

CHAPTER 203D

GRAIN DEPOSITORS AND SELLERS INDEMNIFICATION

Referred to in §159.6, 189.16, 190.1, 203.4, 203.12, 203C.4, 203C.12, 203C.14, 203C.17, 554.7204, 669.14

This chapter not enacted as a part of this title;
transferred from chapter 543A in Code 1993

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203D.1 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. “Board” means the Iowa grain indemnity fund board created in [section 203D.4](#).
2. “Credit-sale contract” means the same as defined in [section 203.1](#).
3. “Deferred-payment contract” means the same as defined in [section 203.1](#).
4. “Deferred-pricing contract” means the same as defined in [section 203.1](#).
5. “Department” means the department of agriculture and land stewardship.
6. “Depositor” means a person who deposits grain in a licensed warehouse for storage, handling, or shipment, or who is the owner or legal holder of an outstanding warehouse receipt issued by a licensed warehouse, or who is lawfully entitled to possession of the grain.
7. “First point of sale” means the initial transfer of title to grain from a person who has produced the grain or caused the grain to be produced to the first purchaser of the grain for consideration, conditional or otherwise, in any manner or by any means.
8. “Fund” means the grain depositors and sellers indemnity fund created in [section 203D.3](#).
9. “Grain” means the same as defined in [section 203.1](#).
10. “Grain dealer” means the same as defined in [section 203.1](#).
11. “Indemnity fees” or “fees” means a participation fee and per-bushel fee as provided in [sections 203D.3](#) and [203D.3A](#).
12. “Licensed grain dealer” means a person who has obtained a license to engage in the business of a grain dealer pursuant to [section 203.3](#).
13. “Licensed warehouse” means the same as defined in [section 203C.1](#).
14. “Licensed warehouse operator” means the same as in [section 203C.1](#).
15. “Licensee” means a licensed grain dealer or licensed warehouse operator.
16. “Loss” means the amount of a claim held by a seller or depositor against a grain dealer or warehouse operator which has not been recovered through other legal and equitable remedies including the liquidation of assets.
17. a. “Purchased grain” means any of the following:
 - (1) Grain entered in the company-owned paid position as evidenced on the grain dealer’s daily position record.
 - (2) Grain purchased by deferred-pricing contract.
- b. “Purchased grain” does not include grain that is subject to an exempt transaction based on documentation satisfactory to the department showing that the grain dealer did any of the following:
 - (1) Purchased the grain from the United States government or any of its subdivisions or agencies.
 - (2) Purchased the grain from a person licensed as a grain dealer in any jurisdiction.
 - (3) Purchased the grain by deferred-payment contract.

(4) Entered the grain in the company-owned paid position as a cancellation of a collateral warehouse receipt.

(5) Entered the grain in the company-owned paid position as an intra-company location transfer.

18. “*Repayment loss*” means the part of a repayment claim filed with the department by a seller that includes the dollar value loss incurred by the seller resulting from the seller receiving an amount from the sale of grain to a purchasing grain dealer that the seller has paid back to the grain dealer’s bankruptcy estate subject to the requirements and limitations in [sections 203D.6](#) and [203D.6A](#).

19. “*Scale weight ticket*” means the same as defined in [section 203C.1](#).

20. a. “*Seller*” means a person who sells grain, that the person has produced or caused to be produced, to a licensed grain dealer.

b. “*Seller*” does not include any of the following:

(1) A person licensed as a grain dealer in any jurisdiction who sells grain to a licensed grain dealer.

(2) A person who sells grain that is not produced in this state unless such grain is delivered to a licensed grain dealer at a location in this state as the first point of sale.

(3) A person who sells grain by deferred-payment contract.

21. “*Warehouse operator*” means the same as defined in [section 203C.1](#).

[86 Acts, ch 1152, §31](#)

[C87, §543A.1](#)

[87 Acts, ch 147, §8 – 10; 89 Acts, ch 143, §901, 902](#)

[C93, §203D.1](#)

[2008 Acts, ch 1083, §13, 14; 2009 Acts, ch 41, §81; 2009 Acts, ch 133, §78; 2010 Acts, ch 1082, §5; 2011 Acts, ch 34, §39; 2012 Acts, ch 1095, §118; 2015 Acts, ch 103, §12; 2023 Acts, ch 154, §14, 19; 2025 Acts, ch 105, §10, 11](#)

Section amended and editorially internally renumbered

203D.2 Grain depositors and sellers indemnity fund — participation by licensees.

All licensed grain dealers and licensed warehouse operators shall participate in the fund.

