



Certified Mail:

January 10, 2014

Dear Ohio Licensed Agricultural Commodity Handler:

Senate Bill 66 was signed into law by Governor Kasich on July 11, 2013. Among several changes, Senate Bill 66 established new minimum and maximum collection levels for the Agricultural Commodity Depositors Fund (Fund). The new minimum level increased from \$8 million to \$10 million and the new maximum level rose from \$10 million to \$15 million. The new levels were deemed necessary due to recent record high grain prices and the increase in average handler size with respect to the number of bushels handled. The current balance of the Fund is \$8,531,725.69. Since the inception of the Fund in 1983, \$12,728,682.50 has been paid to 1410 claimants involved in 37 insolvencies.

Ohio Revised Code 926.17(B) (2) now states that if at any time the Director determines that the fund balance is less than \$10,000,000, the Director, with the consent of the commodity advisory commission, may reinstate the collection of the ½ cent per bushel fee. The commodity advisory commission met December 11, 2013 and unanimously passed a motion to have the Director reinstate collection of the fee. The Director is required to notify all Agricultural Commodity Handlers by Certified Mail, return receipt requested, to begin collecting the fee not later than ninety days after being notified. This letter serves as the required notification. For auditing purposes, please record the date your company begins collecting the fee.

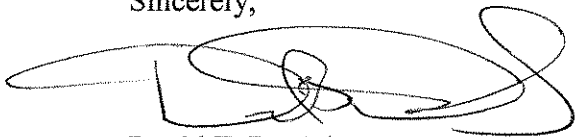
Senate Bill 66 also changed the definition of agricultural commodities to mean corn, soybeans and wheat. All licensed handlers shall remit the fee based on the following transaction types:

1. All agricultural commodities delivered to them for storage under a bailment agreement or for sale, exchange, or negotiation or solicitation of sale by depositors who produced them or caused them to be produced.
2. All agricultural commodities delivered to them for storage under a bailment agreement, regardless of who produced the commodities, if a warehouse receipt is to be issued for the commodities.

3. All agricultural commodities that are being stored by licensed handlers who own them solely, jointly, or in common with others and who are issuing a warehouse receipt for them in accordance with section 926.25 of the Revised Code. The maximum number of bushels on which a licensed handler shall be required to pay the fee under this transaction type shall be the greatest number of bushels of all commodities for which receipts are outstanding at any one time during the period from July 1 to June 30 of any marketing year.
4. All agricultural commodities that are not involved in a transaction described above and the monetary proceeds of which are controlled by a handler who is not involved in the production of the commodities and who serves as an intermediary between the producer and a handler receiving the commodities. In such a situation, the handler responsible for paying the producer shall remit the fee.

The fees collected shall be submitted to the Ohio Department of Agriculture Grain, Feed & Seed Section quarterly on the prescribed form. The forms will be sent to each handler at the conclusion of each calendar quarter. The fees are due at the time the bushels are received, except for point number three above which will be due at the conclusion of second calendar quarter on June 30 of each collection year. If you have any questions, or would like a copy of Revised Code 926, please contact David Simmons at simmons@agri.ohio.gov or 614/728-6410. Thank you for your cooperation in this matter

Sincerely,

A handwritten signature in black ink, appearing to read 'David T. Daniels', with a large, stylized flourish extending to the left.

David T. Daniels
Director