

South Dakota Public Utilities Commission
Grain Buyer/Grain Warehouse Application

SD PUC Warehouse Division, 500 East Capitol Ave, Pierre, SD 57501-5070

www.puc.sd.gov/warehouse

605.773.5280

***PLEASE NOTE: Entire application must be completed. The PUC will return all incomplete applications. The Legal Name of Company and DBA, if applicable, must appear the same on the application and bond. Enclose an appropriate sized, self addressed, stamped return envelope for your license forms. Applications for renewal are due by June 1st to ensure licensing for new year starting July 1st.**

'CLASS' of License you are applying for:

Class A: _____ For licenses that use VCS (Voluntary Credit Sale) Contracts or exceed \$5,000,000 in annual purchases.

Class B: _____ For licenses that do not use VCS Contracts and do not exceed \$5,000,000 in annual purchases.

'TYPE' of Business you are licensing:

S____ State Licensed Grain Storage Facilities-Warehouse and Buyer with the State of South Dakota

F____ Federally Licensed as a Grain Storage Facilities-Buyer with the State of South Dakota

B____ Grain Broker/Grain Buyer-No facilities or trucks; brokers take title but not possession of grain

T____ Truck Grain Buyer-Grain purchased by the truck load and do not possess a storage facility

N____ Non-Storage Warehouse Facilities-Operate facilities for the purchasing and selling of grain but do not store grain for hire

P____ Grain Processor-For grain processors and other end users who purchase \$300,000 or more direct from producers

1) Legal Name of Company: _____

DBA: _____

2) Headquarters Mailing Address: _____

City, State, Zip: _____

Phone: _____ Web site: _____

E-mail: _____ 2nd: _____

3) Has there been a change in ownership, including mergers since last year ____ Yes ____ No

If yes, by whom was business previously operated? _____

4) If applicant is sole owner, please give name: _____

5) If applicant is a corporation/LLC please provide the following:

President/Manager: _____ Address: _____

City, State, Zip: _____ Phone: _____

Secretary: _____

Name City, State, Zip Phone

Treasurer: _____

Name City, State, Zip Phone

6) If applicant is a partnership, please give names and addresses of partners:

Name: _____ Address: _____ City, State and Zip: _____

Attach additional sheet if necessary to list other partners.

7) Grain Buyer Bond Formula:

The amount of the bond for a CLASS A or CLASS B grain buyer's license shall be based on a rolling average of the dollar amount of grain purchased by the applicant in South Dakota during the last three fiscal years. For a new grain buyer, the first years bond shall be based on the projected purchases. For a grain buyer with less than three years experience as a grain buyer, the bond shall be based on the average actual purchases made by the grain buyer in all of its previous years as a grain buyer. The bond applies to all grain purchases for all of the grain buyer's business locations.

Total grain dollars purchased in South Dakota for previous three (3) fiscal years:

\$ _____ + \$ _____ + \$ _____

Total purchases for last 3 years (or number of years in business if less than 3) = \$ _____

Divide by 3 (or number of years in business if less than 3) = \$ _____
(Average Annual Purchases)

Apply your average annual purchases to the table below to determine bond amount required for licensing. (New businesses apply your projected annual purchases.)

Your bond amount is \$ _____

| | | | | | | |
|-----------|-----------------------------|---|-----------|------------------------------|---|-----------|
| Less than | \$2,000,001 | = | \$50,000 | \$30,000,001 - \$40,000,000 | = | \$300,000 |
| | \$2,000,001 - \$5,000,000 | = | \$100,000 | \$40,000,001 - \$55,000,000 | = | \$350,000 |
| | \$5,000,001 - \$10,000,000 | = | \$150,000 | \$55,000,001 - \$70,000,000 | = | \$400,000 |
| | \$10,000,001 - \$20,000,000 | = | \$200,000 | \$70,000,001 - \$85,000,000 | = | \$450,000 |
| | \$20,000,001 - \$30,000,000 | = | \$250,000 | \$85,000,001 - \$100,000,000 | = | \$500,000 |

Bonding requirements are increased twenty-five thousand dollars (\$25,000) for each additional ten million dollars (\$10,000,000) in purchases above one hundred million dollars (\$100,000,000).

