapter may be rendered to any corporation cooperative in character even though it was not organized under the strictly cooperative laws. 1922 OAG 108.

22.37 ACCOUNTS AND RECORDS EXAMINED.

HISTORY. 1923 s. 284 s. 2; M.S. 1927 s. 6115.

22.38 APPLICATION FOR EXAMINATION.

HISTORY. 1923 c. 284 s. 3; M.S. 1927 s. 6116.

22.39 FEES AND EXPENSES.

HISTORY. 1923 c. 284 s. 4; M.S. 1927 s. 6117.

22.40 COMMISSIONER TO PREPARE FORM OF ACCOUNT FOR FARMS.

HISTORY. 1921 c. 491 ss. 1, 2; G.S. 1923 ss. 6118, 6119; M.S. 1927 ss. 6118, 6119.

22.41 COUNTY AGRICULTURAL AGENTS TO SECURE DATA FOR STATISTICAL PURPOSES.

HISTORY. 1921 c. 491 s. 3; G.S. 1923 s. 6120; M.S. 1927 s. 6120.

22.42 PURPOSE.

HISTORY. 1923 c. 423 s. 1; M.S. 1927 s. 6121.

PURCHASING LAND. The purpose set out in this section precludes the expenditure of money appropriated to carry it out for the purposes of purchasing or maintaining land. 1930 OAG 103.

25 MLR 635 discusses and criticises a case holding that a cooperative was not amenable to involuntary bankruptcy proceedings since it was a non-stock, non-profit corporation and therefore not a moneyed, business, or commercial corporation.

See Ballantine, Cooperative Marketing Ass'ns, 8 MLR 1; Arnold, Can the Courts Aid Cooperative Marketing, 15 MLR 40, for general discussions, and Cadwallader, Government and Its Relationship to Price Standards in the Milk Industry, 22 MLR 821, for a discussion of cooperatives and anti-trust laws.

22.43 COUNTY BOARD TO INCUR EXPENSES.

HISTORY. 1923 c. 423 s. 2; M.S. 1927 s. 6122.

22.44 ONE CORPORATION IN EACH COUNTY AUTHORIZED.

HISTORY. 1923 c. 423 s. 3; M.S. 1927 s. 6123.

22.45 APPROPRIATIONS, HOW EXPENDED.

HISTORY. 1923 c. 423 s. 4; M.S. 1927 s. 6124.

22.46 COUNTY BUDGET COMMITTEE.

HISTORY. 1923 c. 423 s. 5; M.S. 1927 s. 6125.

22.47 EXECUTIVE COMMITTEE TO FORMULATE PROGRAM.

HISTORY. 1923 c. 423 s. 6; M.S. 1927 s. 6126.

22.48 DUTIES OF COUNTY COOPERATIVE EXTENSION COMMITTEE.

HISTORY. 1923 c. 423 s. 7; M.S. 1927 s. 6127.

22.49 AMENDING ARTICLES OF INCORPORATION.

HISTORY. 1921 c. 105 s. 1; G.S. 1923 s. 6130; M.S. 1927 s. 6130.

22.50 GRAIN TESTING LABORATORY; TESTS, HOW MADE.

HISTORY. 1909 c. 199 ss. 1, 2; G.S. 1913 ss. 3038, 3039; G.S. 1923 ss. 3130, 3131; M.S. 1927 ss. 3130, 3131.

22.51 STATISTICS AND INFORMATION REGARDING COOPERATIVE ASSOCIATIONS AMONG FARMERS.

HISTORY. 1913 c. 386 ss. 1, 2; G.S. 1913 ss. 3048, 3049; G.S. 1923 ss. 3133, 3134; M.S. 1927 ss. 3133, 3134.