

IOWA GRAIN INDEMNITY FUND



Grain Indemnity Fund Basics

- Fund established in 1986
 - June 30, 1989 → The last date Iowa's assessment ran
- 61 failures
 - 1,615 claimants approved for payout
- Total Assessments: \$9,453,075
- Recoveries Made: \$10,317,593
- Total Interest Earned: \$9,776,740
- Total Claims Paid: \$19,195,889

Iowa Grain Indemnity Fund Coverage

- Producer-only coverage
- 90% of loss up to \$300,000 per claimant
 - Coverage is limited to sales that took place within the six months prior to the failure. NSF checks issued more than six months prior to the failure are not eligible for coverage.
- Storage coverage: Iowa licensed warehouses only
- Sold grain coverage: Iowa licensed grain dealers only
- Does not cover grain sold on credit-sale contracts

Coverage-Sold Grain-Exceptions

- No coverage for grain sold on credit-sale contracts.
 - Deferred Payment.
 - Price Later, Min. Price & Basis (post-delivery).
- Look for “credit-sale contract” on the top.
- Look for the exclusionary statement right above the signature line.

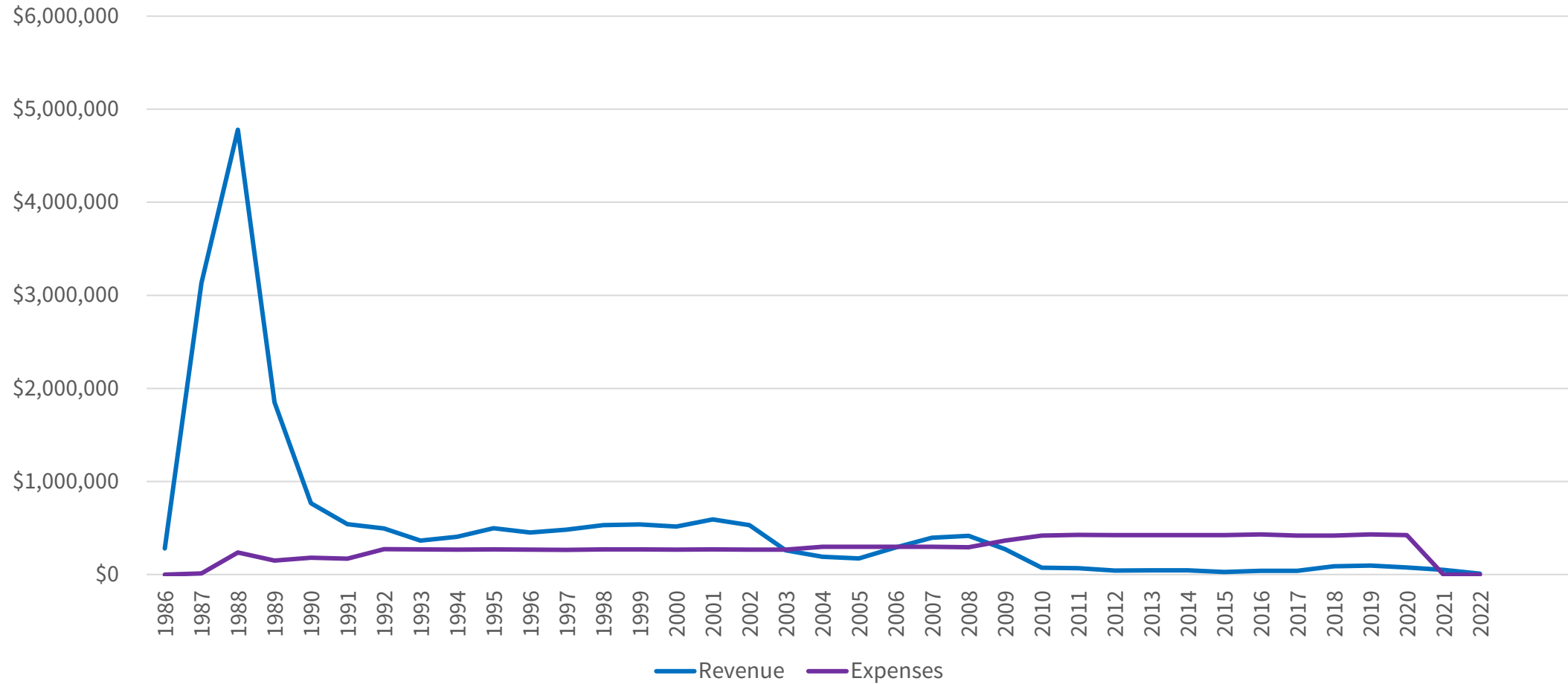
Not Covered

- Fund does not cover price differentials between current market price and contracts for future delivery. Coverage is provided only for delivered grain.
- Fund does not cover grain dealers for the grain that they resell.

Claims-Incurrence

- Cannot file an indemnity claim until a failure.
 - Permanent loss of license.
 - Filing of a bankruptcy petition.
 - Notice will be published in newspapers.

Revenue vs Expenses



Exemptions from assessment and coverage (Admin Rule 92.2(1 & 2))

- *However, if the grain dealer provides documentation satisfactory to the department,*
- *the following transactions shall be excluded from the per-bushel fee:*
 - *a. Grain purchased from the United States government or any of its subdivisions or agencies.*
 - *b. Grain purchased from a person licensed as a grain dealer in any jurisdiction.*
