



PCA 23303 OBJ 5787

Date Received: _____

Amount Received: _____

2023 GRAIN DEALERS LICENSE REMITTANCE FORM
DUE DECEMBER 16, 2022

Mail **payment** and **remittance form** to:

Maryland Department of Agriculture

P.O. Box 17304

Baltimore, Maryland 21297-1304

To Send Overnight:

Maryland Dept. of Agriculture Lockbox Services (17304)

Mac 71372-045

401 Market Street

Philadelphia, PA 19106

Mail **application** and **supporting documentation**

(i.e. insurance, financial statements, surety bond) to:

Maryland Department of Agriculture, Food Quality Assurance Program

50 Harry S. Truman Parkway, Suite 449

Annapolis, MD 21401-7080

Do you buy, receive, exchange or store grain from a person who grows grain in Maryland? This includes out of state companies setting up buying stations in Maryland or sending trucks into Maryland to pick up grain they have purchased.

☐ Yes ☐ No If no, you are not required to be licensed. If yes,

Are you a farmer who buys, receives, exchanges or stores grain strictly for use on your own farm (i.e. feed for your own animals)?

☐ Yes ☐ No If yes, you are not required to be licensed.

If you are not required to be licensed based on your answer to either of these two questions, please sign below and return to the Maryland Department of Agriculture, Food Quality Assurance Program, 50 Harry S. Truman Parkway, Annapolis, MD 21401-7080.

Name of Business _____

Date _____

Authorized Signature _____

Printed Name and Title _____

If you are required to be licensed, the completed application, insurance requirements compliance documentation, financial documentation, and the required fee must be submitted no later than DECEMBER 16, 2022 for your 2023 license. This remittance form and the appropriate fees must be submitted to either of the lock box addresses listed above. Your application, supporting documentation and all other correspondence should be sent to Maryland Department of Agriculture, Food Quality Assurance, 50 Harry S. Truman Parkway, Suite 449, Annapolis, MD 21401-7080.

Mail **application** and **supporting documentation** (i.e. insurance, financial statements, surety bond) to:

MARYLAND DEPARTMENT OF AGRICULTURE
FOOD QUALITY ASSURANCE PROGRAM
50 HARRY S. TRUMAN PARKWAY, SUITE 449
ANNAPOLIS, MD 21401

FQAP OFFICE USE ONLY				
Application Received		Fee		PCA - 23303 Revenue - 5787
Financial Statement		License Number		
Insurance		Control Numbers		
Check Number		Deposit Date		
License Mailed				

2023 APPLICATION FOR GRAIN DEALERS LICENSE
UNDER THE MARYLAND GRAIN DEALERS LICENSING LAW
(please type or print)

I, _____
(Printed name of Representative) (Title) (E-Mail Address)

for _____
(Company Name) (Telephone Number of Representative)

hereby apply for a license to operate a grain dealer business (in accordance with the provisions of Agriculture Article, Sections 13-201 through 215, Annotated Code of Maryland).

(Mailing Address of Principal Place of Business)

Street Address

City

County

State

Zip Code

Telephone Number

FAX Number

If a corporation, indicate the following: _____
State and Date of Incorporation

Please list below all company locations handling grain in the State of Maryland, **including address of principal place of business if applicable**. Separate licenses will be issued for each of the following locations and mailed to the principal place of business upon receipt of required fees and documentation.

Location #1: _____
Company Name

Street Address	City	County
State	Zip Code	Telephone Number
		FAX Number

Location #2: _____
Company Name

Street Address	City	County
State	Zip Code	Telephone Number
		FAX Number

Location #3: _____
Company Name

Street Address	City	County
State	Zip Code	Telephone Number
		FAX Number

If more than three locations, type or print additional sheet and attach to this application.

1. **Types of Licenses**

Type of License	Bushels of grain anticipated to be handled in the year of license application, rounded to the nearest 1,000 bushels.	Annual License Fee
A	1 to 49,999	\$50.00
B	50,000 to 99,999	\$100.00
C	100,000 to 499,999	\$200.00
D	500,000 and above	\$300.00

- (a) Type of license required for year 2023: A ☐ B ☐ C ☐ D ☐
- (b) Number of bushels applicant anticipates handling in year 2023: _____bushels
- (c) Number of bushels applicant handled as shown in his/her most recent grain records: _____bushels
- (d) Annual license fee enclosed \$ _____. All fees, applications, and required documentation are to be mailed to the Maryland Department of Agriculture, Food Quality Assurance Program, 50 Harry S. Truman Parkway, Annapolis, MD 21401-7080. Checks are to be made payable to the Maryland Department of Agriculture.

2. **Filing of Financial Statement or Posting of Surety Bond, Irrevocable Letter of Credit or Cash Guaranty**

(Please check the type of financial documentation you are submitting)

FINANCIAL STATEMENT:

- ___(a) License Type A - Financial Statement prepared and signed by someone other than applicant and signed by applicant indicating minimum financial net worth of \$15,000.00.
- ___(b) License Type B - Financial Statement prepared and signed by someone other than applicant and signed by applicant indicating minimum financial net worth of \$35,000.00.
- ___(c) License Type C or D - Financial Statement based on a review or audit by a certified public accountant indicating a minimum net worth of \$100,000.
- ___(d) Attachment B completed and signed by a certified public accountant indicating the minimum net worth required for the license type.

