Grain Warehouse Law Fast Fact

TDA Grain Warehouse Inspection
A TDA grain warehouse inspector will inspect the licensed grain elevator for inventory amounts and report those amounts to the program. The inspector will specify the commodities in storage and verify the warehouseman's records pertaining to these commodities. The inspector will measure the commodities in storage and check it against the warehouseman's records. If there is a shortage in excess of 3 percent, the warehouseman must reconcile the shortage. The inspection report is a confidential document and not subject to public disclosure. The inspector reports his findings to the program and program staff processes the reports and verifies the inventory amounts or investigates any potential problems.

A grain warehouseman must apply for a permit to increase or decrease capacity. They must amend their surety and meet net worth requirements if needed. The grain warehouse inspector will measure or delete the storage that the warehouseman deems necessary. The inspector will also conduct close-out inspections whenever an elevator closes or is no longer operating. The inspector will conduct new inspections for elevators that have new owners or change names. The warehouseman may also request an inspection for a fee. A re-inspection is conducted on warehouses when program staff feels it is necessary. All of these inspection reports are sent to the program staff for review.

TDA Legal Actions
TDA can subpoena, apply for an injunction or collect on bond proceeds if a warehouseman fails to uphold the provisions of the Public Grain Warehouse Law. There are penalties for operating without a license, grain fraud, unlawful delivery, fraudulently issuing a scale weight ticket or receipt or changing a receipt or scale weight ticket after issuance, depositing grain without title, stealing grain or receiving stolen grain.