

# South Dakota Public Utilities Commission

## Grain Buyer/Grain Warehouse Application

500 E Capitol Ave Pierre, SD 57501-5070 (605) 773-3201 [puc.sd.gov/warehouse](http://puc.sd.gov/warehouse)

Entire application must be complete. The SD 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 appropriately sized self-addressed, stamped return envelope for license forms.

Applications for renewal are due by June 1 to ensure licensing for new year starting July 1.

**1) Applicant is applying for the following type and class of license: (mark all that apply)** License Year is July 1 thru June 30.

**Class A+VCS Grain Buyer:** any person who purchases grain for the purpose of reselling the unprocessed grain or who purchases \$300,000 worth or more of grain directly from producers in a license year. Applicant may exceed \$5,000,000 in grain purchases during the licensing period and may utilize voluntary credit sale contracts. Must have \$500,000 equity.

**Class A-NO VCS Grain Buyer:** any person who purchases grain for the purpose of reselling the unprocessed grain or who purchases \$300,000 worth or more of grain directly from producers in a license year. Applicant may exceed \$5,000,000 in grain purchases during the licensing period and may **NOT** utilize voluntary credit sale contracts. Must have \$250,000 equity.

**Class B Grain Buyer:** any person who purchases grain for the purpose of reselling the unprocessed grain or who purchases \$300,000 worth or more of grain directly from producers in a license year. Applicant may **NOT** exceed \$5,000,000 in grain purchases during the licensing period and may **NOT** utilize voluntary credit sale contracts. Must have \$100,000 equity.

**Grain Warehouse:** any public warehouse where grain, as defined in SDCL 49-45-1.1(2), is received for storage for hire in this state that is not licensed with the USDA Federal Warehouse Program.

**USDA Federal Warehouse,** applicant is licensed as federal warehouse with the USDA and is not required to license as a warehouse through the State of South Dakota.

**2) Legal Name of Company:** \_\_\_\_\_ **DBA:** \_\_\_\_\_

**3) Headquarters Contact Information:**

General Manager/CEO: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ Physical Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Website: \_\_\_\_\_

1<sup>st</sup> Email: \_\_\_\_\_ 2<sup>nd</sup> Email: \_\_\_\_\_

**4) Ownership/Leadership (mark all that apply)**

Corporation    Company    Partnership    Sole Proprietorship    Other \_\_\_\_\_

**President/Chairman/Owner:** \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Address: \_\_\_\_\_ City, State, ZIP: \_\_\_\_\_

**Secretary:** \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Address: \_\_\_\_\_ City, State, ZIP: \_\_\_\_\_

**Treasurer:** \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Address: \_\_\_\_\_ City, State, ZIP: \_\_\_\_\_

**If applicant is a partnership, list names and contact information of partners:**

**Name:** \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Address: \_\_\_\_\_ City, State, ZIP: \_\_\_\_\_

**Name:** \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Address: \_\_\_\_\_ City, State, ZIP: \_\_\_\_\_

Attach additional sheet if necessary.

**Yes    No:** Has there been a change in ownership, including merger or lease since last application?

If yes, who previously operated this business? \_\_\_\_\_

**5) Grain Buyer Bond Formula:** License Year is July 1 thru June 30.

Amount of the bond for a grain buyer license must be based on a rolling average of the dollar amount of grain purchased by the applicant in South Dakota during the last 3 license years. For a new grain buyer, the first year's bond must be based on the projected purchases. For a grain buyer with less than 3 years' experience as a grain buyer, the bond shall be based on the average actual purchases made by the grain buyer in all its previous years as a grain buyer. The bond applies to all grain purchases for all the grain buyer's business locations.

Grain dollars purchased in South Dakota for previous 3 license years (LY):

LY \_\_\_\_ \$ \_\_\_\_\_ + LY \_\_\_\_ \$ \_\_\_\_\_ + LY \_\_\_\_ \$ \_\_\_\_\_

Total purchases for the last 3 license years or less if applicable = \$ \_\_\_\_\_

Divided by 3 or the number of years in business = \$ \_\_\_\_\_

(annual average purchases or projected purchases)

Apply the average annual purchases or projected annual purchases from South Dakota to the table below to determine the grain buyer bond amount required for licensing.

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 \$25,000 for each additional \$10,000,000 in purchases above \$100,000,000.

When calculating, round up to an even \$25,000 amount.

**Grain Buyer Bond Amount Required for Licensing:** \$ \_\_\_\_\_

**6) Grain Warehouse Bond Formula: (Only companies applying for South Dakota warehouse license)**

To determine the minimum warehouse bond required for licensing as a warehouse with the State of South Dakota please complete the following calculations.

Number of facilities to be licensed = (A) \_\_\_\_\_ X \$25,000 = (B) \$ \_\_\_\_\_

Current market value of warehoused grain (including open storage grain, grain bank, warehouse receipted grain) for all facilities combined = (C) \_\_\_\_\_ X 50% = (D) \$ \_\_\_\_\_

The larger of B and D is the minimum warehouse bond required for licensing.

**Minimum Warehouse Bond Amount Required for Licensing:** \$ \_\_\_\_\_

**7) Schedule of Rates Form for State Licensed Grain Warehouses**

Each warehouse applicant will need to complete a schedule of rates form. A separate form will need to be completed for each municipality or location (as listed on page 4 #13).