[86 Acts, ch 1152, §32](#)

[C87, §543A.2](#)

[87 Acts, ch 147, §11](#)

[C93, §203D.2](#)

Section not amended; headnote revised

203D.3 Grain depositors and sellers indemnity fund — creation and management.

1. The grain depositors and sellers indemnity fund is created in the state treasury as a separate account. The general fund of the state is not liable for claims presented against the fund under [sections 203D.6](#) and [203D.6A](#).

2. The fund consists of all of the following:

a. Participation fees paid to the department by licensed grain dealers and persons applying to be issued a grain dealer’s license as provided in [section 203D.3A](#).

b. Participation fees paid to the department by licensed warehouse operators and persons applying to be issued a warehouse operator’s license as provided in [section 203D.3A](#).

c. Per-bushel fees paid to the department by licensed grain dealers as provided in [section 203D.3A](#).

d. Delinquency penalties.

e. Amounts collected by the state pursuant to legal action on behalf of the fund.

f. Interest, earnings on investments, property, or securities acquired through the use of moneys in the fund.

3. The assessment year of the fund begins September 1 and ends on August 31. Assessment quarters of the fund begin September 1, December 1, March 1, and June 1. The finances of the fund shall be calculated on an accrual basis in accordance with generally accepted accounting principles.

4. The moneys collected under [this section](#) and deposited in the fund shall be expended by the board exclusively to do all of the following:

a. Indemnify depositors and sellers who have submitted eligible claims to the department as provided in [sections 203D.6](#) and [203D.6A](#).

b. Pay the department, the board, or the office of attorney general for actual and necessary costs incurred by any of the following:

(1) The department for acting as receiver if appointed by a court pursuant to [section 203.12B](#) or [203C.3](#).

(2) (a) The office of attorney general for representing the department, the board, or the office in a legal or administrative proceeding involving moneys required to be deposited or expended from the fund.

(b) Outside counsel for representing the department, the board, or the office of attorney general in a legal or administrative proceeding involving moneys required to be deposited or expended from the fund.

5. All disbursements from the fund shall be paid by the treasurer of state pursuant to vouchers authorized by the department.

6. The administrative costs of [this chapter](#) shall be paid from the fund after approval of the costs by the board.

[86 Acts, ch 1152, §33](#)

[C87, §543A.3](#)

[87 Acts, ch 147, §12 – 15; 88 Acts, ch 1148, §3; 89 Acts, ch 143, §903 – 905](#)

[C93, §203D.3](#)

[2008 Acts, ch 1083, §15; 2009 Acts, ch 133, §79; 2010 Acts, ch 1082, §6, 7; 2023 Acts, ch 154, §15, 19; 2025 Acts, ch 105, §12](#)

[Referred to in §203.2A, 203D.1, 203D.3A, 203D.5](#)

[Subsections 1 and 4 amended](#)

203D.3A Indemnity fees — collection of remitted participation fees and per-bushel fees.

The department shall collect indemnity fees, including participation fees and per-bushel fees as provided in [this section](#), if imposed by the board pursuant to [section 203D.5](#), at rates determined by the board as provided in that section. A licensee shall remit indemnity fees and forms to the department as required by the department.

1. a. A person who applies for the issuance of a new license as a grain dealer pursuant to [section 203.5](#) or a warehouse operator pursuant to [sections 203C.7](#) and [203C.33](#) shall pay the department an initial participation fee as part of the application.

(1) In calculating the amount of the initial participation fee, an applicant for a new license shall be deemed a licensee paying the full annual amount of the participation fee owing on the licensee's first anniversary date. The department must be satisfied that the applicant is calculating the amount due in good faith and using the best information available.

(a) For a licensed grain dealer, the anniversary date is the last date to apply for the renewal of the grain dealer's license before the license expires as provided in [section 203.5](#).

(b) For a licensed warehouse operator, the anniversary date is the last date to apply for the renewal of the warehouse operator's license before the license expires as provided in [section 203C.37](#).

(2) If the department issues the license, the licensee shall recalculate the participation fee when making a payment on the licensee's first installment date as provided in paragraph "b". The licensee may notify the department of any overpayment and shall notify the department of any underpayment by the licensee's first installment date in a manner and according to procedures required by the department. The department shall refund any overpayment to the licensee and the licensee shall pay any additional amount resulting from an underpayment.

b. A licensee shall remit a participation fee in one installment as part of a license renewal application in the same manner provided in paragraph "a". However, the licensee may elect to remit the participation fee on four successive installment dates, with each installment date occurring in the month succeeding the last assessment quarter as provided in [section 203D.3](#), on a date determined by rules adopted by the department. The licensee shall remit twenty-five percent of the total participation fee assessed on each installment date.

c. A licensee is delinquent if the licensee fails to submit the payment when due or if, upon examination, an underpayment of the fee is found by the department.

d. A licensee shall not pass on the cost of a participation fee to sellers. The department may suspend or revoke the license of a grain dealer for passing on the cost, as provided in [chapter 203](#).

