

CHAPTER 17B

GRAIN INSPECTION

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17B.01 CITATION.

Sections 17B.01 to 17B.29 may be cited as the Minnesota Grain Inspection, Weighing, Sampling, and Analysis Act.

History: 1974 c 548 s 1

17B.02 DEFINITIONS.

Subdivision 1. **Scope.** As used in sections 17B.01 to 17B.29, the terms defined in this section have the meanings given them.

Subd. 2. **Department.** "Department" means the Minnesota Department of Agriculture.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's authorized representative.

Subd. 3a. **Discount.** "Discount" means an offer or purchase price for grain that is lower than the base or standard price offered by a buyer at a certain time and at a specified location. A discount price represents the lower than normal value of the grain because of inferior quality as determined by measurement of grade, dockage, test weight, or other factors.

Subd. 4. **Person.** "Person" means any individual, firm, copartnership, cooperative, company, association, and corporation, or their lessees, trustees, or receivers.

Subd. 5. **Premium.** "Premium" means an offer or a purchase price for corn, soybeans, or wheat that exceeds the base or standard price offered by a buyer at a certain time and at a specified location. A premium price represents the higher than normal value of the grain because of superior quality as determined by measurement of grade, dockage, test weight, or other factors.

Subd. 6. **Test equipment.** "Test equipment" means the mechanical and electronic devices commonly used in measurement of grain qualities including protein content, moisture content, and test weight.

Subd. 7. **Test equipment operator.** "Test equipment operator" means a person assigned by the management of an elevator or grain storage facility who is chiefly responsible for the preparation and analysis of grain samples for protein content, test weight, moisture content, and other qualities upon which price is determined.

History: 1974 c 548 s 2; 1986 c 444; 1988 c 688 art 6 s 1

17B.03 GRAIN WEIGHING, SAMPLING, ANALYSIS; LABORATORY EVALUATION.

Subdivision 1. **Commissioner's powers.** The commissioner of agriculture shall exercise general supervision over the inspection, grading, weighing, sampling, and analysis of grain subject to the provisions of the United States Grain Standards Act of

1976 and the rules promulgated thereunder by the United States Department of Agriculture. This activity may take place within or outside the state of Minnesota.

Subd. 2. **Samples.** The commissioner also may accept upon request samples drawn by and certified to by contracting parties for inspection, analysis and grading by state laboratory personnel.

Subd. 3. **Laboratories.** The commissioner may establish a procedure to be used in evaluating grain testing laboratories and their laboratory procedures and methodology to the end that such laboratory procedures and methodology may be uniform with state procedures and methodology.

History: 1974 c 548 s 3; 1978 c 610 s 1; 2002 c 373 s 7

17B.04 STATE INSPECTION AND WEIGHING.

Subdivision 1. **Furnishing service.** The commissioner, upon proper application for state inspection or weighing of grain by any person interested at any point within the state, may furnish such service, if the commissioner deems it expedient; provided, such person first agrees to pay all costs of the service. Rules governing state inspection and weighing at other terminals shall apply at such points.

Subd. 2. **Shipper to affix tags.** Every shipper of grain shall fasten upon the inside of each car shipped a card giving the number and initials or other distinctive mark of such car, the date of shipment, and the exact weight of the grain in such car, as claimed by the shipper. If the shipper fails to do so, the official weight shall be prima facie evidence of the quantity of grain shipped in such car.

Subd. 3. **Samples to be furnished; fees.** The commissioner is hereby authorized to furnish persons entitled thereto, when requested by them, samples of grain from any car from which samples are taken for inspection and grading. The fees for the furnishing of such samples shall be fixed by the commissioner.

History: 1974 c 548 s 4; 1978 c 610 s 2; 1986 c 444

17B.041 COMMISSIONER TO REVIEW ACCURACY OF TEST EQUIPMENT AND TEST EQUIPMENT OPERATORS.

Subdivision 1. **Periodic review; equipment and operators.** The commissioner shall implement, by rule, a program for the periodic review of protein analysis, test weight, dockage testing devices, moisture testing equipment, and other equipment used to determine qualities upon which price is determined, and the operators of the equipment. If a review is performed by department personnel at the site of the test equipment, the review must consist of the performance of routine tests and analysis on one or more samples of grain by the principal operator of the test equipment.

Subd. 2. **Tagging of out-of-compliance test equipment.** Personnel of the department who perform an on-site review of test equipment and operators shall prohibit the further use of test equipment that fails to meet and maintain acceptable tolerance levels established by rule.

Subd. 3. **Follow-up review upon request.** The commissioner shall arrange for a follow-up review within seven business days of a periodic review if a follow-up review is requested by the test equipment operator.

