



**STATE OF MARYLAND
DEPARTMENT OF AGRICULTURE**
Synopsis of the Maryland Grain Dealers Licensing Law
(410) 841-5769 Fax (410) 841-2765

WHO

Any person purchasing grain from a producer is required to obtain an annual license. Persons purchasing grain for use in their own farming operation are exempt from this requirement.

LICENSING REQUIREMENTS

Documentation of financial net worth:

Handles 1 - 49,999 bushels -	\$ 15,000.00 net worth
Handles 50,000 to 99,999 bushels -	\$ 35,000.00 net worth
Handles 100,000 and above bushels -	\$100,000.00 net worth

For dealers handling 100,000 or more bushels per year, the financial statement must be reviewed by a certified public accountant. Alternative methods of meeting the financial documentation requirements are the posting of a surety bond or obtaining an irrevocable letter of credit.

Documentation of insurance coverage for grain.

Payment of license fee (\$50.00 to \$300.00 depending on volume of grain handled).

Submission of completed application.

WHAT THE GRAIN LAW DOES

Grain producers can be better assured that licensed grain dealers are reasonably financially secure and have insurance on all grain received.

WHAT THE GRAIN LAW DOES NOT DO

Does not guarantee payment to grain producers who suffer a loss.

Does not guarantee prompt payment.

COMMON COMPLAINTS RECEIVED BY OUR OFFICE

Grain dealers who are paying producers cash upon delivery feel it is unnecessary to be licensed. Regardless of payment arrangements, they are still subject to the financial and insurance requirements.

Grain producers who are not paid promptly. This area is not regulated by MDA.

Anonymous complaints concerning unlicensed suspected dealers. Our office must have sufficient evidence that a person is acting as a grain dealer to obtain a court order to subpoena their records.