

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

NEWS RELEASE

Thursday, September 28, 2006

Commissioners Clark, Wefald, and Cramer

For Immediate Release*

Phone 701-328-2400

PSC Schedules Grain Buyer License Awareness Presentation

The North Dakota Public Service Commission wants to remind grain buyers that they have to be licensed and bonded before they can legally do business in the state. The law applies to companies buying or merchandising grain on behalf of its owner.

In an attempt to educate people about the importance of licensing, the Public Service Commission is presenting "Buying Grain in North Dakota," on Wednesday, Oct. 4 at 1:30 p.m. CDST. People can attend the event in person in the Oil and Gas Division office building at 1016 E. Calgary Ave. in Bismarck, or it can be viewed live by going to www.psc.state.nd.us and clicking on PSC Live. Anyone with questions about licensing their business or doing business with buyers can ask questions in person or by e-mailing them to ndpsc@nd.gov and have them answered during the broadcast.

Some of the topics to be discussed include the importance of licensing, how to obtain a license, bonding requirements and the purpose of bonding.

PSC Commissioner Tony Clark said sellers will have more peace of mind dealing with a licensed and bonded buyer.

"If you deal with a licensed and bonded buyer you know that you will have greater protection if the company becomes insolvent," Clark said. "A quick call to the Public Service Commission can help prevent producers from losing money on a crop they spent months growing."

Farmers and elevator managers can easily find out if a buyer is licensed by calling the PSC at 328-4097.

The licensing and bonding requirements are in place to ensure that farmers and elevators get paid for their product if a buyer goes insolvent. If they are not bonded, court action may be the only recourse sellers have to collect money owed to them.

Another protection sellers have is the Credit-Sale Contract Indemnity Fund, which was created by the Legislature in 2003. The fund provides partial protection to farmers and elevators for grain sold to licensed entities via credit-sale contract.

Commissioner Kevin Cramer said the bond and the indemnity fund, which has a balance of more than \$3 million, are only available when selling grain to licensed grain buyers.

“The Public Service Commission works hard to make sure companies are complying with the law, but farmers and elevator managers should be vigilant in making sure they are dealing only with licensed buyers,” Cramer said.

Companies buying grain without a license can be ordered to stop doing business in the state and can face fines of up to \$5,000.

Commissioner Susan Wefald said the PSC is committed to helping all of the parties involved to understand their rights and responsibilities.

“The Public Service Commission has taken proactive steps towards protecting farmers and elevators from unnecessary risks,” Wefald said. “Compliance is easy and helps maintain the integrity of transactions across the state.”

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