



Grain Dealer Licensing Details & FAQs

Expiration Date: Depends on company's fiscal year end
License Fees: Varies
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Forms: [Grain Dealer Licensing Forms](#)

Who needs a grain dealer's license?

If you are engaged in the business of receiving, buying, exchanging, selling, or storing farm produce and you do not fall within an exception, you are considered a grain dealer and must obtain a license from the Michigan Department of Agriculture & Rural Development (MDARD).

Who does not need a grain dealer's license?

- A grower or producer who sells farm produce that the grower or producer actually produces.
- A person who buys farm produce, pursuant to a cash sale, as a feeder of the person's own livestock or poultry.
- A person who handled less than 30,000 bushels of farm produce from producers in the prior or current fiscal period, buying farm produce in a cash sale.
- A person who contracts for land or services to produce seed for sowing or propagation.
- A person who purchases farm produce from an entity other than a grower or producer pursuant to a cash sale.

Note: Exceptions are not available if the person is required to offer warehouse receipts or price later agreements or if the person takes title prior to payment for farm produce of a producer or grower. To qualify for an exception, the person must engage solely in the exceptions listed above.

What are the fees to obtain a grain dealer's license in Michigan?

FACILITY		
	Total Bushel Capacity	License Fee
Each Facility Receiving Point	0 to 100,000	\$500
	100,001 to 200,000	\$625
	200,001 to 300,000	\$750
	300,001 to 400,000	\$875
	400,001 and over	\$1,000

MERCHANTISER	
Merchandiser	License Fee
Grain Merchandiser	\$1,000

TRUCKER	
Truck(s)	License Fee
First truck	\$500
Each additional truck	\$200

How do I apply for a new grain dealer's license?

Complete an application form:

- [Facility License Application](#)
- [Merchandising/Trucking License Application](#)

If I have sent in an application, when can I begin operating as a grain dealer?

You may begin operating as a grain dealer once you receive your grain dealer's license, which is processed within 30 days from receipt.

When does my grain dealer's license expire?

License expiration date depends on the fiscal year end of the company. Licensing periods are normally one year in length.

What can I do to avoid having my license renewal delayed?

Applications must be completed and submitted with a financial statement, a copy of current bond, and a copy of insurance information that comply with statutory requirements listed in the [license requirements section](#) of the Grain Dealers Act, Act 141 of 1939, as amended. Renewals must be submitted at least 30 days prior to the expiration date.

What are the requirements to obtain a grain dealer's license?

License applications must be submitted 30 days prior to the date needed or the license expiration date. Each application must be accompanied by a financial statement, which must be prepared in accordance with Generally Accepted Accounting Principles and not less in scope than a review. A Certified Public Accountant must prepare the financial statement, which must include a balance sheet, income statement, and notes and disclosures.

When and how should a temporary facility be reported?

Each temporary facility need only be reported once annually. If temporary facilities are being used at the time of licensing, report location and temporary capacity in Section 8 as well as total of temporary and permanent capacities in Section 9 of the license application and remit the appropriate fee.

If temporary facilities are used during the license year and were not reported on the license application, report the location on the Grain Dealer Daily Position Report form and remit additional fee (if required) with the Daily Position Report form. If not previously submitted, include a copy of the lease agreement and bin charts, if any, for the temporary facility.

What are the bond requirements for a grain dealer facility?

For a grain dealer who fails to meet any of the allowable net asset requirements under Subsection (3) of Section 3 of the Grain Dealers Act, PA 141 of 1939, as amended, the Department may issue or renew the license if the grain dealer provides the Department with a negotiable bond issued by a surety authorized to conduct business in this state or proof of establishment of a restricted account in a financial institution that conducts business in this state, acceptable to the Department and of which the Department is the sole beneficiary, that is in an amount equal to the amount by which the grain dealer's allowable net assets failed to meet the allowable net asset requirement applicable under Subsection (3). Bond form GD-123 is available [here](#). The bond shall show the address of each original grain dealer's bond (if required) and must accompany the license application.

Is insurance required for a grain dealer?

A grain dealer must have Insurance on all stored farm produce through an authorized insurer against loss by fire, explosion, lightning, or windstorm to the extent of full market value. Failure to do so is just cause for license revocation. The average market value on the date of loss is the basis for settlement.

What are the net worth requirements to be a grain dealer?

A grain dealer shall not be issued a license unless one of the following is met:

- The grain dealer has allowable net assets of \$100,000 or more and handled 1,000,000 or fewer bushels of farm produce in the grain dealer's most recent fiscal year
- The grain dealer has allowable net assets of \$100,000 or more and the allowable net assets equal or exceed the product of \$0.10 multiplied by the number of bushels of farm produce handled by the grain dealer in the grain dealer's most recently completed fiscal year

What grain transaction forms must be submitted with the license application?

Attach to the application one copy of scale tickets, warehouse receipts, price later agreements, and other forms proposed for use in grain transactions. Retain one copy for your files. If all forms are currently on file with the Department, no submission is necessary.

When must you submit the Grain Dealer Daily Position Report forms?

All licensees are required to submit a Daily Position Report (DPR) for the previous month on or before the 10th business day of each month. Reports must be submitted whether or not there is any farm produce activity during the month (also known as a "zero report"). Licensees may obtain the Department-approved DPR forms from the Department's website (www.michigan.gov/graindealers) or by contacting the Department's Producer Security Services Section. Failure to submit monthly DPR forms timely may result in fined, suspension, or revocation of the grain dealer's license.

What should I expect if there is a violation noted during audit?

An audit report will be provided following the grain audit, and a follow-up letter may be sent from the Michigan Department of Agriculture and Rural Development. The elevator will be required to show compliance with violations or may be subject to administrative fines, license suspension, and/or license revocation.

What should I do if there are changes in company ownership, name, or address?

Statute requires reporting of changes within one business day prior to the changes occurring. New license applications may be required for substantial ownership changes including:

- The licensee is a party to a merger, consolidation, conversion, or similar transaction. The Department may decide not to revoke the license if the successor to the licensee is licensed under this Act and executes a successor's agreement acceptable to the Department.
- Fifty percent or more of the shares, other than publicly traded shares, or other ownership interests of the licensee are sold, exchanged, or otherwise transferred. The Department may decide not to revoke the license if the transferee is licensed under this Act and executes a successor's agreement acceptable to the Department.
- Fifty percent or more of the property and assets of the licensee are sold, leased, exchanged, or otherwise transferred. The Department may waive this requirement if the transferee is licensed under this Act and executes a successor's agreement acceptable to the Department.
- If the grain dealer has 100 or more stockholders, members, partners, or owners, as applicable, more than one-half of the grain dealer's board of directors or other governing body or board is replaced with different individuals.
- The name of the grain dealer is changed.