8) Grain storage/warehouse bond formula for State Licensed Grain Storage Facilities only:

To determine the minimum bond requirement for your state warehouse (storage) bond please complete the following calculations:

The number of facilities to be licensed is: (A) _____ X \$25,000 =(B) \$ _____

The current market value of stored grain (including warehouse receipted grain, grain bank and open storage grain for all facilities combined) is: (C) \$ _____ X 50% =(D) \$ _____

* The larger of B or D is the minimum storage bond required for licensing.

9) What was the date of your last grain inventory measurement: _____/____/20____ State Licensed Grain Storage Only

SDCL 49-43-10 requires that each state licensed grain warehouse obtain and provide to the commission a yearly grain measurement performed by a qualified person independent of the warehouse. A daily position report as of the time of measurement shall also be provided.

10) Voluntary Credit Sale contracts for Class A licenses only:

Yes____ No ____ Please provide a copy of each type of contract you will use unless previously provided.

11) Evidence Of Property Insurance On Inventory: Required for State Licensed Grain Storage and Class A Grain Buyers.

Please provide evidence of property (stock coverage) insurance from your insurance company showing all locations and dollar amount of property insurance for each location. ____ Included ____ Insurance Company will forward to PUC.

11a) Class A applicants that do not maintain grain facilities, trucks or take physical possession of grain purchased in the course of business in South Dakota must complete waiver form 11(a) ____ Included.

12) Fee Schedule: Please include a \$275 non-refundable fee for each licensed location. \$ _____ Included

Please list all locations, phone numbers, and managers on Form 4 (a).

Fiscal Year End Financial Statement:

13) Pursuant to SDCL 49-45-6, ARSD 20:10:11:14 and 20:10:12:14, a current Financial Statement is included.

Reviewed Audited Compiled

A current Financial Statement has already been forwarded to the Commission.

14) **Financial Condition at date of application:** Date _____, 20____

Current Assets \$ _____ Current Liabilities \$ _____

Long Term Debt \$ _____ Total Stockholder Equity \$ _____

15) Bank Credit Reference, Accounting Firm Information and Bond Company Information:

Name of Bank _____

Contact person _____ Telephone # _____

Name of Accountant _____

Contact person _____ Telephone # _____

Surety Company _____ Bond Agency _____

Contact Person _____ Telephone # _____

16) Signature of Officer and Corporate Seal: *Signature must be notarized in the acknowledgement, # 17, below.

I hereby authorize the Commission to investigate the financial information submitted for the purpose of verifying its accuracy and truth. My creditors and others who possess knowledge of this information may release it to or discuss it with the Commission or its staff for the purpose of determining whether I will receive the license applied for.

I declare and affirm under the penalties of perjury that this application has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

_____ Date ____/____/20____

(Corporate Seal)

Title

17) Acknowledgement of Officer Signature:

STATE OF _____

County of _____

On this _____ day of _____, 20____, before me appeared _____,

known to me or satisfactorily proven to be the person whose name is _____

subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 20____.

NOTARY PUBLIC

My commission expires

(Notarial Seal)

Form 11(a)
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION GRAIN WAREHOUSE DIVISION
WAIVER OF STOCK INSURANCE REQUIREMENT

(Company Name) _____ (License#) _____

We request a waiver of the SD PUC stock insurance requirement (*SDCL49-45-22) for the following reasons;

As a Class A grain buyer with a Grain Broker license, we do not maintain grain receiving facilities, do not maintain grain receiving trucks or do not take physical possession of grain purchased in the course of business for South Dakota.

X _____ Date: / /

Please sign, date and return with application

X _____ Date: / /

Approved by SD PUC.

*49-45-22. Class A license requirements--Violation as misdemeanor. **A grain buyer with a Class A license shall keep all company owned grain in the grain buyer's possession insured at current market value of the grain against loss by fire, windstorm, and extended coverage risks. The grain buyer shall furnish the commission with proof of the insurance when the grain buyer applies for a license.** A grain buyer with a Class A license shall submit a quarter-ending balance sheet to the commission for inspection within thirty days of the end of each quarter. The balance sheet reports shall be based on each grain buyer's fiscal year. A violation of this section is a Class 1 misdemeanor.