

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF
FARMERS COOPERATIVE
ELEVATOR, AVON, SOUTH
DAKOTA**

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PETITION TO SEEK RECEIVERSHIP

GW21-002

COMES NOW, the Staff of the South Dakota Public Utilities Commission (Commission), pursuant to SDCL 49-45-16.1 and 49-43-5.6, and Petitions the Commission to immediately apply to Circuit Court to take receivership of Farmers Cooperative Elevator (FCE) located in Avon, South Dakota. In support of its Petition, Staff asserts as follows:


1. FCE is a South Dakota Corporation in good standing with the South Dakota Secretary of State, and is located at 104 E. Railway St., Avon, South Dakota 57315.
2. The registered agent for FCE listed with the Secretary of State is listed as “President,” 104 E. Railway St., Avon, South Dakota 57315.
3. FCE had a Class A grain buyer license and a grain warehouse license, both issued by the South Dakota Public Utilities Commission, however, both licenses expired on June 30, 2021.
4. FCE is unable to obtain a grain buyer or grain warehouse license for the current licensing year, which began July 1, 2021.
5. FCE is unable to obtain a bond in order to qualify for a license.
6. Due to financial difficulties, Staff began working with FCE and FCE’s bank in early 2019. While significant progress was made, FCE’s inability to meet licensing requirements at this point result in Staff no longer being able to work with FCE.
7. While FCE is in a much better position to pay producers than it was in 2019, due to the rate at which FCE is now losing money, it is imperative to take receivership in order to protect producers. See, Confidential Attachments to Petition.
 - a. At this time, Staff believes that immediate receivership action is best option to ensure all producers are paid.

8. Staff considers FCE's licenses to be terminated as of July 1, 2021, for the purposes of SDCL 49-45-16.1, as well as any bond action and notice requirements.

WHEREFORE, the Staff of the South Dakota Public Utilities Commission requests the Commission seek receivership of Farmers Cooperative Elevator of Avon, South Dakota. Staff further requests that the Commission open a docket to begin the process of taking action on the bond as appropriate, including sending notice to all scale ticket holders.

Staff further requests an emergency ad hoc meeting for the Commission to hear this matter. Cody Chambliss, the Public Utilities Commission's Grain Warehouse Program Manager, and Grain inspector Justin Blais will be available to testify.

Dated this 7th day of July 2021.



Kristen N. Edwards
Staff Attorney
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501