

CHAPTER 234

STORAGE OF GRAIN ON FARMS

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234.01 PURPOSE.

The purpose of this chapter is to provide the owner of grain in this state with means of warehousing the grain on the farm, under proper restrictions and safeguards, as a basis for credit and to aid in the orderly marketing of the grain.

History: (5077-15) 1935 c 65 s 1; 1989 c 197 art 4 s 1

234.02 [Repealed, 1981 c 261 s 22]**234.03 DUTIES OF DEPARTMENT.**

The department shall carry out this chapter and may:

- (1) make rules that are necessary or desirable to carry out this chapter and consistent with it;
- (2) make reasonable and necessary rules about the construction and maintenance of granaries, cribs, bins, or other receptacles to protect the grain stored in them under this chapter; and
- (3) prepare and have printed under the same conditions as other state printing necessary blanks, forms, and other printed matter, charging a fee for the printed matter that will meet the cost of production.

History: (5077-17) 1935 c 65 s 3; 1971 c 25 s 67; 1985 c 248 s 70; 1989 c 197 art 4 s 1

234.04 SUPERVISORY BOARDS.

The department may appoint local supervisory boards for a county or counties when the department considers them necessary to supervise, under the direction of the department, grain in storage, issuance of certificates against the grain, and carrying out and enforcing this chapter.

Local supervisory boards shall consist of not less than three nor more than seven members, each of whom is a producer of grain in the state and a Minnesota resident. Each member, upon appointment, shall qualify by taking oath similar to that required of public officials and continue in office until a successor is appointed by the department. The department may fill vacancies arising by reason of the resignation, death, or removal by it of a member.

The members of a local supervisory board shall select officers, keep records, and perform duties the department requires.

History: (5077-18) 1935 c 65 s 4; 1971 c 25 s 67; 1986 c 444; 1989 c 197 art 4 s 1

234.05 PRIVILEGES OPEN TO ALL.

This chapter covers all owners equally. An owner desiring to place grain in storage and have certificates issued against the grain under this chapter shall apply to the department in the manner and upon the forms provided by it for that purpose.

History: (5077-19) 1935 c 65 s 5; 1971 c 25 s 67; 1989 c 197 art 4 s 1

234.06 MAY APPOINT LOCAL SEALER.

The department may, upon the recommendation of a local supervisory board or upon the request in writing of ten or more producers of grain, appoint a local sealer for all or part of a county or counties. A sealer must take an oath similar to that required of public officials. A sealer appointed under this section has the same authority as a peace officer with respect to this chapter, rules adopted under it, and its enforcement.

History: (5077-20) 1935 c 65 s 6; 1971 c 25 s 67; 1985 c 248 s 70; 1989 c 197 art 4 s 1; 1991 c 326 s 8

234.07 [Repealed, 1991 c 326 s 27]**234.08 DUTIES OF SEALER.**

Under the direction of the department, a sealer shall:

- (1) supervise the storage of grain;
- (2) ascertain the amount stored by each owner who wants to come under this chapter;
- (3) determine the exact grade and quantity of stored grain, so far as possible under rules made under this chapter;

(4) ascertain, before issuing a certificate, that the bin, crib, granary, or other receptacle in which grain is stored is satisfactory for the storage of that grain and that the receptacle conforms to the applicable rules of the department.

A sealer shall, before delivering a certificate to an owner, ascertain that there are no other certificates outstanding upon the grain and seal the receptacle in which the grain is stored as provided in this chapter. The sealer shall then make periodic inspections of the sealed receptacles at times and in the manner the department requires, but at least once every 90 days. The sealer shall send to the department, and to the owner when requested, a report or affidavit concerning each periodic inspection in the form required by the department. The report must cover the amount and condition of the grain under seal and the condition of the structure within which it is stored.

History: (5077-22) 1935 c 65 s 8; 1971 c 25 s 67; 1985 c 248 s 70; 1986 c 444; 1989 c 197 art 4 s 1

234.09 SEALER MAY INSPECT GRAIN.

The sealer shall have authority at all times to enter premises to inspect grain in storage or in the granary, crib, bin, or other receptacle in which it has been stored. Acceptance of a certificate by an owner is consent for the sealer or a person authorized by the department to enter and inspect the sealed grain and the receptacle in which it is stored:

History: (5077-23) 1935 c 65 s 9; 1971 c 25 s 67; 1989 c 197 art 4 s 1

234.10 SEALS.

Seals under this chapter must be furnished by the department and contain the following language:

"Sealed by authority state of Minnesota, department of agriculture.

