

# Grain Indemnity Assessments To Resume March 1

NASHVILLE, TENN.

An assessment on grain sold in Tennessee will be reactivated effective March 1 at a rate of 1 cent per bushel on soybeans and a half cent per bushel on all other grains announced the Tennessee Department of Agriculture. The assessment is being reactivated in response to recent changes in state law.

The purpose of the assessment is to increase the balance of the Tennessee Grain Indemnity Fund, which was established in 1989 to provide financial protection for grain producers against the failure of grain dealers and warehouses. State law governing the fund was amended in 2011 to increase the minimum balance from \$3 million to \$10 million.

"The new provisions of the grain indemnity law places a responsibility on the commissioner of agriculture to reactivate the assessment in order to maintain an adequate fund balance," Johnson said. "Given the fund's low balance and today's high value grain market, I'm authorizing the assessment in order to comply with state law and to ensure that Tennessee grain producers are protected."

The assessment on all grain will continue until the fund reaches the new \$10 million minimum balance.

Tennessee producer organizations sought the changes in the state law due to the higher market value of grain. All grain producers who par-

ticipate in the program can file a claim to recover losses in the event of a grain dealer or warehouse failure, depending on circumstances.

Grain producers can request a refund within 90 days of being assessed; however, in doing so they forfeit protection under the program. Producers who previously opted out can also be reinstated but are required to pay back assessments with interest.

The law also requires that all grain storage facilities and grain dealers comply with bonding and insurance requirements. Warehousemen and dealers must be licensed with TDA, and the required surety is based on volume and license classification. TDA monitors highly speculative positioning by handlers, conducts an annual inspection of records and may seize assets of failed handlers and take other actions to protect the interest of producers.

Since the fund's inception, nearly \$1 million has been paid in claims to 76 Tennessee producers. In 2011, Tennessee farmers produced a combined 2.3 million acres of corn, soybeans and wheat valued at nearly \$1.3 billion. Soybeans are the state's leading crop, generating \$461.3 million in farm cash receipts last year.

For more information about the Tennessee Grain Indemnity Fund, contact TDA's Regulatory Services Division at 615-837-5150 or visit [www.tn.gov/agriculture/grain](http://www.tn.gov/agriculture/grain). Δ

The Syngenta logo is displayed in white lowercase letters on a dark green rectangular background. A small registered trademark symbol (®) is located to the upper right of the word "syngenta".

Link Directly To: **SYNGENTA**