

# Grain Licensing

Plant Protection Division MS Chapters 232 & 232

## Grain Program Snapshot

- 313 licensed entities and 568 licensed locations.
- These entities transacted over \$26 billion in grain in 2024.
- Must hold a license to buy or store grain in Minnesota, 36 companies are located out of state.
- Four inspectors and two office staff, operating budget of \$700,000.



## Financial Reporting History

- 1982-83: Financial statements were required to set bond amounts, required a compilation as a financial statement.
- 2004: Compilation was removed and required a review or audit as the only acceptable reports.
- 2006: Review and audit requirement was removed and changed back to compilation.
- 2012: Overhaul of program removed requirement to report anything to the Minnesota Department of Agriculture (MDA) and relied on the sureties conducting financial evaluations.
- 2019: Reviewed or audited financials required. \$5 million or more in grain purchases required an audit.
- 2022: Threshold for review and audit changed from \$5 million to \$7.5 million.

## Proposed language

- Drafted following advisory group meetings in 2023.
- Prioritize visibility of financial position by MDA over reporting standards. Financial reporting and monitoring plus annual inspections will make for a complete view into the operation.
- Addresses complaints about cost and availability of financial reviews by entities on lower end of spectrum.
- Reviews or audits offer assurances to the accuracy of the financial statement and the data used to issue the report, they do not make any assessment of financial position or evaluate whether the company can pay for grain.
- Under the proposed language 99% of grain purchases in 2024 in Minnesota would have been purchased by entities required to submit either an audited or reviewed financial.

**Table 1: Grain purchases in 2024 required to submit an audited or reviewed financial.**

	Other (Compilation, Tax Basis, etc)	Entities qualifying for a review	Entities qualifying for an audit
Current Language		141	130
Proposed Language	141	32	98

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