

General Duties and Responsibilities of Grain Dealer / Grain Warehouse Licensees

Please note: This page is only an informal summary of the duties and responsibilities of a grain licensee. For precise requirements, please refer to 240 ILCS 40 (the Grain Code).

- The license issued to a grain dealer shall be posted in the principal office of the licensee. In cases where the grain dealer has multiple locations, a certificate shall be posted in each location where the licensee engages in business as a grain dealer. In cases where a grain dealer operates a truck or tractor-trailer unit for the purpose of purchasing grain, the licensee shall have a certificate carried in each truck or tractor-trailer unit. A warehouseman shall post its warehouse license and a Department approved Schedule of Rates in a conspicuous place in each location where grain is received.
- The licensee receives notice of their speculative limits in their license approval letter, unless they regularly and continuously report to the Commodity Futures Trading Commission. The licensee shall maintain an accurate and current long and short market position record for each grain commodity. The position record shall contain
 - The net position of all grain owned, no matter where it is located
 - Grain purchased and sold
 - Any grain option contract purchased or sold.
- The grain dealer must continually maintain sufficient financial resources to pay producers on demand for grain purchased from them. The grain warehouse must continually maintain sufficient quantity of grain of like kind and quality to meet its outstanding storage obligations.
- Each licensee shall have adequate property insurance covering grain in its possession or custody and adequate liability, property, theft, hazard, and workers' compensation insurance. The licensee must have Commercial General Liability coverage. If the licensee operates trucks, they must have Automobile liability and Cargo coverage. If the licensee has employees, they must have Workers' Compensation. If the licensee stores grain, they must have Property and Stock coverage.
- The licensee must keep books and records that clearly identify and disclose
 - All grain trades
 - Grain merchandising transactions
 - Grain origination plans and programs
 - Transactions or arrangements that represent or reflect right and obligations in grain
 - Current daily position
- Each licensee shall provide and maintain safe and adequate means of ingress and egress to the facilities, storage bins, and compartments.
- A licensee shall not store grain in excess of the capacity for which it is licensed.
- The licensee may redeposit grain in another warehouse in an additional quantity not to exceed the licensed storage capacity of its own warehouse.
- Price Later Contracts shall be written on forms prescribed by the Department. Only Department authorized printers shall print Price Later Contract forms.
 - A grain dealer purchasing grain using Price Later Contracts must own unencumbered assets, as set forth in the Grain Code, that totaling 90% of the unpaid balance of the grain dealer's obligations for grain purchased by price later contract.
- When grain is delivered to a facility that stores as well as sells grain, the licensee shall provide written evidence indicating whether the grain is delivered for storage or for sale. Upon request of the depositor, a licensee shall issue Warehouse Receipts for grain delivered into storage. The first Warehouse Receipt is issued at no charge to the depositor. Only Department authorized printers shall print Warehouse Receipts.

- The licensee shall immediately notify the Department when there is a
 - Change of fiscal year-end
 - Change of management
 - Cessation of operations
 - The grain dealer must surrender all unused price later contracts to the Department, together with an affidavit accounting for all grain dealer obligations setting forth the arrangements made with producers for final disposition of the grain dealer obligations and indicating the procedure for payment in full of all outstanding grain obligations.
 - The warehouse must surrender all unused warehouse receipts to the Department, together with an affidavit accounting for all warehouse receipts setting forth the arrangements made with depositors for final disposition of the grain in storage and indicating the procedure for payment in full of all outstanding obligations.
 - After payment in full of all outstanding grain obligations, the licensee must surrender all of its licenses.
 - The Department will publish a notice in the local papers that a licensee has ceased doing business without a successor.
 - Change of ownership
 - The obligations of a grain dealer do not cease
 - Until the grain dealer has surrendered all unused price later contracts to the Department and the successor has executed a successor's agreement that is acceptable to the Department
 - OR the successor has otherwise provided for the grain obligations of its predecessor in a manner that is acceptable to the Department.
 - The obligations of a warehouse do not cease until its successor is properly licensed under the Grain Code or the United States Warehouse Act, it has surrendered all unused warehouse receipts to the Department and has executed a successor's agreement, or the successor has otherwise provided for the obligations of its predecessor.
 - Change in capacity
 - If a licensed company is purchasing all or a part of another company, or changing its capacity, the licensed company must submit an Amendment Application along with:
 - Grain dealer certificate license fee \$25 (to add a location for grain dealer's license)
 - Grain warehouse amendment fee \$100 (to increase licensed permanent, temporary or emergency capacity, or delete permanent capacity)
 - Successor Agreement, if purchasing another facility (Successor Agreement must be approved by Department)
 - If a warehouse, a Schedule of Rates (Schedule of Rates must be approved by Department)
 - Certificate of Insurance showing the appropriate coverage
 - Copy of a lease, if applicable