



NEWS RELEASE
FOR IMMEDIATE RELEASE

Changes coming to the Indiana Grain Indemnity Fund

INDIANAPOLIS (April 24, 2017) — The [Indiana Grain Indemnity Corporation](#) (IGIC) and the [Indiana State Department of Agriculture](#) (ISDA) want to inform Hoosier farmers of several changes that have been made to the [Indiana Grain Indemnity Fund](#) as a result of [legislation](#) enacted by the 2017 [Indiana General Assembly](#). While most are technical in nature, some of the main changes include clarifying whether or not a producer is a participant in the fund and extending the duration of coverage provided by the program.

“Since its inception, the indemnity fund has been an important safety net for Hoosier farmers, providing nearly \$9 million in reimbursements,” said Ed Sheldon, Director of the Indiana Grain Buyers and Warehouse Licensing Agency (IGBWL). “With this new law in effect, we want to make sure that Indiana’s grain farmers are aware and understand how these changes could impact their operation.”

The indemnity fund was created in 1995 to protect farmers from major financial losses in the event of a licensed grain buyer or warehouse failure. Managed by the IGIC board of directors, the fund is supported by a 0.2% premium on the gross value of all grain marketed to licensed grain buyers during active collection periods.

There have only been two premium collection periods in the history of the Indiana Grain Indemnity Fund. The first collection occurred from 1996-98, and the second, which started July 1, 2015 and still in effect, is projected to end June 30, 2017. Licensed grain buyers are required by law to deduct the premiums from each producer settlement, which are then sent to IGIC every quarter.

Sheldon said that producers can opt out of the program at any time and request a premium refund. However, if they do that, they are no longer a participant in the program and will not be covered if a licensed grain buyer or warehouse fails.

This new law, [House Enrolled Act \(HEA\) 1237](#), specifies that producers, who claimed a refund during the first collection period in the 1990s, are once again protected by the program and do not need to petition the board for re-entry. For producers that requested and received a refund after July 1, 2015, during the second collection period, they are still not covered by the fund and must submit a petition to the board for reinstatement.

In addition, producers are now covered for grain deliveries to licensed grain buyers or warehouses that have occurred up to 15 months prior to the date of failure. Previously, the coverage was limited to 12 months. Only delivered grain is eligible for coverage under the fund, and coverage is determined based on the actual date of delivery of each individual load.

The IGBWL is in the process of notifying producers, grain buyers and warehouses about these changes, and other statutory provisions of HEA 1237. In addition, educational information about the Indiana Grain Indemnity Fund, including details about covered transactions, reimbursement amounts,

and opting out or re-entering the fund, is available at www.in.gov/isda/2351.htm.

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ABOUT ISDA

The [Indiana State Department of Agriculture \(ISDA\)](#) was established as a separate state agency by the Legislature in 2005. The Director is appointed by the Governor and is a member of the Governor's Cabinet. Administratively, ISDA reports to [Lt. Governor Suzanne Crouch](#), who also serves as Indiana's Secretary of Agriculture and Rural Development. Major responsibilities include advocacy for Indiana agriculture at the local, state and federal level, managing soil conservation programs, promoting economic development and agricultural innovation, serving as a regulatory ombudsman for agricultural businesses, and licensing grain firms throughout the state.



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