2. a. A licensed grain dealer shall remit a per-bushel fee on all purchased grain.

b. The licensed grain dealer shall remit the per-bushel fee to the department on a quarterly basis in the manner and using a form prescribed by the department. The licensed grain dealer shall remit the per-bushel fee and form on four successive installment dates, with each installment date occurring in the month succeeding the last assessment quarter as provided in [section 203D.3](#), on December 15, March 15, June 15, and September 15.

c. A licensed grain dealer is delinquent if the grain dealer fails to remit the full quarterly per-bushel fee and form when due or if, upon examination, an underpayment of the fee is found by the department. The licensed grain dealer is subject to a penalty of ten dollars for each day the licensed grain dealer is delinquent or an amount equal to the amount of the deficiency, whichever is less. However, a licensed grain dealer who fails to remit the full quarterly per-bushel fee or form when due is subject to a minimum payment of ten dollars. The department may establish and apply a margin of error in determining whether a licensed grain dealer is delinquent.

d. The per-bushel fee shall not be collected more than once on each bushel of grain. A licensed grain dealer may pass on the cost of a per-bushel fee to the sellers by an itemized discount noted on the settlement sheet. However, if the per-bushel fee is not in effect, a licensed grain dealer shall not make such a discount on the purchase of grain. A discount made nominally for the per-bushel fee while the per-bushel fee is not in effect is grounds for a license suspension or revocation under [chapter 203](#).

[2010 Acts, ch 1082, §8; 2015 Acts, ch 103, §13; 2023 Acts, ch 154, §16, 19; 2025 Acts, ch 105, §13 – 16](#)

Referred to in [§203.5](#), [203C.37](#), [203D.1](#), [203D.3](#), [203D.5](#)

A grain dealer licensed under [chapter 203](#) who is a party to a credit-sale contract shall owe any indemnity fees assessed on grain purchased under the credit-sale contract beginning on September 1, 2025, pursuant to this section; [2025 Acts, ch 105, §24](#)

Unnumbered paragraph 1 amended

Subsection 1, paragraph a, subparagraph (1) amended

Subsection 1, paragraph b amended

Subsection 2 amended

203D.4 Iowa grain indemnity fund board — establishment and duties.

1. The Iowa grain indemnity fund board is established to advise the department on matters relating to the fund and to perform the duties provided it in [this chapter](#). The board is composed of the secretary of agriculture or a designee who shall serve as president; the state treasurer or a designee who shall serve as treasurer; a representative of the banking industry appointed by the governor, who shall be selected from a list of three nominations made by the secretary of agriculture; and four representatives of the grain industry appointed by the governor, subject to confirmation by the senate, two of whom shall be representatives of producers and who shall be actively participating producers, and two of whom shall be representatives of licensed grain dealers and licensed warehouse operators and who shall be actively participating licensed grain dealers and licensed warehouse operators, each of whom shall be selected from a list of three nominations made by the secretary of agriculture. The term of membership of the banking industry representative and the grain industry representatives is three years, and the representatives are eligible for reappointment. However, of the grain industry representatives, only actively participating producers, and grain dealers and warehouse operators are eligible for reappointment. The banking industry representative and the grain industry representatives are entitled to a per diem as specified in [section 7E.6](#) for each day spent in the performance of the duties of the board, plus actual expenses incurred in the performance of those duties. Four members of the board constitute a quorum, and the affirmative vote of four members is necessary for any action taken by the board, except that a lesser number may adjourn a meeting. A vacancy in the membership of the board does not impair the rights of a quorum to exercise all the rights and perform all the duties of the board.

2. The duties of the board include the review and determination of claims, and the review and approval of administrative costs of the fund. To carry out these duties, the board has the power to adopt rules regarding its organization and procedures for determining claims. Further, the board shall approve rules proposed by the department for the administration of the per-bushel fee prior to their adoption by the department. The board may provide comment and advice to the department in regard to the department's administration of [chapters 203 and 203C](#) where the department's policies and rules may affect the exposure of the fund to liability. However, the board shall not become actively involved in a determination by the department as to whether disciplinary action is to be taken against a particular licensee. The board is not a forum for review or appeal in regard to any particular action taken by the department against a licensee.