Or **POSTING** (Type A - \$15,000, Type B - \$35,000 or Type C and D \$100,000)

<u>Type</u>	<u>Amount</u>
(a) Surety Bond MDA Attachment A Form	_____
(b) Irrevocable Letter of Credit MDA Attachment C Form	_____
(c) Cash Guaranty	_____

3. **Providing Proof of Insurance Coverage for Grain**

(Please check one)

- ___(a) An insurance policy certified to be true by the insurance company or agency; or
- ___(b) An insurance binder or other evidence of insurance.

Must include the following statement: "The amount of the insurance shall be the fair market value of the grain and shall include coverage against loss or damage by fire, lightning, inherent explosion, windstorm, cyclone, tornado."

Name and Address of Insurance Company _____

Insurance Agent: _____ Binder/Policy Number _____ Expiration date _____

Agent's Telephone Number: (____) _____ Agent's FAX Number: (____) _____

4. **Workmen's Compensation Insurance**

Please check here ☐ if your business is not required to carry workmen's compensation insurance.

Name and Address of Insurance Provider: _____

Agent's Telephone Number: ()

Binder or Policy Number: _____ Expiration Date: _____

5. ***Affirmation: A person who applies for a renewal or original licensure as a grain dealer shall make an affirmation under penalty of perjury that all representations made by him/her in the most recent grain records are true and correct. He/She also shall notify this Department immediately if his/her status as to the type of license changes.***

Under penalties of perjury, I affirm the following:

- (a) All representations I have made in my most recent grain records are true and correct;
and
- (b) The representations and statements in this application are true and correct.

Name (printed)	Signature	Title	Date
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PUBLIC INFORMATION NOTICE:

You have the right to inspect, amend or correct both the application and the financial statement you submit. The information contained in the application may be subject to public inspection. This information is not routinely shared with other state, federal or local governmental agencies. Incomplete applications received by the Department may be rejected.

SUMMARY OF DOCUMENTATION AND FEES REQUIRED
DUE DECEMBER 16, 2022

ANNUAL FEE

Type of license and annual fee is dependent on the number of bushels anticipated to be handled in the year of application. The annual license fee for the type of license for which you are applying must be included with your application.

Type of License	Bushels of Grain Anticipated to be Handled in the Year of License Application, Rounded to Nearest 1,000 Bushels	Annual License Fee
A	1 to 49,999 bushels	\$ 50.00
B	50,000 to 99,999 bushels	\$100.00
C	100,000 to 499,999 bushels	\$200.00
D	500,000 bushels and above	\$300.00

PROOF OF INSURANCE COVERAGE FOR GRAIN

Proof of insurance which covers all of the grain received into the actual physical control or possession of the licensed person must be included with your application. Certificates of insurance and evidence of property insurance forms prepared by your insurer must include the following statement:

“The amount of the insurance shall be the fair market value of the grain and shall include coverage against loss or damage by fire, lightning, inherent explosion, windstorm, cyclone, tornado.”

FINANCIAL STATEMENT OF NET WORTH

A financial statement which establishes the net worth of your business must be included with your application. A surety bond or an irrevocable letter of credit at least as large as the minimum net worth required for the type of license for which you are applying is also acceptable. Surety bonds and irrevocable letters of credit must be prepared using forms provided by this Department. Please call (410) 543-6630 if you need either of these forms. The minimum amount of net worth required is determined by the type of license for which you are applying.

Type of License	Minimum Net Worth
A	\$ 15,000.00
B	\$ 35,000.00
C	\$100,000.00
D	\$100,000.00

FOR TYPE A AND TYPE B LICENSES:

The financial statement must be prepared and signed by a person other than the applicant or a member of the applicant's business or family. The financial statement must also be signed by the applicant.

FOR TYPE C AND TYPE D LICENSES

The financial statement must be a review or audit prepared by a certified public accountant. The enclosed Attachment B may be used to provide this information. A financial statement based on a compilation will not be acceptable.

SURETY BOND

Principal:	Business Address of Principal:
Surety: a corporation of the state of _____ and authorized to do business in the State of Maryland	Obligee: STATE OF MARYLAND MARYLAND DEPARTMENT OF AGRICULTURE
Penal Sum of Bond:	Maryland Grain Dealer's License for year beginning _____, 20____, and ending _____, 20____.
Maryland Grain Dealer's License Number: _____	Date Bond Executed: _____, 20_____

KNOW ALL MEN BY THESE PRESENTS that we, the Principal and Surety named above being authorized to do business in Maryland, and having business addresses as shown above, are held and firmly bound unto the Obligee, the State of Maryland, and for the benefit of all interested parties in the Penal Sum of this Surety Bond stated above, for the payment of which Penal Sum we bind ourselves, our heirs, executors, administrators, personal representative, successors, and assigns, jointly, and severally, firmly by these presents. However, where Surety is composed of corporations acting as co-sureties, we, the co-sureties, bind ourselves, our successors and assigns, in such Penal Sum jointly and severally as well as severally only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each co-surety binds itself, jointly and severally with the Principal, for the payment of such sums as appears above its name below.

