



## Commodity First Purchasers

### Who is a first purchaser?

The first purchaser is the person, corporation, association or partnership that makes the first purchase of the commodity from the grower after harvest. Most often, first purchasers are grain elevators or commodity dealers, but can include other businesses like seed dealers, ethanol plants and feedlots.

### What is a grain commodity assessment?

Growers of sunflowers, wheat, corn, sorghum and soybeans are required by state law to pay an assessment on each commodity marketed through commercial channels in Kansas. The assessment is collected by the first purchaser at the time of sale and should be shown as a deduction by the first purchaser from the net dollars paid to the grower. The Kansas assessment should be collected and remitted regardless of where the commodity was grown.

### What are the assessments used for?

Commodity commissions use the money to facilitate, promote and develop markets for their respective grain commodities through research, education and information.

### How much are the assessments?

Currently, assessments are as follows:

- sunflowers are \$0.03 per hundredweight
- wheat is \$0.015 per bushel
- corn is \$0.005 per bushel
- grain sorghum is 0.6% of the net market value received by the grower; forage sorghum is 0.35% of the net market value received by the grower
- soybeans are 0.5% of the net market value received by the grower

### When is the assessment due?

The assessment for sorghum and soybeans is to be paid to the Kansas Department of Agriculture on the last day of the month after the assessment is collected. The remittance for corn, wheat and sunflowers is to be paid to the Kansas Department of Agriculture by the 20<sup>th</sup> day of the month after the assessment is collected.

### What if the commodity was not grown in Kansas?

All eligible commodities purchased through commercial channels in Kansas are subject to the assessment regardless

of where they are grown. Producers who are from outside Kansas may request a refund.

### What if the grower has already paid the assessment?

Under Kansas law, no commodity is subject to the assessment more than once. If the grower can show the assessment has already been paid, the first purchaser should not collect the assessment. First purchasers must keep the grower's proof of payment and provide it to auditors if requested.

### Do I have to give auditors access to my facility?

Yes. The Kansas Department of Agriculture is authorized by law to inspect and audit any records that must be kept. This is done on behalf of the producer-led commodity commissions.

### What records do I have to keep?

Records that verify the assessment has been correctly levied, collected and remitted to the Kansas Department of Agriculture should be kept and made available to auditors. These may include settlement reports, purchase journals, check registers, or any other means a first purchaser uses to record and track:

- the name of the customer
- bushels purchased
- date of purchase or settlement
- amount of assessment withheld

For sorghum and soybeans, additional information is required to determine that the net market value has been assessed.

### What happens if I don't collect and remit the Kansas assessment?

Kansas law provides for criminal penalties. A person who does not comply with Kansas law may be found guilty of a misdemeanor and, if convicted, be subject to a fine up to \$500, be imprisoned from 30 to 90 days, or both.

### Who do I contact to register as a first purchaser?

Contact the Kansas Department of Agriculture at (785) 296-3558 for more information and for remittance forms.