

HANDOUT 1

GRAIN MERCHANDIZING

OVERVIEW



PUBLIC GRAIN WAREHOUSE: Any building, structure or other protected enclosure in the state used for the purpose of storing grain for a consideration.

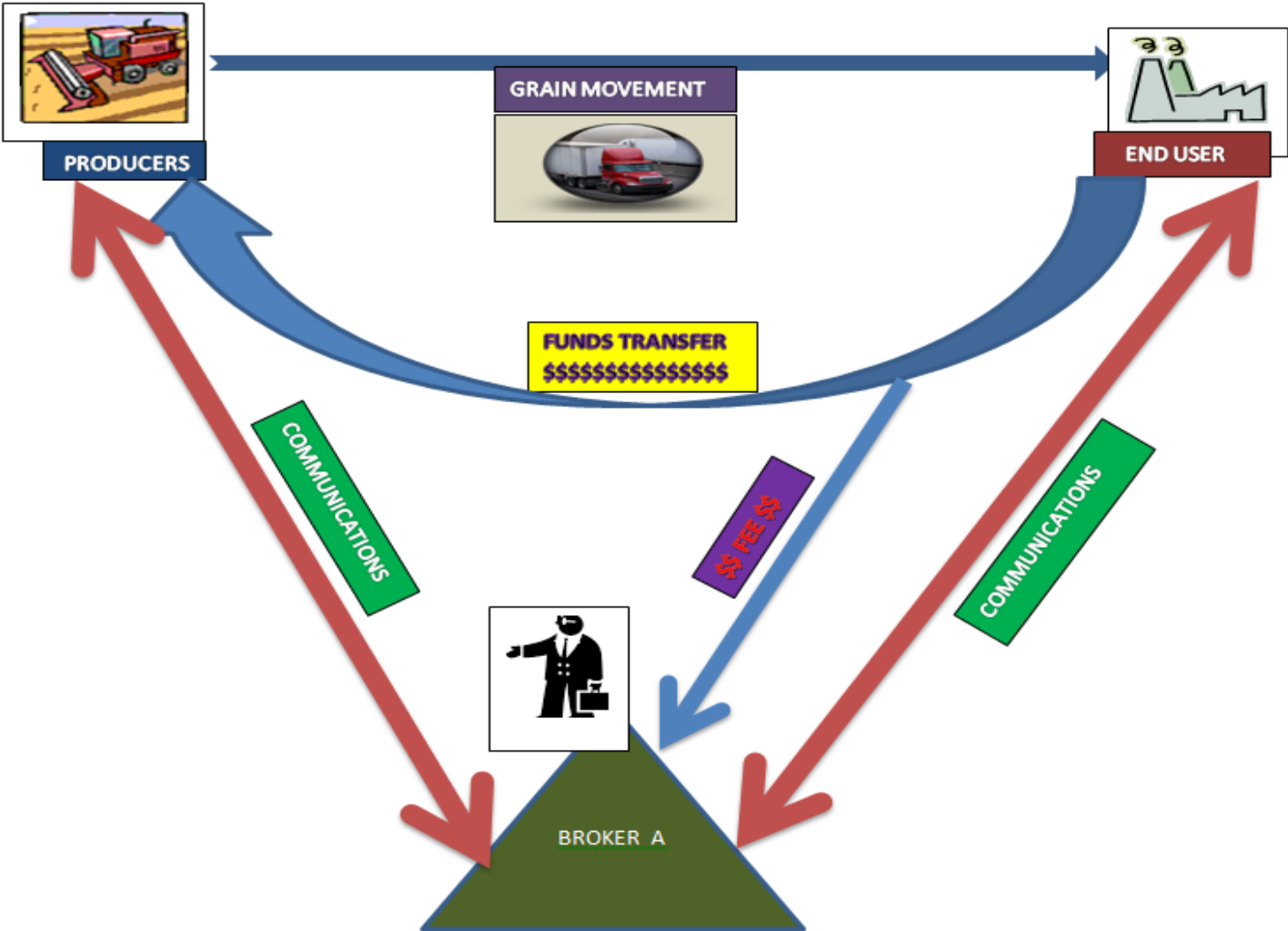
- Must be licensed by the state or under the United States Warehouse Act.
- Must be bonded. (State licensed facilities may use other vehicles such as a certificate of deposit as surety or as a self-insurer.)
- Warehouses are audited

A **BROKER IS SOMEONE WHO FACILITATES THE PURCHASE AND SALE OF GRAIN. THEY COLLECT A FEE FOR THE TRANSACTION. NO LICENSE IS REQUIRED. THEY MAY OR MAY NOT BE BONDED.**

MERCHANDIZERS AND DEALERS DO NOT STORE GRAIN. THEY SELL TO THE END USER AND PAY THE FARMER FOR THE GRAIN. NO LICENSE IS RQUIRED. THEY MAY OR MAY NOT BE BONDED.

