

203D.6 Indemnification of eligible claims — grain depositors and sellers indemnity fund.**1. Person who may file a claim.**

a. A depositor or seller may file a claim with the department for the indemnification of dollar value losses from the grain depositors and sellers indemnity fund. A claim shall be filed by a depositor or seller in the manner prescribed by rules adopted by the department.

b. The department may identify each claim and associated claimant by a unique number which may be a federal tax identification number.

2. Time of filing claim.

a. As used in [this subsection](#), an incurrence date is when either of the following occurs:

(1) The cessation of the license of the grain dealer as described in [section 203.10](#) or warehouse operator as described in [section 203C.10](#).

(2) The filing of a petition in bankruptcy by a licensed grain dealer or licensed warehouse operator.

b. To be timely, a claim must be filed within a claim period beginning on either incurrence date and ending one hundred twenty days after that incurrence date, regardless of whether a previous claim period has expired.

3. **Notice.** The department shall cause notice of the opening of the claim period to be published once each week for two consecutive weeks in a newspaper of general circulation in each of the counties in which the licensee maintains a business location and in a newspaper of general circulation within the state. The notice shall state the name and address of the licensee and the claim incurrence date. The notice shall also state that any claims against the fund on account of the licensee shall be sent by ordinary mail to the department within one hundred twenty days after the incurrence date, and that the failure to make a timely claim relieves the fund from liability to the claimant. This notice may be incorporated by the department with a notice required by [section 203.12](#) or [203C.14](#).

4. **Determination of eligible claim.** The board shall determine a claim to be eligible for indemnification from the fund if the board finds all of the following:

a. That the claim was timely filed.

b. That the incurrence date was on or after May 15, 1986.

c. That the claimant qualifies as a depositor or seller.

d. (1) That the claim derives from a covered transaction. For purposes of this paragraph, a claim derives from a covered transaction if the claimant incurred a dollar value loss as any of the following:

(a) A depositor who delivered the grain to a licensed warehouse operator.

(b) (i) A seller who transferred title to the grain to a licensed grain dealer within six months of the incurrence date for a claim period as provided in [subsection 2](#).

(ii) A seller described in subparagraph subdivision (i) who incurred a repayment loss against a grain dealer as provided in [section 203D.6A](#).

(2) The dollar value losses incurred by a depositor or seller described in subparagraph (1) for all eligible claims are subject to the indemnification limit described in [subsection 8](#).

(a) The department shall segregate that part of a claim that includes a dollar value loss incurred by a seller who sold grain to a licensed grain dealer pursuant to a credit-sale contract, including by deferred-pricing contract and deferred-payment contract.

(b) The part of the segregated claim that includes a dollar value loss incurred by a seller who sold grain to a licensed grain dealer pursuant to a deferred-payment contract is ineligible for indemnification.

e. That there is adequate documentation to establish the existence of a claim and to determine the amount of the loss.

f. A claim has not been paid for the same loss.

5. Dollar value loss — depositor.

a. (1) The board shall determine an eligible claim's dollar value loss incurred by a depositor holding a warehouse receipt or a scale weight ticket for grain that the depositor delivered for storage to the licensed warehouse operator.

(a) If the department has been appointed by the court as receiver of the grain assets of

the warehouse operator, the dollar value loss shall be presumed to be as stated in the plan of disposition approved by the court.

(b) If the warehouse operator has filed a petition in bankruptcy, the dollar value loss shall be presumed to be based upon the fair market price, free-on-board from the site of the warehouse operator, being paid to producers for grain by the grain terminal operator nearest the warehouse operator on the date the petition was filed.

(c) If there is neither a department receivership nor a bankruptcy filing, the dollar value loss shall be presumed to be based upon the fair market price, free-on-board from the site of the warehouse operator, being paid to producers for grain by the grain terminal operator nearest the warehouse operator on the incurrence date. If more than one incurrence date applies to a claim, the board may choose between the two.

(d) The board may accept an alternative dollar value loss upon a showing of just cause by the depositor or department.

(2) The dollar value loss of priced or unpriced grain shall not exceed the price of that grain if the grain were U.S. No. 2 grain according to standards adopted by the federal grain inspection service of the United States department of agriculture. The price of the grain shall be determined in accordance with the relevant date used to determine the price described in subparagraph (1). The department may adjust the price of the grain if necessary to better account for the condition of the grain when stored.

b. A depositor filing a claim for a dollar value loss under [this subsection](#) shall be bound by the dollar value loss determined by the board. The dollar value loss is the outstanding balance on the validated claim at time the claimant is indemnified from the fund.

6. *Dollar value loss — seller.*

a. (1) The board shall determine an eligible claim's dollar value loss incurred by a seller who has sold grain or delivered grain for sale or exchange and who is a creditor of the licensed grain dealer based on the amount stated on the obligation on the date of the sale.

(a) If the sold grain was unpriced, the dollar value loss shall be presumed to be based upon the fair market price, free-on-board from the site of the grain dealer, being paid to producers for grain by the grain terminal operator nearest the grain dealer on the incurrence date. If more than one incurrence date applies to a claim, the board may choose between the two.

(b) The board may accept an alternative dollar value loss upon a showing of just cause by the seller or department.

