

# **CREDIT-SALE CONTRACTS**

**IN CASE OF BUYER INSOLVENCY,  
THE BOND OF THIS LICENSEE DOES NOT  
PROTECT PERSONS ENTERING INTO DELAYED  
PRICE, DEFERRED PAYMENT, OR OTHER  
CREDIT-SALE CONTRACTS. HOWEVER, THERE  
IS LIMITED COVERAGE AVAILABLE THROUGH  
AN INDEMNITY FUND FOR CONTRACTS  
EXECUTED AFTER AUGUST 1, 2003.**

**North Dakota Department of Agriculture  
600 E. Boulevard Avenue – Dept. 602  
Bismarck, ND 58505-0020  
701-328-2231  
[www.nd.gov/ndda](http://www.nd.gov/ndda)**

# **CREDIT-SALE CONTRACT INDEMNITY FUND**

## **Collections Suspended as of July 1, 2008**

A North Dakota Credit-Sale Contract Indemnity Fund was established by the 2003 Legislature to pay grain sellers for credit-sale contract losses that may be incurred as a result of buyer insolvency. Persons making claims against the fund may be eligible to receive 80% payment of the amount owed, not to exceed \$280,000 per insolvency.

Since August 2, 2003, all grain sellers have been charged a two-tenths of one percent (0.002) assessment on all credit-sale contract grain sold in North Dakota. State law made participation mandatory. The Credit-Sale Contract Indemnity Fund has reached the \$6 million mandated cap and as of July 1, 2008, credit-sale contract assessments are suspended.

State law defines a credit-sale contract as “a written contract for the sale of grain pursuant to which the sale price is to be paid or may be paid more than thirty days after the delivery or release of the grain for sale.” Common types of credit-sale contracts used are Deferred Payment, No Price Established, Installment Sales, Minimum Price, Basis Fixed, etc.

If you have any questions regarding the credit-sale contract indemnity fund, you may visit the North Dakota Department of Agriculture website at [www.nd.gov/ndda](http://www.nd.gov/ndda) or call our office at 701-328-2231.

# PROCEDURE FOR RESOLVING GRAIN GRADE DISPUTES

## **NDCC §§ 60-02-05 and 60-02.1-05. Grain marketing – Procedure for resolving disputes.**

1. If any dispute or disagreement arises between the person receiving and the person delivering grain as to the proper grade, dockage, vomitoxin level, moisture content, or protein content of any grain, an average sample of at least three pints of the grain in dispute may be taken together by both parties interested. The sample must be certified by each party as a true and representative sample of the grain in dispute on the day the grain was delivered. The sample must be forwarded in a suitable container by parcel post or express, prepaid with the name and address of both parties for inspection by a federal licensed inspector, or a mutually agreed-upon third party, who will examine the grain and adjudge what grade, dockage, vomitoxin level, moisture content, or protein content the sample of grain is entitled to under the inspection rules and grades adopted by the secretary of agriculture of the United States. The person requesting the inspection service shall pay for the inspection. If the grain in question is damp, otherwise out of condition, or if moisture content is in dispute, the sample must be placed in an airtight container. Payment for the grain involved in the dispute must be made and accepted on the basis of the determination made by the federal licensed inspector or third party. However, all other quality factors may also be considered in determining the price of the grain. An appeal of the determination made by a third party other than a federal licensed inspector may be made to a federal licensed inspector.

An appeal of the determination made by a federal licensed inspector may be made as provided under the United States Grain Standards Act [Pub. L. 103-354; 108 Stat. 3237; 7 U.S.C. 79(c) and (d)] and under 7 CFR 800.125-800.140. A person not abiding by a final determination is liable for damage resulting from not abiding by the determination.

2. If any dispute or disagreement arises between the person delivering grain and the person receiving grain as to the determination of quality factors of grain purchased or delivered in the state for which inspection rules and grades have not been adopted by the secretary of agriculture of the United States, an average sample of at least three pints of the grain in dispute may be taken together by the parties interested. The sample must be certified by each party as a true and representative sample of the grain in dispute on the day the grain was delivered. If the grain is damp or otherwise out of condition, the sample must be placed in an airtight container. The sample must be forwarded in a suitable container by parcel post or express, prepaid with the name and address of both parties, for inspection by a federal licensed inspector, or a mutually agreed-upon third party, who may examine the grain and determine the quality factors in dispute. The person requesting the inspection service shall pay for the inspection. The determination made by the inspector, or the third party, must be used in the settlement of the dispute.

