

COLLECTIVE MARKETING

500.1 Authorization.

Persons engaged in the conduct of any agricultural, horticultural, dairy, livestock, mercantile, mining, or manufacturing business in the manner provided in section 500.3 may act together in associations, corporate or otherwise, for the purpose of collectively producing, processing, preparing for market, handling, and marketing the products of their members. Such persons may organize and operate such associations, and such associations may make the necessary contracts and agreements to effect that purpose, any law to the contrary notwithstanding.

[C24, 27, 31, 35, 39, § 8513; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 500.1]

500.2 Liquidated damages.

Contracts and agreements entered into between associations and the members thereof may, where damages that may be sustained for the breach thereof are difficult of ascertainment, provide for such penalties as may be agreed upon, which penalties, if the parties thereto so agree, shall be construed as liquidated damages and be enforceable in the full amount thereof both at law and in equity.

[C24, 27, 31, 35, 39, § 8514; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 500.2]

500.3 Applicability of chapter.

The provisions of this chapter shall apply:

1. To corporations organized under the provisions of chapter 497.
2. To other incorporated associations or companies organized without capital stock, not for pecuniary profit and for the mutual benefit of their members.

For purposes of this subsection, "*not for pecuniary profit*" includes but is not necessarily limited to an incorporated association organized to assist its members to make profits for themselves as producers by the means authorized in section 500.1, but not to make income or profit for distribution to its members, directors, or officers, except as provided in chapter 504 or 504A.

[C24, 27, 31, 35, 39, § 8515; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 500.3; 81 Acts, ch 162, § 1]

2004 Acts, ch 1175, §393

Reference to chapter 504A in subsection 2 to be deleted editorially upon repeal of that chapter; 2004 Acts, ch 1049, §191