A completed schedule of rates, Form 7 (a), has been included with this application for each location.

**8) Fiscal Year-end Financial Statement**

Each applicant shall submit financial statements for the most recent completed year of operation. The statements shall be prepared by a certified public accountant, independent public accountant, a grain commission, or management firm, or other individual skilled in the preparation of financial statements in accordance with generally accepted accounting principles or international financial reporting standards.

Fiscal Year-end: Month \_\_\_\_\_ Day: \_\_\_\_\_

A copy of the fiscal year-end financial statement is included with this application.

A copy of the fiscal year-end financial statement has been or will be provided separate from this application.

The fiscal year-end financial statement was prepared at the following accounting level.

Reviewed      Audited      Compiled (at minimum, a Class A license must be audited or reviewed)

**9) Financial Condition at Date of Application:**

Financial information depicting the financial condition of the applicant at the time of application.

Date of current financial figures \_\_\_\_\_, 20\_\_\_\_

Current Assets \$ \_\_\_\_\_ Current Liabilities \$ \_\_\_\_\_

Long-term Debt \$ \_\_\_\_\_ Total Equity \$ \_\_\_\_\_

Within the last 12 months, has your company become aware of embezzlement, theft, or fraud allegedly perpetrated upon your company as a grain buyer or grain warehouse or has your company become a creditor in a bankruptcy or party to a civil proceeding in which a financial judgement could be issued against the company?

If so, please indicate the dollar amount involved. \$ \_\_\_\_\_

Comments:

\_\_\_\_\_  
\_\_\_\_\_

**10) Company Credit Reference Contact Information:**

Name of Bank or Financial Institute: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Name of Accounting Firm: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Name of Bond Agency \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

**Out-of-State Applicants Only** (Applicant whose principal place of business is outside the state of South Dakota)  
Applicant must appoint and designate a resident citizen of South Dakota with our Secretary of State office.

Name of registered agent in South Dakota \_\_\_\_\_

Address: \_\_\_\_\_ City, State, ZIP: \_\_\_\_\_

**11) Voluntary Credit Sale Contracts (VCS)**

**Yes No:** Does your company utilize voluntary credit sale contracts? A voluntary credit sale is defined as, a sale of grain or seeds pursuant to which the sale price is to be paid more than 30 days after the delivery or release of the grain for sale, including those contracts commonly referred to as deferred-payment contracts, deferred-pricing contracts, and price-later contracts.

If yes, I have provided a current sample copy of all VCS contracts utilized by the applicant.

**12) Evidence of Property Insurance on Grain Stock/Grain Inventory: (mark one)**

\* A Class A license holder 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.

\* A public grain warehouse license holder shall keep all grain in the warehouse insured at current market value of the grain against loss by fire, windstorm, and extended coverage risks.

Evidence of insurance is being provided with this application.

Evidence of insurance has been or will be provided separate from this application.

Applicant is a Class B grain buyer and is not applying for a grain warehouse license.

Applicant is requesting a waiver of insurance as they take title, but do not take physical possession of the grain purchased in this state. A completed waiver, Form 12 (a), has been included with this application.

**13) Individual Municipality/Location (Every applicant must complete this section)**

List each municipality or location at which applicant intends to buy or warehouse grain in this state. If the applicant's locations are located outside of this state list all locations where applicant conducts or accounts for the business of grain buying or grain warehousing for South Dakota. Locations listed below need to be listed on the bond and accounted for in the \$275 per location licensing fee.

1) City:	State:	Phone: ( ) -
Manager's Name: Email:		
2) City:	State:	Phone: ( ) -
Manager's Name: Email:		
3) City:	State:	Phone: ( ) -
Manager's Name: Email:		
4) City:	State:	Phone: ( ) -
Manager's Name: Email:		
5) City:	State:	Phone: ( ) -
Manager's Name: Email:		
6) City:	State:	Phone: ( ) -
Manager's Name: Email:		
7) City:	State:	Phone: ( ) -
Manager's Name: Email:		
8) City:	State:	Phone: ( ) -
Manager's Name: Email:		
9) City:	State:	Phone: ( ) -
Manager's Name: Email:		
10) City:	State:	Phone: ( ) -
Manager's Name: Email:		
11) City:	State:	Phone: ( ) -
Manager's Name: Email:		
12) City:	State:	Phone: ( ) -
Manager's Name: Email:		
13) City:	State:	Phone: ( ) -
Manager's Name: Email:		
14) City:	State:	Phone: ( ) -
Manager's Name: Email:		
15) City:	State:	Phone: ( ) -
Manager's Name: Email:		

Attach Form 13(a) for additional locations as necessary.

**14) Licensing Fee:**

The application for a grain buyer license shall be accompanied by a non-refundable fee of \$275 for each municipality or location. Number of Locations: \_\_\_\_\_ X \$275 = \$\_\_\_\_\_ Total licensing fee.

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

The application shall be signed by the owner, managing partner, or chief executive officer of the applicant.

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

**16) 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)

**SD PUC use only:**

Fee: Fiscal Year Log Line: \_\_\_\_\_ Date Received \_\_\_\_\_

Check Number \_\_\_\_\_ Amount \$ \_\_\_\_\_

Date Application Received: \_\_\_\_\_