

State of Wisconsin



1997 Senate Bill 275

Date of enactment: **July 1, 1998**
Date of publication*: **July 15, 1998**

1997 WISCONSIN ACT 324

AN ACT to *renumber and amend* 127.01 (18) and 127.069 (1); to *amend* 127.01 (5p), 127.01 (5r), 127.06 (1) (a) (intro.), 127.06 (1m) (c) 1., 127.09 (4) and 127.10 (5); and to *create* 127.01 (18) (c), 127.03 (6), 127.06 (1m) (c) 1m., 127.069 (1) (a) (intro.), 127.069 (1) (a) 2., 127.069 (2) (a) 4. and 127.09 (6) of the statutes; **relating to**: regulation of grain dealers and grain warehouse keepers.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 127.01 (5p) of the statutes is amended to read:

127.01 (5p) "Class B grain dealer" means a person, other than a Class B2 grain dealer, who buys grain from producers only in connection with the operation of a feed mill or other manufacturing facility operated by that person, except as provided in s. 127.03 (6), and who spends less than \$400,000 during that person's fiscal year to buy grain from producers.

SECTION 2. 127.01 (5r) of the statutes is amended to read:

127.01 (5r) "Class B2 grain dealer" means a person who buys grain from producers only in connection with the operation of a feed mill or other manufacturing facility operated by that person, except as provided in s. 127.03 (6), who spends less than \$50,000 during that person's fiscal year to buy grain from producers and who does not buy any grain under a deferred payment contract or a deferred price contract.

SECTION 3. 127.01 (18) of the statutes is renumbered 127.01 (18) (intro.) and amended to read:

127.01 (18) (intro.) "Grain" means corn, wheat, soybeans, oats, barley, rye, buckwheat, sorghum, flaxseed,

milo, sunflower seed and mixed grain as defined in the federal grain standards act, 7 USC 71 to 87k. "Grain", except that "grain" does not include any of the following:

(a) Sweet corn or other canning crops for processing or grain.

(b) Seed corn or wheat, soybeans, oats, barley, rye, buckwheat, sorghum, flaxseed, milo, sunflower seed or mixed grain used or intended for use solely for planting purposes.

SECTION 4. 127.01 (18) (c) of the statutes is created to read:

127.01 (18) (c) Any corn, wheat, soybeans, oats, barley, rye, buckwheat, sorghum, flaxseed, milo, sunflower seed or mixed grain that has been rolled, cracked, roasted or otherwise processed.

SECTION 5. 127.03 (6) of the statutes is created to read:

127.03 (6) SALES BY CERTAIN GRAIN DEALERS. A person does not cease to be a Class B grain dealer or Class B2 grain dealer because the person sells grain to other grain dealers, as long as the amount received from the other grain dealers for the grain sold during the person's fiscal year does not exceed 20% of the amount that the person spends to buy grain from producers during that fiscal year.

* Section 991.11, WISCONSIN STATUTES 1995-96: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

SECTION 6. 127.06 (1) (a) (intro.) of the statutes is amended to read:

127.06 (1) (a) (intro.) A warehouse keeper licensed or required to be licensed under s. 127.02 (1) shall do all of the following:

SECTION 7. 127.06 (1m) (c) 1. of the statutes is amended to read:

127.06 (1m) (c) 1. The grain dealer is a Class A grain dealer that buys or sells at least \$2,000,000 ~~\$3,000,000~~ worth of grain from producers during the grain dealer's fiscal year.

SECTION 8. 127.06 (1m) (c) 1m. of the statutes is created to read:

127.06 (1m) (c) 1m. The grain dealer is a Class A grain dealer that buys or sells at least \$2,000,000 but less than \$3,000,000 worth of grain from producers during the grain dealer's fiscal year if the grain dealer bought or sold at least \$2,000,000 worth of grain from producers during the grain dealer's previous fiscal year.

SECTION 9. 127.069 (1) of the statutes is renumbered 127.069 (1) (a) 1. and amended to read:

127.069 (1) (a) 1. A warehouse keeper, other than an exempt warehouse keeper, that does not meet the financial standards under s. 127.065 (1) ~~shall file monthly reports with the department.~~

(b) The warehouse keeper shall file each monthly report under par. (a) no later than the 10th day of each month. Each monthly report shall state the inventory of each type of grain in storage in each of the warehouse keeper's warehouses on the last day of the previous month.

SECTION 10. 127.069 (1) (a) (intro.) of the statutes is created to read:

127.069 (1) (a) (intro.) All of the following shall file monthly reports with the department:

SECTION 11. 127.069 (1) (a) 2. of the statutes is created to read:

127.069 (1) (a) 2. A warehouse keeper that has filed a bond or other security with the department for the benefit of depositors.

SECTION 12. 127.069 (2) (a) 4. of the statutes is created to read:

127.069 (2) (a) 4. A grain dealer that has filed a bond or other security with the department for the benefit of producers.

SECTION 13. 127.09 (4) of the statutes is amended to read:

127.09 (4) **MAINTAIN SUFFICIENT INVENTORY.** A warehouse keeper shall at all times maintain grain inventories sufficient in quantity and quality to meet all outstanding obligations for grain received from or held in storage for depositors. If the warehouse keeper is licensed, the warehouse keeper shall maintain the grain in a licensed warehouse.

SECTION 14. 127.09 (6) of the statutes is created to read:

127.09 (6) **STORAGE BY ANOTHER WAREHOUSE KEEPER.** If a warehouse keeper delivers grain owned by a depositor to another warehouse keeper for storage, the delivering warehouse keeper shall direct the receiving warehouse keeper to issue one or more nonnegotiable warehouse receipts to the delivering warehouse keeper for the amount of grain delivered. A nonnegotiable warehouse receipt required under this subsection may not be a scale ticket.

SECTION 15. 127.10 (5) of the statutes is amended to read:

127.10 (5) **DEFERRED PAYMENT OR DEFERRED PRICE CONTRACT.** (a) A deferred payment or deferred price contract shall be in writing. ~~A~~ If the contract is made before the grain dealer takes custody of the grain, the grain dealer shall furnish the producer with a copy of the written contract within 7 days after the grain dealer and the producer enter into the contract. If the contract is not made before the grain dealer takes custody of the grain, the grain dealer shall furnish the producer with a copy of the written contract within 7 days after the grain dealer takes title to custody of the grain covered by the contract. The contract shall state the price of the grain or, in the case of a deferred price contract, the formula by which the price will be determined and the deadline by which the price will be determined.

(b) A deferred payment contract or deferred price contract shall specify the date by which the grain dealer agrees to pay the producer in full. That date may not be more than 180 days after the day on which the contract price is established or the day on which the grain dealer takes custody of the grain, whichever is later.