



**STATE OF MISSISSIPPI
DEPARTMENT OF AGRICULTURE AND COMMERCE**

ANDY GIPSON
COMMISSIONER

PRESS RELEASE

FOR IMMEDIATE RELEASE: January 25, 2022

Contact: Paige Manning, Director of Marketing and Public Relations
(601) 359-1163 / cell: (662) 312-5897
Paige@mdac.ms.gov

Hannah East, Marketing Specialist
(601) 359-1179
HannahE@mdac.ms.gov

Ag Commissioner Gipson Praises House Agriculture Committee for Passing Mississippi Grain Indemnity Act

JACKSON, Miss. – Today, the Mississippi House of Representative’s Agriculture Committee unanimously passed the Mississippi Grain Indemnity Act, House Bill 1389. The Mississippi Grain Indemnity Act would establish a Grain Indemnity Trust Fund to compensate Mississippi producers when grain warehouses and grain dealers can’t meet their legal obligations to farmers. The legislation was crafted by the farmer-led Mississippi Grain Indemnity Task Force with representatives appointed by Mississippi Farm Bureau, the Delta Council, Commissioner Gipson and other elected officials.

“I would like to thank House Speaker Philip Gunn for introducing this legislation, as well as House Agriculture Committee Chairman Bill Pigott, Vice Chairman Vince Mangold and the entire Agriculture Committee for their leadership and support in passing this important legislation. The Mississippi Grain Indemnity Act would ensure protection for our farmers when grain warehouses and dealers fail to live up to their obligations, and this bill would not cost any taxpayer dollars,” said Ag Commissioner Gipson.

The Mississippi Grain Indemnity Act would provide payments to participating agricultural producers for contract losses due to a failure of a grain dealer licensed by the State of Mississippi, and for contract and storage losses due to the failure of a grain warehouse operator licensed by the State of Mississippi or by the United States Department of Agriculture.

The Grain Indemnity Trust Fund, established through the Act, would be funded through the collection of voluntary producer assessments rather than taxpayer funds. The Trust would be administered by a board consisting of the Commissioner of Agriculture and Commerce and six other members appointed by Mississippi Farm Bureau and Delta Council, and two at-large producers appointed by the Commissioner. These trustees would evaluate claims when a failure occurs and authorize payments to be made from the Trust.

“I look forward to monitoring this bill as it moves forward through the legislative process. I am grateful for the work of the Mississippi Grain Indemnity Task Force chaired by Ted Kendall for their efforts in

proposing the Grain Indemnity Act. This legislation takes a farmer-driven approach and is a voluntary producer-funded program. Farmers are not required to participate, and taxpayer funds are not used,” said Commissioner Gipson.

Highlights of House Bill 1389

- The program is voluntary. Producers can opt out of the payment of assessments by notifying the Commissioner by June 1 each year of their desire NOT to participate in the program for the current crop year.
- Producers who do not opt out would pay an assessment of 0.2 percent of the value of corn, grain sorghum, oats and wheat sold between July 1 and following June 30. The assessment would be levied only on grain sold during the assessment period produced during the enrolled crop year.
- Assessments would be collected until \$20 million is in the trust. When the balance of the trust falls below \$18 million, assessments would be reinstated.
- Assessments would be collected by all State-licensed grain warehouses and grain dealers and Federally-licensed grain warehouses.
- Producers who choose to participate in the program for a crop year would be eligible to submit a claim when a State-licensed grain dealer or a State or Federally-licensed grain warehouse fails and the producer has not been fully paid for that crop year’s production of grain no matter in which year the failure occurs.
- The Trust could only be used to pay producers for eligible losses and administrative costs associated with the Trust. These funds could not be used by the State for any other purpose.
- Claims would be paid only from the Trust and if claims exceed the amount in the trust, claims would be paid on a pro-rata basis.

House Bill 1389 will now be sent to the House of Representatives for consideration.

###