

Grain Bond Frequently Asked Questions

What is a bond?

A Minnesota grain bond is a set amount of money held by a Minnesota Grain License holder to pay sellers or depositors of grain that may be damaged by a breach of contract. Each license holder is required to carry a different value of bond based on their business practices from the year prior.

Who can file a claim?

Anyone claiming to be damaged by a breach of a contract for the purchase or storage of grain by a licensed grain entity on Minnesota may file a written claim with the commissioner. All potential claimants have 180 days from the breach of their contract to file a claim. A breach of contract can be failure of payment within 48 hours of delivery for cash sales, a failure to redeliver grain within 48 hours of demand for redelivery, bounced checks issued for grain payment, etc.

How do I file a claim?

Use a [proof of bond claim form](#) which will summarize what type of grain was delivered, the quantity, and the value. Attach any documentation you might have to support your claim.

Claims can be sent via email, fax, or mail.

Email: grain@state.mn.us

Fax: 651-201-6108

Mail: Grain Licensing, 625 Robert St. N, St. Paul, MN 55155

What sort of documents should I submit?

Scale tickets, bills of lading, contracts, settlement sheets, bounced checks, warehouse receipts, bank statements, email/text exchanges, and any other documents that you might have related to the delivery of grain.

How long does this process take?

Once the MDA receives and validates its first valid bond claim, a notice must be published notifying all other sellers or depositors of grain of the valid claim. This begins the process of evaluating all other claims against the license holder. This process requires that the MDA evaluate claims and begin the bond payout process within 220 days of publishing the notice of valid claim if no appeals are received.

How much money will I receive?

That depends. Bond payouts are proportional, so all claimants will split the bond based on their percentage of the total valid claims.

Is it better if I file early before others?

No, all claims are treated equally, and all valid claims are included in the distribution. However, Minnesota statute requires bond claims to be filed within 180 days of the breach of contract.

Should I contact a lawyer?

Bond payouts do not cover all transactions. Contacting a lawyer may help you find alternate means of recouping losses.

Can I file a claim if I live outside Minnesota?

Yes, Minnesota grain bonds cover all transactions where title passed within the Minnesota border. So if you live out of state but delivered to a Minnesota based location, your delivery may be covered.

How much is the bond?

Bond amounts vary and are based on annual grain purchases or storage liability. Please call 651-201-6011 to verify bond amounts on file.

For More Information

Grain Licensing Unit

Plant Protection Division

651-201-6011

grain@state.mn.us

In accordance with the Americans with Disabilities Act, this information is available in alternative forms of communication upon request by calling 651-201-6000. TTY users can call the Minnesota Relay Service at 711. The MDA is an equal opportunity employer and provider.