

Part 7 Marketing Contracts

16-16-701 Authority.

In this part, "marketing contract" means a contract between a limited cooperative association and another person, that need not be a patron member:

- (1) requiring the other person to sell, or deliver for sale or marketing on the person's behalf, a specified part of the person's products, commodities, or goods exclusively to or through the association or any facilities furnished by the association; or
- (2) authorizing the association to act for the person in any manner with respect to the products, commodities, or goods.

Enacted by Chapter 363, 2008 General Session

16-16-702 Marketing contracts.

- (1) If a marketing contract provides for the sale of products, commodities, or goods to a limited cooperative association, the sale transfers title to the association upon delivery or at any other specific time expressly provided by the contract.
- (2) A marketing contract may:
 - (a) authorize a limited cooperative association to create an enforceable security interest in the products, commodities, or goods delivered; and
 - (b) allow the association to sell the products, commodities, or goods delivered and pay the sales price on a pooled or other basis after deducting selling costs, processing costs, overhead, expenses, and other charges.
- (3) Some or all of the provisions of a marketing contract between a patron member and a limited cooperative association may be contained in the organic rules.

Enacted by Chapter 363, 2008 General Session

16-16-703 Duration of marketing contract.

The initial duration of a marketing contract may not exceed 10 years, but the contract may be self-renewing for additional periods not exceeding five years each. Unless the contract provides for another manner or time for termination, either party may terminate the contract by giving notice in a record at least 90 days before the end of the current term.

Enacted by Chapter 363, 2008 General Session

16-16-704 Remedies for breach of contract.

- (1) Damages to be paid to a limited cooperative association for breach or anticipatory repudiation of a marketing contract may be liquidated, but only at an amount or under a formula that is reasonable in light of the actual or anticipated harm caused by the breach or repudiation. A provision that so provides is not a penalty.
- (2) Upon a breach of a marketing contract, whether by anticipatory repudiation or otherwise, a limited cooperative association may seek:
 - (a) an injunction to prevent further breach; and
 - (b) specific performance.

(3) The remedies in this section are in addition to any other remedies available to an association under law other than this chapter.

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