3. The department through the grain warehouse bureau shall perform the administrative functions necessary for the operation of the board and the fund. Administrative costs approved by the board shall be paid from the fund. The rules of the department shall contain the rules of the board adopted for its organization and its procedures. The department shall adopt rules for the administration of the per-bushel fee upon the board's approval of the rules proposed by the department. The secretary of agriculture, as president of the board as well as head of the department of agriculture and land stewardship, shall administer the department so as to minimize the risk of loss to the fund while protecting interests of depositors and sellers of grain. Policies and rules for the administration of [chapters 203 and 203C](#) which, as determined by the secretary of agriculture, may affect the exposure of the fund, shall be presented to the board for comment prior to their adoption by the department. The department shall make reports to the board in regard to licensee investigations which may result in disciplinary action against a licensee and exposure of the fund. The reports may be discussed by the board in closed session pursuant to [section 21.5](#), and are confidential. In making the report, the department shall make available to the board records of licensees which are otherwise confidential under [section 22.7](#), [203.16](#), or [203C.24](#). However, a determination to take disciplinary action against a particular licensee shall be made exclusively by the department. A report to the board is not a prerequisite to disciplinary action against a licensee. Review of any action against a licensee, whether or not relating to the fund, shall be made exclusively through the department.

[86 Acts, ch 1152, §34](#)

[C87, §543A.4](#)

[87 Acts, ch 147, §16](#); [89 Acts, ch 143, §906](#); [90 Acts, ch 1256, §49](#)

[C93, §203D.4](#)

[2008 Acts, ch 1083, §16](#); [2010 Acts, ch 1121, §2](#)

Referred to in [§203D.1](#)

Confirmation, see [§2.32](#)

Section not amended; headnote revised

203D.5 Indemnity fees — imposition, adjustment of rates, or waiver.

1. The board shall annually review the debits of and credits to the grain depositors and sellers indemnity fund created in [section 203D.3](#) and shall determine whether to impose the indemnity fees as provided in [section 203D.3A](#), make adjustments to the indemnity fees effective on the previous September 1, or waive the indemnity fees as necessary to comply with [this section](#). The board shall make the determination not later than May 1 of each year. The board shall impose the indemnity fees or adjust the indemnity fees effective on the previous September 1 in accordance with [chapter 17A](#). The imposition or adjustment of the indemnity fees shall become effective as follows:

a. For the participation fee, on the following September 1. However, the licensee shall continue to pay the participation fee at the rate in effect on the prior September 1, until the licensee has paid the amount owing.

b. For a per-bushel fee, on the following September 1.

2. *a.* Except as provided in paragraph “b”, the rate of a participation fee owed by a licensee shall be calculated as follows:

(1) For a licensed grain dealer, not more than fourteen thousandths of a cent per bushel assessed on all purchased grain during the grain dealer's last fiscal year at each location at

which records are maintained for transactions of the grain dealer, as determined according to information submitted by the grain dealer to the department for the issuance or renewal of a license as provided in [section 203.5](#).

(2) For a licensed warehouse operator, not more than fourteen thousandths of a cent per bushel of bulk grain storage capacity for each warehouse licensed pursuant to [section 203C.8](#) or five hundred dollars, whichever is less. The participation fee shall be determined using information provided to the department by the warehouse operator applying for the issuance or renewal of a license as provided in [sections 203C.7](#) and [203C.37](#).

b. A licensee shall pay a participation fee of at least fifty dollars.

3. The rate of the per-bushel fee shall not exceed one-quarter cent per bushel assessed on all purchased grain.

4. If on the last date of the fund's assessment year as provided in [section 203D.3](#) the assets of the fund exceed sixteen million dollars, less any encumbered balances or pending or unsettled claims, all of the following apply:

a. The participation fee as provided in [section 203D.3A](#) shall be waived and shall not be assessable or owing for the following assessment year of the fund. However, the licensee shall continue to remit any owing participation fee that was in effect on the prior September 1.

b. The per-bushel fee as provided in [section 203D.3A](#) shall be waived and shall not be assessable or owing for the following assessment year. The waiver shall also apply to purchased grain that is unpriced on the last date of the fund's assessment year. However, the licensed grain dealer shall remit any per-bushel fee that is owing on that date.

5. The board shall reinstate the indemnity fees as provided in [this section](#) if the assets of the fund, less any unencumbered balances or pending or unsettled claims, are eight million dollars or less.

[86 Acts, ch 1152, §35](#)

[C87, §543A.5](#)

[87 Acts, ch 147, §17; 88 Acts, ch 1148, §4; 89 Acts, ch 143, §907](#)

[C93, §203D.5](#)

[2009 Acts, ch 17, §1, 6; 2009 Acts, ch 133, §229; 2010 Acts, ch 1082, §9; 2015 Acts, ch 103, §14, 15; 2023 Acts, ch 154, §17 – 19; 2025 Acts, ch 105, §17, 18](#)

Referred to in [§203D.3A](#)

Subsection 1, unnumbered paragraph 1 amended

Subsections 4 and 5 amended

203D.5A Lien on licensee's assets.