# FEDERALLY LICENSED INSPECTION OFFICES IN NORTH DAKOTA

## North Dakota Grain Inspection, Inc.

<p>NDGI (Fargo – Parent Office) 2601 North University Drive Fargo, ND 58102 Ph: 701-293-7420 Fax: 701-241-8818 Email: <a href="mailto:ndgi@graininspection.com">ndgi@graininspection.com</a> Website: <a href="http://www.graininspection.com">www.graininspection.com</a></p>	<p>NDGI (Alton – Service Point) 200 Hwy 81 South Hillsboro, ND 58045 Ph: 701-293-7420 Ext. 1 Email: <a href="mailto:ndgi@graininspection.com">ndgi@graininspection.com</a></p>	<p>NDGI (Enderlin – Service Point) 5525 136 Ave. SE Enderlin, ND 58027 Ph: 701-293-7420 Ext. 1 Email: <a href="mailto:ndgi@graininspection.com">ndgi@graininspection.com</a></p>
<p>NDGI (Pillsbury – Service Point) 12785 15th St. SE Pillsbury, ND 58065 Ph: 701-293-7420 Ext. 1 Email: <a href="mailto:ndgi@graininspection.com">ndgi@graininspection.com</a></p>	<p>NDGI (Ayr – Service Point) 686 Main Street Ayr, ND 58007 Ph: 701-293-7420 Ext. 1 Email: <a href="mailto:ndgi@graininspection.com">ndgi@graininspection.com</a></p>	<p>NDGI (Casselton – Service Point) 1630 1st Ave. Casselton, ND 58012 Ph: 701-293-7420 Ext. 1 Email: <a href="mailto:ndgi@graininspection.com">ndgi@graininspection.com</a></p>
<p>NDGI (Valley City – Service Point) 1200 Commodity Dr. Valley City, ND 58072 Ph: 701-293-7420 Ext. 1 Email: <a href="mailto:ndgi@graininspection.com">ndgi@graininspection.com</a></p>		

## Northern Plains Grain Inspection

<p>Northern Plains Grain Inspection (Grand Forks – Parent Office) 1110 N. 43rd St. Grand Forks, ND 58203 Ph: 701-772-2414 Fax: 701-738-0612 Email: <a href="mailto:paul@npgis.com">paul@npgis.com</a> Email: <a href="mailto:mike@npgis.com">mike@npgis.com</a> Website: <a href="http://www.npgis.com">www.npgis.com</a></p>	<p>Northern Plains Grain Inspection (Devils Lake – Service Point) 605 9th Ave. SE Devils Lake, ND 58301 Ph: 701-662-1801 Fax: 701-662-8081 Email: <a href="mailto:paul@npgis.com">paul@npgis.com</a> Email: <a href="mailto:mike@npgis.com">mike@npgis.com</a></p>
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## Grain Inspection, Inc.

<p>Grain Inspection, Inc. (Jamestown – Parent Office) 314 2nd Ave. NW Jamestown, ND 58401 Ph: 701-252-1290 Fax: 701-252-1298 Email: <a href="mailto:grain@csicable.net">grain@csicable.net</a> Website: <a href="http://www.graininspectionservices.com">www.graininspectionservices.com</a></p>	<p>Grain Inspection, Inc. (New Salem – Service Point) 320 Main Ave. New Salem, ND 58563 Ph: 701-843-7227 Fax: 701-843-7233 Email: <a href="mailto:nsgain@westriv.com">nsgain@westriv.com</a></p>
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## Minot Grain Inspection, Inc.

<p>Minot Grain Inspection, Inc. P.O. Box B (Street delivery: 1804 Valley St.) Minot, ND 58701 Ph: 701-838-1743 Fax: 701-838-3782 Email: <a href="mailto:motgrins@srt.com">motgrins@srt.com</a></p>
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Call the North Dakota Department of Agriculture at 701-328-2231 to request a copy of this procedure or visit our website at: [www.nd.gov/ndda](http://www.nd.gov/ndda)