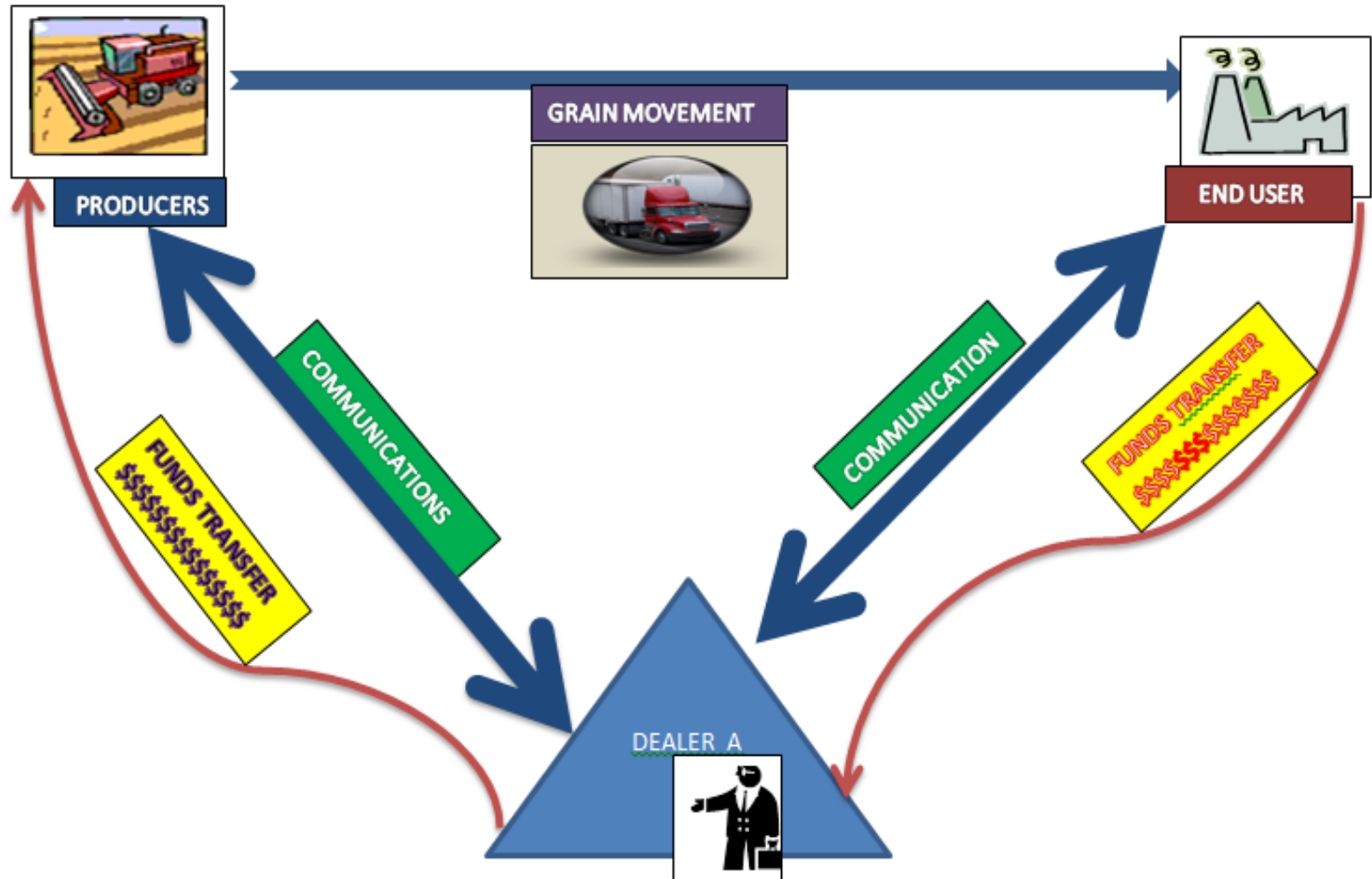
GRAIN MERCHANDIZING

FLOW CHART FOR GRAIN AND MONEY MOVEMENTS INVOLVED IN BROKER FACILITATED TRADES



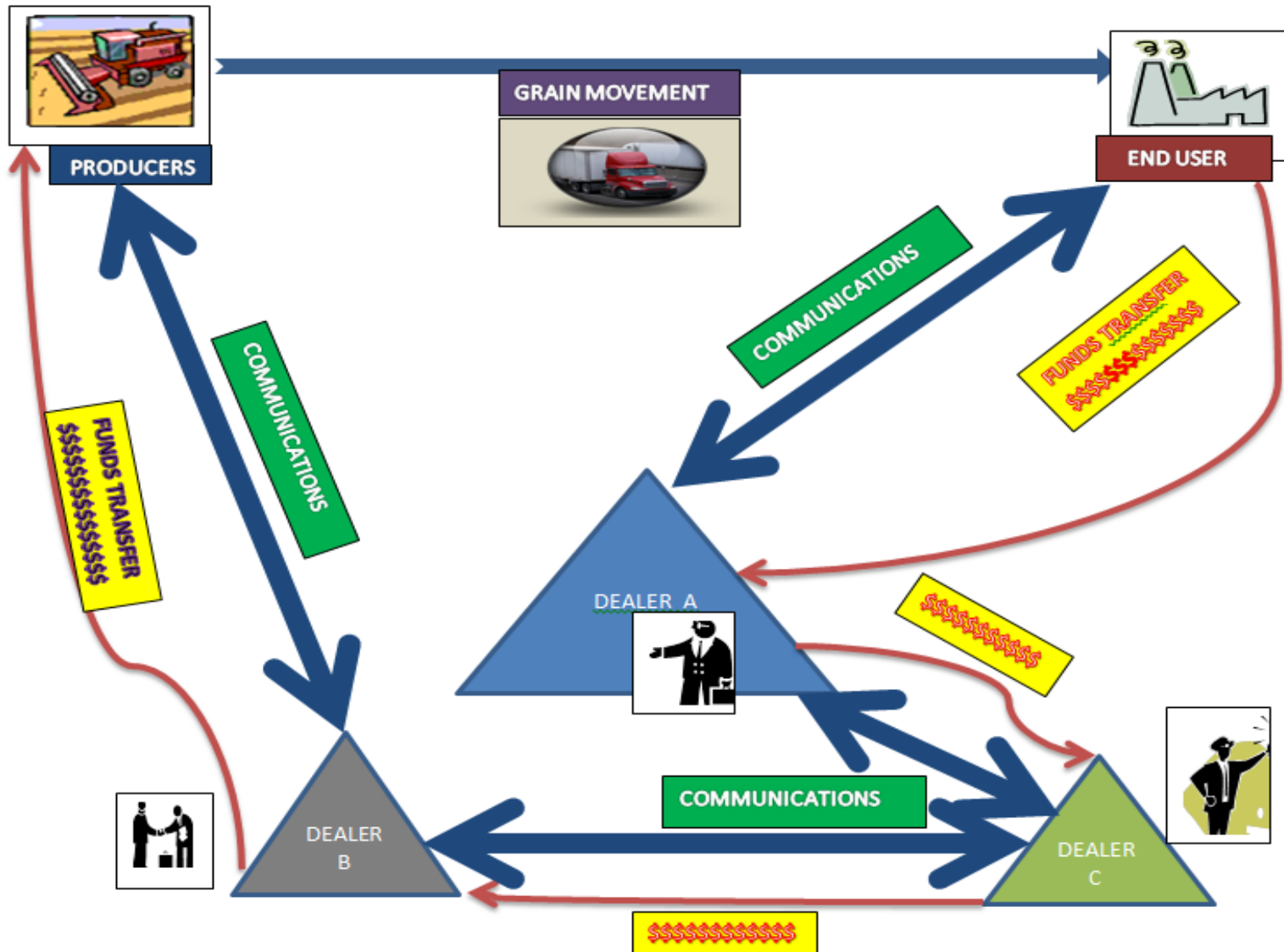
GRAIN MERCHANDIZING

FLOW CHART FOR GRAIN AND MONEY MOVEMENTS INVOLVED IN GRAIN DEALER TRADES



GRAIN MERCHANDIZING

FLOW CHART FOR GRAIN AND MONEY MOVEMENTS INVOLVED IN *MULTI* GRAIN DEALER TRADES



GRAIN MERCHANDIZING

GRAIN DEALER REQUIREMENTS SUMMARY OF OTHER STATES' REQUIREMENTS

- SUBMIT FINANCIAL STATEMENTS TO ACQUIRE LICENSE
- PAY FEES
- HAVE SCALE TICKETS
- HAVE LEGAL CONTRACTS
- POST BOND
- KEEP TRADING ASSETS TO TRADING LIABILITIES RATIO AT 1 TO 1
- MEET DIRECTOR'S NET WORTH REQUIREMENTS
- AUDITS REQUIRED