



Kristie Fiegen, Chairperson  
Gary Hanson, Vice Chairperson  
Chris Nelson, Commissioner

*South Dakota*

**PUBLIC UTILITIES COMMISSION**

500 East Capitol Avenue  
Pierre, South Dakota 57501-5070  
[www.puc.sd.gov](http://www.puc.sd.gov)

Capitol Office  
(605) 773-3201

Grain Warehouse  
(605) 773-5280

Consumer Hotline  
1-800-332-1782

Email  
[puc@state.sd.us](mailto:puc@state.sd.us)

July 21, 2021

T.M. Crittenden  
Attorney-In-Fact  
Western Surety Company  
333 S Wabash Ave.  
Chicago, IL 60604

RE: Farmers Cooperative Elevator Company's Grain Buyer Bond # 92551074

Dear Mr. Crittenden:

This letter is intended as notice that the South Dakota Public Utilities is seeking the proceeds of bond number 92551075. This bond was put in place as a requirement of the South Dakota Public Utilities Commission (Commission) prior to issuing a grain buyer license to Farmers Cooperative Elevator Company (FCE).

On or about June 30, 2021, commission staff became aware that Farmers Cooperative Elevator Company was unable to secure a bond for the 2021-2022 licensing year, to begin July 1, 2021. As a result, FCE's Grain Buyer license expired and commission staff engaged in an investigation of FCE's financials. The examination showed there are unpaid cash sales, contracted and delivered during the 2020-2021 licensing year, which ended June 30, 2021. SDCL 49-45-10 requires cash sales be paid in full within thirty-days after delivery. The examination shows that FCE is unable to pay these cash sales in full while paying other debts owed by FCE. As a result, commission staff filed for receivership of FCE.

Additionally, per 49-45-17 the Commission intends to institute proceedings to distribute the bond to valid claimants. It is clear to commission staff that the proceeds of the bond will not cover all the total value of the claims that we have identified through our examination of the books of FCE. We will recommend to the Commission that the bond be disbursed according to the requirements of 5-21-7 which will relieve Western Surety Company of any liability beyond the face value of the bond.

If you have any questions or require additional information please do not hesitate to contact me.

Sincerely,

Cody Chambliss  
Grain Warehouse Program Manager