



ADMINISTRATIVE RULES OF MONTANA



32.24.490 REJECTION OF MILK AND TERMINATION OF PRODUCER SALES AGREEMENTS

- (1) A distributor may reject milk provided by a producer because of inferior quality or noncompliance with the lawful rules of duly constituted health or sanitation agencies. In all cases the rejection of the milk must be supported by a statement to the producer setting forth the reason(s) for which the milk was rejected. A distributor must provide a copy of the statement to the department.
- (2) Except for persistent repetition of the cases set forth in (1), no producer's contract or purchasing agreement, whether express or implied, may be terminated by a distributor except for cause after notice and hearing by the board in accordance with the rules and procedures prescribed by the Montana Administrative Procedure Act.
- (3) No producer may terminate a contract or selling agreement with any distributor except by giving at least 30 days written notice to the distributor and to the board of the producer's intention to terminate. However, nothing in this rule prevents a distributor and a producer from providing by written contract or agreement for a different period of notice. Termination does not preempt a distributor's obligation to pay the producer in full by the 15th day of the month following the month of such termination.

Authorizing statute(s): 81-23-104, MCA

Implementing statute(s): 81-23-103, 81-23-402, MCA

History: NEW, 2017 MAR p. 1151, Eff. 8/1/17.