

★ PRODUCER INFORMATION ★

STORING YOUR GRAIN AT
LICENSED PUBLIC GRAIN
WAREHOUSES



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TEXAS DEPARTMENT
OF AGRICULTURE



COMMISSIONER
SID MILLER

The primary purpose of the Grain Warehouse Program is to protect grain depositors in public grain warehouses.

The Texas Department of Agriculture (TDA) requires public grain warehouses to be licensed and post a security to protect grain depositors. When the department becomes aware of potential violations involving the storage and handling of grain or the possible insolvency of a public grain warehouse, TDA protects the interests of grain depositors by suspending operations to prevent further movement of pending an investigation.

Investigations are conducted by TDA inspectors to measure grain in storage; verify accuracy of accounts for grain depositors, sellers and buyers; and analyze storage, handling and financial records to ensure that warehouse operators are in compliance with the state's public grain warehouse laws and regulations.

How does the Grain Warehouse Law protect depositors?

- Licensed warehouses are required to post a bond or other security in the amount of 10 cents per bushel (minimum \$35,000; maximum \$500,000). Bond proceeds may be used to reimburse grain depositors in whole or in part when a warehouse operator fails to meet grain storage obligations
- Licensed warehouses must carry insurance for the full market value of all grain storage obligations.
- Licensed grain warehouses are required to meet certain net worth requirements. If the licensee does not meet those requirements, additional bonding must be obtained.
- Licensed warehouses are subject to random, unannounced examinations by TDA inspectors to verify grain obligations.
- If a grain warehouse becomes insolvent, grain stocks on hand plus the warehouse bond or other security may be used to settle depositor storage claims filed with the department.

How to protect yourself and your grain.

Make sure your grain has been properly weighed and the gross weight recorded on a scale ticket. Split weighing is not legal for trade in Texas. When appropriate, ensure your grain has been properly graded.

Verify that you receive the following for all grain that is physically deposited within or loaded out of a licensed warehouse:

- An Inbound Scale Ticket - for grain physically deposited within the warehouse.
- An Outbound Scale Ticket - for grain physically loaded out of the warehouse.
- A Warehouse Receipt - if a negotiable title is required.

Ensure each sale ticket you receive contains the name and address of the licensed grain warehouse, the name of the commodity with applicable discount factors concerning the grade and the gross, tare and net weights. Always retain your tickets or receipts. This may be your only proof of ownership.

Obtain a written agreement, invoice or other written documentation concerning the price to be paid for your grain and how/when you will be paid. Make sure you understand all of the terms of each transaction and that all sale or purchase terms are included in the written documentation.

Question any delay in payment.

Report delays in payment or other suspicious activities to TDA immediately.



**FOR MORE INFORMATION AND
LISTINGS OF STATE-LICENSED WAREHOUSES, CONTACT:**

**1-800-TELL-TDA
OR
WWW.TEXASAGRICULTURE.GOV**