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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

JAMIE CLOVER ADAMS
DIRECTOR

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TO ALL MICHIGAN GRAIN DEALERS:

The following is a list of frequently asked questions from grain dealers in regards to the Farm Produce Insurance Program **administrative premium assessment period starting on January 1, 2013.**

1. What are farm produce administrative premium assessments?

Administrative premium assessments are .00015 of net proceeds from all farm produce sold at licensed grain dealers. It will reflect the board's determination of the amount of funds needed to reimburse Michigan Department of Agriculture and Rural Development for producer security administrative costs. Producer security administrative costs include the administration and enforcement of the Grain Dealers Act (PA 141 of 1939) and the Farm Produce Insurance Act (PA 198 of 2003, as amended).

2. What farm produce are subject to administrative premium assessments?

Dry edible beans, soybeans, small grains, cereal grains, and corn are subject to administrative premium assessments. Seed is exempt from administrative premium assessments and potential program benefits.

3. Are assessments required for farm produce priced and delivered prior to January 1, 2013, when the checks are not issued until after January 1, 2013?

No, assessments are not required on farm produce that is sold prior to January 1, 2013.

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

The deduction should be clearly identified in the producers settlement statement as to the amount and that it is for the administration of the Farm Produce Insurance Fund.

5. Are the administrative premium assessments to be taken out after all other normal charges and check-offs?

Yes, assessments are to be deducted after normal charges and check-offs.

6. What are the grain dealer requirements as to administrative premium 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, P.O. Box 30017, Lansing MI 48909 within twelve months of sale. The grain dealer may refer the producer to the website www.michigan.gov/graindealers for forms or pass out the form on request.

7. Where and when are the administrative premium assessments required to be submitted?

The Farm Produce Insurance Authority is currently in the process of establishing a lock box with Comerica Bank and as soon as this selection is made, you will be notified of the payment address. Administrative premium assessments are to be paid within thirty days of the end of each calendar quarter. For example the first quarter ends on March 31, 2013 and assessments are due by April 30, 2013.

8. Are there any other requirements for the grain dealer?

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 Act, PA 198 of 2003, a list of current licensed grain dealers, or forms, please visit www.michigan.gov/graindealers. Please contact Jeff Haarer by phone at (517) 241-2865 or by email at haarerj@michigan.gov. if you have any questions.

Sincerely,

Gina Alessandri, Director
Pesticide and Plant Pest Management Division