The board may enforce a lien attached to assets held by a licensee under [chapter 203](#) or [203C](#). The lien shall be perfected and enforced pursuant to [section 203.12A](#) or [203C.12A](#).

[92 Acts, ch 1239, §78](#)

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

203D.6A Indemnification of eligible repayment claims — grain depositors and sellers indemnity fund.

1. A separate process is established to provide for the fund's indemnification of a repayment claim that includes a repayment loss incurred by a seller against a grain dealer, if the grain dealer is a debtor in bankruptcy under the protections provided in Tit. 11 of the United States Code.

a. A repayment claim that includes the repayment loss shall be filed with the department in the manner prescribed by the department.

b. A seller may file an eligible claim for a dollar value loss under [section 203D.6](#) and an eligible repayment claim for a repayment loss under [this section](#).

c. The department may reconcile a repayment claim filed under [this subsection](#) with a claim filed by the same claimant that is part of the same covered transaction under the claim period as provided in [section 203D.6](#).

2. To be timely, a seller must file a repayment claim with the department not later than sixty days after the amount of the seller's loss is finalized by a bankruptcy court, whether by an order issued, judgment entered, or settlement agreement approved.

3. The department may provide notice of the repayment claim process to a seller that may become or has become subject to an order issued, judgment entered, or settlement agreement

approved by a bankruptcy court in the grain dealer's bankruptcy proceeding that requires the seller to pay back the amount previously received for grain purchased by the grain dealer. If the department chooses to provide a notice to the seller, it shall have discretion to determine any reasonable method and manner of providing such notice. A failure by the department to provide a notice or a failure by a seller to receive a notice under [this subsection](#) does not relieve the seller of the requirement to timely file a repayment claim.

4. The board shall determine that a repayment claim is eligible for indemnification from the fund if the board finds all of the following:

- a. The repayment claim was timely filed.
- b. The repayment claimant qualifies as a seller.

c. The repayment claim derives from a covered transaction. For purposes of this paragraph, a repayment claim derives from a covered transaction if the claimant is a seller who transferred title to the grain to a licensed grain dealer within six months of the incurrence date as provided in [section 203D.6, subsection 2](#).

d. The seller submits adequate proof to establish the repayment claim and the amount of the repayment loss.

- e. A claim has not been paid for the same loss.

5. A seller is not entitled to indemnify a claim for a repayment loss if the repayment loss is incurred as a result of a fraudulent transfer or conveyance by the seller.

6. The dollar value loss of a repayment claim is the amount the seller has paid back to a grain dealer's bankruptcy estate that the seller previously received from the grain dealer's purchase of the grain, if paying back the amount was the result of an order issued, judgment entered, or settlement agreement approved by a bankruptcy court, and which has not been recovered through other legal or equitable remedies including the liquidation of the grain dealer's assets.

7. The department acting on behalf of the board shall deliver a notice to a seller filing a repayment claim under [this section](#). The notice must include the board's determination of the seller's eligibility and the dollar value of the seller's repayment loss. Within twenty days of delivering the notice, the 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 seller whose repayment 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 seller resides.

8. Upon a determination that the repayment claim is eligible for indemnification, the board shall provide for indemnification of the repayment loss, as required in [section 203D.6](#). If at any time the board determines that there are insufficient moneys in the fund to fully indemnify all eligible claims under [section 203D.6](#) and all eligible repayment claims under [this section](#), the board shall order that the eligible claims be fully indemnified during one or more indemnification periods as provided in [section 203D.6](#).

9. In the event of the indemnification of a repayment 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 seller against any person regarding the repayment loss. The seller shall render all necessary assistance to the department and the board in securing the rights granted in [this section](#). An action or claim initiated by a seller and pending at the time of indemnification from the fund shall not be compromised or settled without the consent of the board.

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

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

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

- b. The fund is not liable for the indemnification of an expired repayment claim.

[2025 Acts, ch 105, §22, 26](#)

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

Process established in [section 203D.6](#) and this section, 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](#)
NEW section

203D.7 No obligation of state.

[This chapter](#) does not imply any guarantee or obligation on the part of the state of Iowa, or any of its agencies, employees, or officials, either elective or appointive, in respect of any agreement or undertaking to which [this chapter](#) relates.

[86 Acts, ch 1152, §37](#)

C87, §543A.7

C93, §203D.7