(2) The dollar value loss of priced or unpriced grain shall not exceed the price of that grain if the grain were U.S. No. 2 grain according to standards adopted by the federal grain inspection service of the United States department of agriculture. The price of the grain shall be determined in accordance with the relevant date used to determine the price described in subparagraph (1). The department may adjust the price of the grain if necessary to better account for the condition of the grain when purchased.

b. A seller filing a claim for a dollar value loss under [this subsection](#) shall be bound by the dollar value loss determined by the board. The dollar value loss is the outstanding balance on the validated claim at the time the claimant is indemnified from the fund.

7. *Procedure — appeal.* The board, through the department, shall provide for notice to each depositor and seller upon its determination of eligibility and value of loss. Within twenty days of the notice, the depositor or seller may request a hearing for the review of either determination. The request shall be made in the manner provided by the board. The hearing and any further appeal shall be conducted as a contested case subject to [chapter 17A](#). A depositor or seller whose claim has been refused by the board may appeal the refusal to either the district court of Polk county or the district court of the county in which the depositor or seller resides.

8. *Indemnification of a claimant.*

a. Upon a determination by the board that an eligible claim satisfies the requirements in [subsection 4](#), the board shall indemnify the claimant as a depositor under [subsection 5](#), and a seller under [subsection 6](#). Upon a determination by the board that an eligible repayment claim filed by that seller under [section 203D.6A](#) derives from the same covered transaction during the claim period, and the repayment loss incurred for that claim, the board shall indemnify the claimant as a seller subject to the requirements of [this section](#) and [section 203D.6A](#).

b. Subject to the indemnification limit described in paragraph “c”, the board shall indemnify a claimant ninety percent of the combined dollar value losses, including any repayment loss, incurred by the claimant as described in paragraph “a”, except for a segregated dollar value loss incurred from the sale of grain by credit-sale contract. The board shall indemnify the seller seventy-five percent of the dollar value loss, including any repayment loss, incurred from the sale of grain by deferred-pricing contract and zero percent of the dollar value loss for the sale of grain, including any repayment loss, by deferred-payment contract. The full indemnity amount paid to a claimant shall be calculated as the sum of the following:

(1) Ninety cents for each dollar value loss, including any repayment loss, incurred by the claimant other than a dollar value loss for the sale of grain by credit-sale contract.

(2) For the sale of grain by credit-sale contract, all of the following:

(a) Seventy-five cents for each dollar value loss, including any repayment loss, incurred by the claimant other than a dollar value loss for the sale of grain by deferred-pricing contract.

(b) Zero cents for each dollar value loss incurred by the claimant by deferred-payment contract.

c. The board shall not indemnify any claimant for more than four hundred thousand dollars for an eligible claim for all dollar value losses described in paragraphs “a” and “b”, including any repayment loss.

d. (1) If at any time the board determines that there are insufficient moneys in the fund to fully indemnify all eligible claims, the board shall order that the eligible claims be indemnified according to the following order:

(a) First, by indemnifying all claims for dollar value losses other than segregated dollar value losses arising from the sale of grain by credit-sale contract as provided in [subsection 4](#).

(b) Second, by indemnifying all claims for segregated dollar value losses arising from the sale of grain by deferred-pricing contract as provided in [subsection 4](#).

(2) The board may establish one or more eligible claim indemnification periods required to fully indemnify all eligible claims. The department shall hold those claims that have not been fully indemnified until a later period or periods for the full indemnification of those claims as moneys in the fund are available.

9. *Subrogation of fund.* In the event of the indemnification of a dollar value loss under [this section](#), the fund is subrogated to the extent of the amount of any payments to all rights, powers, privileges, and remedies of the depositor or seller against any person regarding the dollar value loss. The depositor or seller shall render all necessary assistance to aid the department and the board in securing the rights granted in [this section](#). An action or claim initiated by a depositor or seller and pending at the time of indemnification from the fund shall not be compromised or settled without the consent of the board.

10. *Time limitation on claims.*

a. A claim shall expire if five years after the board determines that the claim is eligible, the claimant has failed to do any of the following:

(1) Provide for the fund’s subrogation or has failed to render all necessary assistance to aid the department and the board in securing the department’s rights of subrogation as required in [this section](#).

(2) Failed to provide necessary documentation or information required by the board in order to process the claim.

b. The fund shall not be liable for the indemnification of an expired claim.

[86 Acts, ch 1152, §36](#)

[C87, §543A.6](#)

[87 Acts, ch 147, §18, 19; 89 Acts, ch 143, §908](#)

[C93, §203D.6](#)

[2008 Acts, ch 1083, §17 – 19; 2009 Acts, ch 17, §2 – 6; 2012 Acts, ch 1095, §119; 2025 Acts, ch 105, §19 – 21, 26](#)

Referred to in [§203.12A, 203C.12A, 203D.1, 203D.3, 203D.6A](#)

Process established in this section and [section 203D.6A](#), providing for the indemnification of a repayment claim filed by a seller with the department of agriculture and land stewardship that includes a repayment loss incurred by the seller against a grain dealer, applies only if the grain dealer is a debtor in bankruptcy under the protections provided in Tit. 11 of the United States Code on or after October 24, 2022; [2025 Acts, ch 105, §26](#)

Subsections 1, 4 – 6, 8, and 9 amended
Subsection 10, paragraph b amended