 - *c. Grain purchased under a credit-sale contract.*
 - *d. Grain entered in the company-owned paid position as a cancellation of a collateral warehouse receipt.*
 - *e. Grain entered in the company-owned paid position as an intracompany location transfer.*

Grain Purchase from a storage account

DIRT WERKS COOPERATIVE

ROUTE 66 WEST
 PO BOX 1234
 JASPER, IA 54321
 Phone: 515-555-1212

To Account Of: LARAJO
 JOSEPH LANDERSON
 112 Anytown

From Account Of: LARAJO
 JOSEPH LANDERSON
 112 Anytown

Commodity: CORN
 Origin:

Grain Bank Obligations Being Settled

Obligation Location	Reference #	Origination Document	Original Gross	Original Net BU	Open Balance	BU Settled
TAMA	00112224		8,000.00	8,000.00	8,000.00	8,000.00
		Shrink	0.00			
		Dockage	0.00			
		Discount	0.00			
		Drying		0.00		
		New Open Balance:	0.00			
				Total BU Settled:	8,000.00	
				Net BU Settled To Others:	0.00	
				Net BU Settled To LARAJO:	8,000.00	

Final Settlement And Disposition

Disposition	Document #	Type	Contract Number	Fob Point	BU	Price
PD Purchase					8,000.00	6.0000
					8,000.00	
		Gross BU Paid (less shrink):	8,000.00	Dockage:	0.00	
				Net BU Paid:	8,000.00	

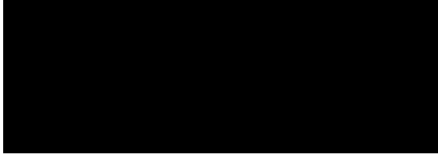
* Settlement #: 3233, 100.00% to JOSEPH LANDERSON (LARAJO), 8000.000 BU.

Gross Owed	48,000.00
Discount	0.00
Drying	0.00
Storage / Service	3,200.00
Sales Tax	192.00
Check Off	80.00
Excise / Indemnity	20.00
Advances	0.00
HAULING FEES	0.00
Sum of Misc 2 - 10	0.00
Net Paid	\$44,508.00
Check Number	17684

ABC COOPERATIVE ELEVATOR
 TRURO Location
 509 West DIVISION Street
 PO Box 286
 TRURO, IA 50000 Friday
 01 September 2023

09/01/23
 02:08 PM
 Page: 1

Settle Id: 00137001



Receipt: D 00001266
 Sheet: D 00021122
 Sheet Id: 00137001

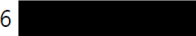


Commodity: SOYBEA
 Description: House Receipt[R]

deposit	paid	Bushels	TW	Mois%	HiOil	Heat	Damg%	FM%
10/09/22	08/31/23	3,361.66	54.00	13.00	0.00	0.00	2.00	1.00

