

GRAIN WAREHOUSE LIEN ISSUE

QUESTIONS?

Call, text or e-mail if you have any questions or concerns.

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SUMMARY

Issue

- A bank was able to claw back 5 years of storage, drying and quality discounts from a local elevator, disrupting the industry standard and creating additional uncertainty for rural Iowa.

Standard Practice

- For more than 100 years, the elevator's storage & drying costs have been deducted when a check is written to the farmer to pay for his/her grain
- Elevators preserve the quality of farmer & lender collateral

Impact

- Creates more uncertainty, potentially pushing commodity prices lower in an already fragile system, negatively impacting local farm families and communities
- Disrupts a system for 1.4 billion bushels of stored grain and 324 grain dealers in Iowa
- Avg. storage & drying \$ at risk per elevator/year = \$5 mil
- Less transparency in the system = added confusion and frustration for local farmers

2020 Legislative Session

- [HSB500](#): Grain Lien Language introduced, possessory lien

TEAMS INVOLVED IN DRAFTING THIS LEGISLATION



**IOWA DEPARTMENT OF
AGRICULTURE &
LAND STEWARDSHIP**