WHEREAS, principal has applied to the Maryland Department of Agriculture for a license or licenses for the purpose of carrying on a grain buyer's/dealer's business in accordance with the laws of the State of Maryland and the rules and regulations of the Maryland Department of Agriculture.

WHEREAS, under the provisions of the Agriculture Article Section 13-212, Maryland Annotated Code, the principal is required to file this bond in order to obtain a grain buyer's/dealer's license.

NOW, THEREFORE, the condition of this obligation is such that if the principal shall promptly make payment or satisfy all lawful grain producer claims for all grain delivered, then this obligation shall be null and void, otherwise, it shall remain in full force and effect, subject to the following conditions:

- (1) As used herein, the term "grain" is defined in Agriculture Article Section 13-201 Maryland Annotated Code.
- (2) The liability of the surety under this obligation for any claim shall not exceed the amount of this bond.

The Surety Bond shall be governed by and construed in accordance with the laws of the State of Maryland and any reference herein to Principal or Surety in the singular shall include all entities in the plural who or which are signatories under the Principal or Surety heading below.

IN WITNESS WHEREOF, Principal and Surety have set their hands and seals to this Surety Bond. If any individual is a signatory under the Principal heading below, then each such individual has signed below on his or her own behalf, has set forth below the name of the firm, if any, in whose name he or she is doing business, and has set forth below his or her title as a sole proprietor. If any partnership or joint venture is a signatory under the Principal heading below, then all members of each such partnership or joint venture have signed below, each member has set forth below the name of the partnership or joint venture, and each member has set forth below his or her title as a general partner, limited partner, or member of joint venture, whichever is applicable. If any corporation is a signatory under the Principal or Surety heading below, then each such corporation has caused the following: the corporation's name to be set forth below, a duly authorized representative of the corporation to affix below the corporation's seal and to attach hereto a notarized corporate resolution or power of attorney authorizing such action, and each such duly authorized representative to sign below and to set forth below his or her title as a representative of the corporation. If any individual acts as a witness to any signature below, then each such individual has signed below and has set forth below his or her title as a witness. All of the above has been done as of the Date of Bond shown above.

In Present of:
Witness

_____ as to

In Presence of:
Witness

_____ as to

_____ as to

_____ as to

Attest:

(Corporate Secretary)

Attest: (SEAL)

(Signature)

Bonding Agent's Name:

Agent's Address:

Individual Principal

_____(SEAL)

Co-Partnership Principal

_____(SEAL)

(Name of co-partnership)

By:_____(SEAL)

_____(SEAL)

_____(SEAL)

Corporate Principal

(Name of Corporation)
AFFIX CORPORATE SEAL
By:

(President)

(Surety)

AFFIX

By:_____
SEAL CORPORATE

Title:_____

(Business Address of Surety)

Approved as to legal form and sufficiency this
_____ day of _____ 20_____.

(Assistant Attorney General)

ATTACHMENT B

We have conducted a review of the records of the applicant's grain business for the fiscal year ending _____ in accordance with generally accepted standards. In our opinion the net worth of:

_____,
(company)

calculated on a basis consistent with generally accepted accounting principles is

\$ _____.

Furthermore, we attest to our independence from the applicant,

_____,
(company)

as defined in the American Institute of Certified Public Accountants' Code of Professional Ethics.

SIGNATURE

NAME OF FIRM

CPA NUMBER

DATE

Maryland Department of Agriculture

Food Quality Assurance Program
50 Harry S. Truman Parkway, Suite 449
Annapolis, MD 21401-7080

RE: Letter of Credit: _____
Issue Date: _____
Letter of Credit Amount: _____
Applicant: _____
Address: _____
Expiration Date: _____

Dear Beneficiary:

We, _____ (name of bank), hereby establish our irrevocable standby letter of credit in favor of the Maryland Department of Agriculture (MDA), as beneficiary, placing a hold on funds in Account _____ (account number of licensee/applicant). MDA may draw on these funds in the form of a sight draft, not to exceed, \$ _____, when the following conditions are met:

The licensee, _____, has failed to satisfy a grain producer's lawful claim for all grain delivered; (1) The producer has filed suit and a judgment has been docketed in the producer's favor against the licensee over the producer's claim in a court of competent jurisdiction; and the producer has been unsuccessful in collecting the amount of the judgment; or (2) a producer's claim filed in a bankruptcy proceeding against the licensee is unsatisfied after the proceeding is closed.

Therefore, MDA demands payment of USD \$ _____ under the _____ (name of bank) Letter of Credit # _____.

Sincerely,

(Name of Bank)

BY: _____
(Authorized Bank Official)

(Witness)

Authorized to honor sight draft on account # _____ (account of licensee/applicant) under the terms outlined in this letter.

(Witness)

BY: _____
(Licensee/Applicant)