Any person tampering with this seal or removing any grain herein shall be subject to a fine and imprisonment as provided by law.

Consecutive No....."

History: (5077-24) 1935 c 65 s 10; 1971 c 25 s 67; 1979 c 332 art 1 s 76; 1989 c 197 art 4 s 1

234.11 CERTIFICATES.

Certificates must be upon forms prepared and furnished by the department and contain:

- (1) the date and consecutive number of the certificate;
- (2) a particular description of the receptacle in which the grain is stored and of the premises on which it is located;

- (3) a description of the grain as required by rules made under this chapter;
- (4) the name of the owner or owners, whether ownership is sole, joint, or in trust, and in case of tenants, the date of the expiration of the lease;
- (5) a statement that no other certificates are outstanding on the grain represented by the certificate;
- (6) a statement whether grain will be delivered to the bearer, to a specified person, or to a specified person or the person's order, and at what place it will be delivered;
- (7) a facsimile signature of each of the members of the department and the counter signature of the sealer;
- (8) a statement of loans or other indebtedness that in any manner constitutes a lien, whether statutory or contractual, including a mortgage or landlord's lien upon the grain; and
- (9) the form of waivers of liens.

History: (5077-25) 1935 c 65 s 11; 1971 c 25 s 67; 1985 c 248 s 70; 1986 c 444; 1989 c 197 art 4 s 1

234.12 OWNER TO EXERCISE REASONABLE CARE.

No term or condition may be inserted in a certificate, whether negotiable or otherwise, that purports to relieve the owner from exercising that degree of care in the safekeeping of the grain in storage a reasonably prudent person would exercise with regard to similar property that person owns.

History: (5077-26) 1935 c 65 s 12; 1986 c 444; 1989 c 197 art 4 s 1

234.13 MAY ISSUE MORE THAN ONE CERTIFICATE.

The sealer may issue to the owner one or more certificates under this chapter but each certificate must cover a separate granary, crib, or bin.

History: (5077-27) 1935 c 65 s 13; 1989 c 197 art 4 s 1

234.14 CERTIFICATE TO BE IN QUADRUPLICATE.

Certificates issued under this chapter must be issued in quadruplicate, with three copies marked "Duplicate — No Value." The original and one duplicate copy must be delivered to the owner and the other duplicate copies must be filed with the department or the local supervisory warehouse board for the county in which the grain is stored if a board has been established in the county under section 234.04.

History: (5077-28) 1935 c 65 s 14; 1971 c 25 s 67; 1989 c 197 art 4 s 1

234.15 OWNER TO DELIVER DUPLICATE.

An owner who negotiates the original certificate shall at the same time deliver to the assignee the duplicate or the receipt of the county recorder for the certificate. The assignee may file the duplicate in the office of the county recorder of the county in which the grain is located. The duplicate must remain in the custody of the county recorder, subject to exceptions in this chapter.

History: (5077-29) 1935 c 65 s 15; 1976 c 181 s 2; 1986 c 444; 1989 c 197 art 4 s 1

234.16 DUPLICATE FILED WITH COUNTY RECORDER.

If a duplicate is filed in the office of the county recorder, the recorder shall index it in the chattel mortgage index or other suitable index book showing the date of the certificate, its number, to whom it was issued, and the kind, quantity, and location of the grain. The recorder shall collect 35 cents for each certificate indexed. The filing and indexing of a certificate gives the same notice as the filing and indexing of a chattel mortgage.

History: (5077-30) 1935 c 65 s 16; 1976 c 181 s 2; 1986 c 444; 1989 c 197 art 4 s 1

234.17 ASSIGNMENTS MAY BE FILED.

If the owner or holder of a certificate assigns it in writing, the county recorder shall on request of the assignee enter a copy of the assignment on the duplicate in the recorder's office

and enter in the index book the date of the assignment and the names of the assignor and the assignee. The recorder shall collect 25 cents for each assignment entered.

History: (5077-31) 1935 c 65 s 17; 1976 c 181 s 2; 1986 c 444; 1989 c 197 art 4 s 1

234.18 CANCELLATION OF CERTIFICATES.

The owner may have a certificate canceled by delivering the original to the department or the board by which it was issued with the request that it be canceled. The department or board shall stamp the original "canceled" with the date of the cancellation and keep it. Upon notice in writing from the department or board issuing a certificate that it has been canceled, the county recorder shall release the duplicate filed of record without charge.

