

HB 1624 -- Grain Indemnity Program

Sponsor: Mayer

This bill establishes the Missouri Grain Indemnity Corporation to reduce the financial loss grain producers would incur due to the failure of a grain dealer or warehouseman. The corporation will be governed by a seven-member board selected by advocacy organizations. The appointment, term, powers, and duties of the board are specified in the bill.

Beginning September 1, 2004, grain dealers buying over 100,000 bushels of grain per year are to register with the corporation and remit a \$100 registration fee. Grain dealers are to collect a variable producer premium and remit monthly the collected premiums to the corporation. The premium amount will be two-tenths of 1% of the price of all grain for which the title transfers in the state for that year. In succeeding years, the premium will vary from zero to three-tenths of 1% as required by the net fund balance amounts.

The Missouri Grain Indemnity Fund, created by the bill, will be used exclusively for the purposes of the program. If the net fund balance falls below \$2 million, the board will set a producer premium for the following year to restore the fund balance to an appropriate amount. If the net fund balance exceeds \$4 million, the producer premium for the following year will be zero.

The board may enter into financial agreements with lenders and/or issue bonds to satisfy valid producer claims provided that they are to the financial advantage of grain producers.

A producer who claims to have a valid storage loss within the previous 18 months due to the failure of a warehouseman will be compensated for 100% of the loss less any producer premium due upon the sale of the grain. A producer who claims to have a valid financial loss due to the failure of a grain dealer will be compensated for 80% of the loss. The Department of Agriculture will determine the loss amount and take appropriate disciplinary action against the failing grain dealer or warehouseman. Repayment of all obligations to the fund by the failed grain dealer or warehouseman does not nullify any other disciplinary actions.

Any person who knowingly does not collect or pay producer premiums is guilty of a class C felony. Any person who knowingly impedes the performance of the duties of the corporation or who knowingly makes false statements to the department or corporation is guilty of a class C felony.