09/01/23 DG9001914 ID:00137001 Settled to Sell

-3,361.66



0.00 Remaining to settle

09/01/23 Sell

Bushels:

Gross

3,361.66

Net

3,361.66 Settled @13.00% Moisture

\$/Bushe1

\$Total

Price per Bushel

13.9100

46,760.69

----- Discounts -----

SPARC Assessment (IA) Net \$46,760.69 @.0050

.06955

233.80

Indemnity

.00250

8.40

Net Dollars

46,518.49

Settle Amount

AchChk DG9001914 \$46518.49

\$46,518.49

Settle Seq: 68550

***** This settlement sheet has been Completely settled *****

Grain Purchase from a Credit Sale Contract

DIRT WERKS COOPERATIVE

ROUTE 66 WEST
 PO BOX 1234
 JASPER, IA 54321
 Phone: 515-555-1212

To Account Of: DORJEN
 JENNIFER DORN
 55 ANYWHERE
 ANKENY, IA 50023

From Account Of: DORJEN
 JENNIFER DORN
 55 ANYWHERE
 ANKENY, IA 50023

Commodity: **CORN**
 Origin: IA

Not Paid Obligations Being Settled

Obligation Location	Reference #	Origination Document	Original Gross	Original Net BU	Open Balance	BU Settled
JASPER	00049664	Obl Stl # 3232 (JASPER)	304.26	300.00	300.00	300.00
		Shrink		Drying		
		4.26	Dockage	0.00		
		0.00	Discount	0.00		
		New Open Balance:	0.00			
				Total BU Settled:		300.00
				Net BU Settled To Others:		0.00
				Net BU Settled To DORJEN:		300.00

Final Settlement And Disposition

Disposition	Document #	Type	Contract Number	Fob Point	BU	Price
PD Purchase			JASPER - 00050016		300.00	6.0300
					<u>300.00</u>	

Gross BU Paid (less shrink): 300.00 Dockage: 0.00 **Net BU Paid: 300.00**

* Settlement #: 3234, 100.00% to JENNIFER DORN (DORJEN), 300.000 BU.

Gross Owed	1,809.00
Discount	0.00
Drying	0.00
Storage /Service	0.00
Sales Tax	0.00
Check Off	3.00
Excise / Indemn	0.00
Advances	0.00
HAULING FEES	0.00
Sum Misc 2 - 10	0.00

Net Paid **\$1,806.00**
Check Number **17687**

DIRT WERKS COOPERATIVE

ROUTE 66 WEST
 PO BOX 1234
 JASPER, IA 54321
 Phone: 515-555-1212

To Acct. of: DORJEN
 JENNIFER DORN
 55 ANYWHERE
 ANKENY, IA 50023

From Acct. of: DORJEN
 JENNIFER DORN
 55 ANYWHERE
 ANKENY, IA 50023

Date Settled: 09/06/2023
Commodity: CORN
 Ownership: Customer
 Action Code: All Action Codes
 Origin: IA

Ticket Detail

Ticket ID	Date	Net Lbs	Gross BU	Net BU	DORJEN's Portion	DORJEN's Stmt Amt	Mois	Test	Fm	Dama	Heat	Dock	Discount	Drying	Hauling
JASPER															
00000084	7/15/21	50,000	892.86	892.86	892.86	892.860	15.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00000085	7/15/21	55,000	982.14	982.14	982.14	982.140	15.00	56.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
00001003	3/19/21	46,500	830.36	830.36	830.36	830.360	15.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ticket Totals:		151,500	2,705.36	2,705.36	2,705.36	2,705.36						0.00	0.00	0.00	0.00
Settlement Totals and Weighted Avg Grades for DORJEN:						2,705.36	15.00	20.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Lot(s) Used: 55555

Net BU Settled: 2,705.36

Net BU Settled To Others:

Ticket Settlement And Disposition

Disposition	Document #	Obl Code	Contract Location	Contract #	Adv Ref #	Adv Amt	Net BU	Price
PD Purchase			JASPER	00022011			2,000.00	\$6.0000
PD Purchase							705.36	\$6.1200
							<u>2,705.36</u>	

Gross BU Paid (less shrink): 2,705.36

Dockage: 0.00

Net BU Paid: 2,705.36
 Settlement Summary

* Settlement #: 888940, 100.00% to JENNIFER DORN (DORJEN), 2705.360 BU.

