



FARM PRODUCE INSURANCE AUTHORITY

Farm Produce Insurance Act Act 198 of 2003

Frequently Asked Questions for Grain Dealers

1. What are the FPIA assessments?

The FPIA currently collects an administrative assessment of 0.00015 on an ongoing basis to cover program costs. When the FPIA Indemnity Fund drops below \$3 million, the 0.002 program assessment is reinstated until the FPIA Indemnity Fund reached the \$10 million ceiling. When the program and the administrative assessments are running concurrently, grain dealers will collect 0.00215, or \$2.15 for \$1,000 of grain sold.

2. From what farm produce are assessments required to be taken?

"Farm produce" means dry edible beans, soybeans, small grains, cereal grains, or corn. Seed is exempt from assessments and potential program benefits.

3. Are the farm produce assessments to be taken out after all other normal charges and checkoffs?

Yes, assessments are to be deducted after normal charges and checkoffs. Normal charges generally include drying, quality adjustments, and storage costs. Freight or trucking are not considered normal charges.

4. Where and when are the assessments required to be submitted?

If payment is owed, the form and payment should be mailed to Farm Produce Insurance Authority, PO Box 674704, Detroit MI 48267-4704.

If no payment is owed, the completed form should be mailed to Farm Produce Insurance Authority, PO Box 30017, Lansing MI 48909-7517.

Assessments are to be paid within 30 days of the end of each calendar quarter. For example, the first quarter of each year ends on March 31, and assessments are due by April 30.

5. How should the producer be notified of the deduction?

The deduction should be clearly identified in the producer's settlement statement as to the amount and that it is for the Farm Produce Insurance Fund.

6. What are the grain dealers' requirements as to assessment refunds (opt-outs)?

There are no requirements for the grain dealer as to refunds. Producers are required to submit refund forms and supporting documentation to the Farm Produce Insurance Authority, PO Box 30017, Lansing MI 48909-7517 within 12 months of sale. The grain dealer may refer the producer to our website (www.michigan.gov/graindealers) for forms or may supply the form on request.

7. Are there any other requirements for grain dealers?

Section 11(5) of the Farm Produce Insurance Act states, "A licensee shall clearly indicate in its books and records the individual producer premiums collected by the licensee under subsection (3) and retain those books and records for at least 3 years. A licensee shall make the portion of the books and records of the licensee reflecting the premiums collected available for inspection by the director during regular business hours."

For a copy of the Farm Produce Insurance Authority Act (PA 198 of 2003, as amended), a list of current licensed grain dealers, or forms, please visit www.michigan.gov/graindealers. If you have any questions, please contact me at (517) 284-5642 or haarerj@michigan.gov. Thank you.

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