History: (5077-32) 1935 c 65 s 18; 1971 c 25 s 67; 1976 c 181 s 2; 1989 c 197 art 4 s 1

234.19 OWNER TO DELIVER GRAIN.

In the absence of a lawful excuse provided by this chapter, the owner shall deliver the grain stored upon demand by the holder of the certificate of the grain, if the demand is accompanied by an offer to surrender the certificate.

History: (5077-33) 1935 c 65 s 19; 1989 c 197 art 4 s 1

234.20 EXCUSE FOR REFUSAL.

If the owner refuses or fails to deliver the goods in compliance with a demand by the holder of a certificate that complies with section 234.19, the burden is upon the owner to establish the existence of a lawful excuse for the refusal.

History: (5077-34) 1935 c 65 s 20; 1989 c 197 art 4 s 1

234.21 EXPENSE OF SUPERVISION.

To defray the expenses of supervision, the owner shall pay a fee at the time of sealing to the department or the local supervisory board of the county in which the grain is stored. The amount of the fee must be determined by the rules made under this chapter, but may not exceed one cent per bushel for grain inspected and sealed by the sealer. Out of the funds thus created, the compensation of the sealer as fixed by the department must be paid by it or by the board of the county in which the grain is stored, subject to its approval.

History: (5077-35) 1935 c 65 s 21; 1971 c 25 s 67; 1985 c 248 s 70; 1989 c 197 art 4 s 1

234.22 FEES FOR SEALER.

In the exercise of the power and functions of a peace officer in connection with this chapter, the sealer is entitled to the same fees provided by law for the performance of similar duties.

History: (5077-36) 1935 c 65 s 22; 1986 c 444; 1989 c 197 art 4 s 1

234.23 VIOLATION; PENALTY.

A person unlawfully removing, breaking, or interfering or tampering with a seal, lock, or other fastening placed upon a granary, crib, bin, or other receptacle for grain under this chapter, except when the removal is imperative to prevent the damage, loss, or destruction of stored grain, is guilty of a crime punishable by a fine of not less than \$100 or more than \$700 or by imprisonment in the county jail for not more than six months, or both.

History: (5077-37) 1935 c 65 s 23; 1984 c 628 art 3 s 11; 1989 c 197 art 4 s 1

234.24 FRAUDULENT CERTIFICATES.

An owner, the agent or servant of an owner, a member of a board, or a sealer, who fraudulently issues or aids in fraudulently issuing a certificate for grain knowing that it contains a

false statement, is guilty of a crime. Each offense is punishable by imprisonment in the county jail for up to one year or by a fine of up to \$3,000, or both.

History: (5077-38) 1935 c 65 s 24; 1984 c 628 art 3 s 11; 1989 c 197 art 4 s 1

234.25 VIOLATIONS; PENALTIES.

Subdivision 1. **Unlawful delivery.** An owner or an officer, agent, or servant of an owner, who delivers grain out of the possession of the owner knowing that a negotiable certificate, the negotiating of which would transfer the right to the possession of the grain, is outstanding and uncanceled without obtaining the possession of the certificate at or before the time of the delivery, is guilty of a crime. Each offense is punishable by imprisonment in the county jail for up to one year or by a fine of up to \$3,000, or both.

Subd. 2. **Other unlawful acts.** After the issuance and negotiation of a certificate for grain in storage, an owner who takes, sells, mortgages, pledges, hypothecates, or otherwise encumbers, or attempts to take, sell, mortgage, pledge, or otherwise encumber the grain, or who removes it from its receptacle is guilty of a crime. Each offense is punishable by a fine of not less than \$100 nor more than \$3,000 or by imprisonment in the county jail for not more than one year, or both.

History: (5077-39, 5077-40) 1935 c 65 s 25,26; 1984 c 628 art 3 s 11; 1989 c 197 art 4 s 1

234.27 UNIFORM COMMERCIAL CODE TO APPLY.

The provisions of article 7 of the Uniform Commercial Code relative to the negotiation, transfer, sale, or endorsement of warehouse receipts, apply, to the extent possible, to the negotiation, transfer, sale, or endorsement of certificates under this chapter.

For the purpose of application of the Uniform Commercial Code:

(a) A certificate authorized by the department which evidences the storing of grain under this chapter is a document of title as defined in section 336.1-201, clause (15).

(b) A person who has title to and possession of grain stored under this chapter is a warehouse operator as defined in section 336.7-102, clause (1)(h).

History: (5077-41) 1935 c 65 s 27; 1965 c 812 s 8; 1981 c 261 s 17; 1986 c 444; 1989 c 197 art 4 s 1