Gross Owed	\$16,316.80
Discount	\$0.00
Drying	\$0.00
Storage / Serv	\$0.00
Sales Tax	\$0.00
Check-Off	\$27.05
Excise/Indemn	\$6.76
Advances	\$0.00
HAULING FEES	\$0.00
Other Charges	\$0.00
Net Paid	\$16,282.99

Check Number 17686

Assessments

- Begins September 1, 2023
 - Must run for a full year

Automatic Trigger Levels

- Floor: \$3 million
- Ceiling: \$8 million

- Warehouse Operator Fee

- 14/1000th cent per bushel based on storage capacity (\$0.000140)
- Min of \$50, Max of \$500
- Cannot be passed on to seller

- Grain Dealer Fee

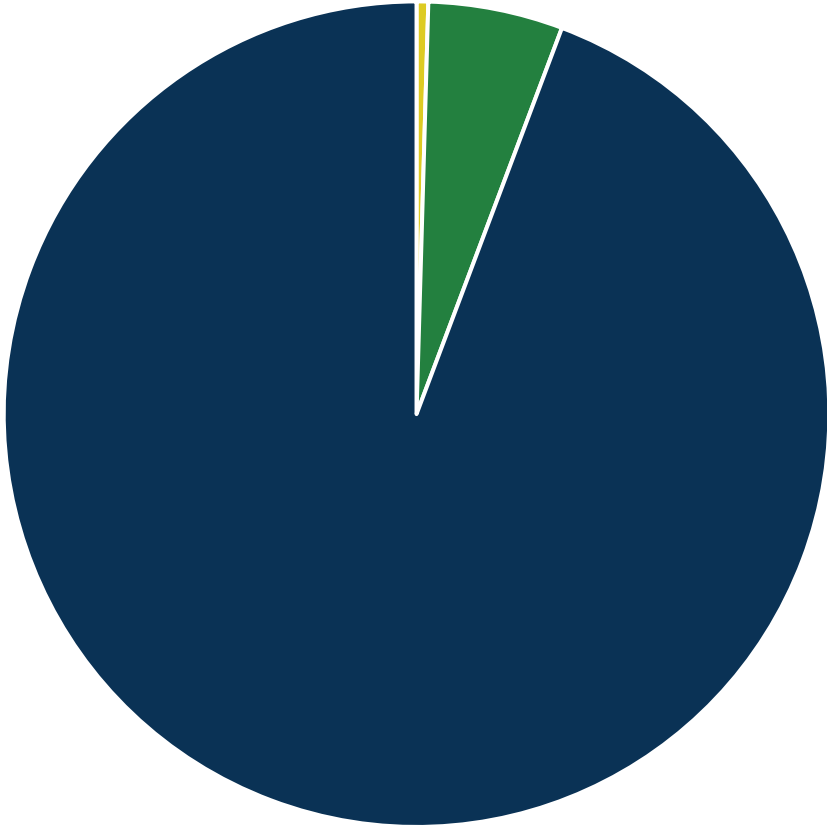
- 14/1000th cent per bushel based on grain purchased in prior fiscal year (\$ 0.000140)
- Min \$50, No max
- Cannot be passed on to seller

- Per Bushel Fee

- ¼ cent per bushel (\$ 0.0025)
- **Can** be passed on to seller

Assessment Revenue Projection

- Annually
 - Warehouse fee: \$27,850
 - Grain dealer fee \$322,277
 - Producer assessment \$5,757, 963
 - **TOTAL \$6.106 million**



■ Warehouse Fee ■ Grain Dealer Fee ■ Producer Assessment

DELIVERED GRAIN