Subd. 4. **Request for commissioner to schedule a review.** A purchaser or seller of grain may request the commissioner to perform a review of the test equipment and test equipment operator that is used to test the grain. A signed request must be submitted to the commissioner and upon receipt of a request, the commissioner shall schedule a review at a reasonable time considering other duties and responsibilities of the department personnel.

Subd. 5. **State not liable.** The state is not liable to a seller or purchaser of grain for losses resulting from erroneous tests or analysis by test equipment or test equipment operators, whether reviewed by the department or not, if the commissioner and the

department have exercised due care in the scheduling and conduct of reviews under subdivisions 1 and 3.

History: 1988 c 688 art 6 s 2; 1995 c 233 art 2 s 56

17B.0451 GRAIN QUALITY; PREMIUMS; DISCOUNTS.

Subdivision 1. **Corn; weight.** A purchaser of corn who provides a discount for corn that falls below the standard test weight for corn must offer an equal or greater premium for corn that has a test weight higher than the standard test weight.

Subd. 2. **Soybeans; weight.** A purchaser of soybeans who provides a discount for soybeans that fall below the standard test weight for soybeans must offer an equal or greater premium for soybeans that have a test weight higher than the standard test weight.

Subd. 3. **Wheat; weight.** A purchaser of wheat who provides a discount for wheat that falls below the standard test weight for wheat must offer an equal or greater premium for wheat that has a test weight higher than the standard test weight.

Subd. 4. **Corn; foreign material.** A purchaser of corn who provides a discount for corn that falls below the standard for foreign material for corn must offer an equal or greater premium for corn that has less foreign material than the standard. For corn, foreign material includes broken corn and foreign material.

Subd. 5. **Soybeans; foreign material.** A purchaser of soybeans who provides a discount for soybeans that fall below the standard for foreign material for soybean must offer an equal or greater premium for soybeans that have less foreign material than the standard.

Subd. 6. **Wheat; foreign material.** A purchaser of wheat who provides a discount for wheat that falls below the standard for foreign material for wheat must offer an equal or greater premium for wheat that has less foreign material than the standard.

Subd. 7. **Corn; damage.** A purchaser of corn who provides a discount for corn that falls below the standard for total damaged kernels for corn must offer an equal or greater premium for corn that has less total damaged kernels than the standard.

Subd. 8. **Soybeans; damage.** A purchaser of soybeans who provides a discount for soybeans that fall below the standard for total damaged kernels for soybeans must offer an equal or greater premium for soybeans that have less total damaged kernels than the standard.

Subd. 9. **Wheat; damage.** A purchaser of wheat who provides a discount for wheat that falls below the standard for total damaged kernels for wheat must offer an equal or greater premium for wheat that has less total damaged kernels than the standard.

Subd. 10. **Effective date.** Subdivision 1, 2, 3, 4, 5, 6, 7, 8, or 9 is effective 30 days after at least three states representing 30 percent or more of the national production of that grain according to the current United States Department of Agriculture crop production summary requires that a premium be paid for the grain based on the factors provided in the section. Subdivision 1, 2, 3, 4, 5, 6, 7, 8, or 9 applies to purchasers of grain in this state 30 days after the commissioner publishes notice in the State Register that the subdivision is effective. The commissioner must notify affected licensed purchasers of grain that subdivision 1, 2, 3, 4, 5, 6, 7, 8, or 9 is effective by ten days after notice is published in the State Register.

History: 1988 c 688 art 6 s 3-11,14

17B.048 LOADS MAY BE AVERAGED.

Subdivision 1. **Loads averaged by mutual agreement.** A purchaser and a seller of grain may, by mutual agreement, average the measurements from multiple loads of acceptable quality grain with respect to those factors used to determine price.

Subd. 2. **Notice to be posted.** A business licensed to buy or receive grain must post the following notice in a conspicuous place. The notice must be at least 8-1/2 by 11 inches in size with letters at least one-half inch in size stating: "UNDER MINNESOTA STATUTES, SECTION 17B.048, A PURCHASER AND A SELLER OF GRAIN

MAY, BY MUTUAL AGREEMENT, AVERAGE THE MEASUREMENTS FROM MULTIPLE LOADS OF ACCEPTABLE QUALITY GRAIN WITH RESPECT TO THOSE FACTORS USED TO DETERMINE PRICE.” The commissioner shall provide copies of the notice to each business licensed to buy or receive grain.

History: 1988 c 688 art 6 s 12; 1989 c 310 s 1

17B.05 DISPUTES ON GRADES, DOCKAGE; STATE ARBITRATION.

(a) If a disagreement arises between a person receiving and a person delivering grain in this state as to the proper grade, dockage, moisture content, protein content, or other factors used in establishing the market price of the grain, an average sample of the grain in dispute may be taken by either or both of the parties interested. The commissioner shall prescribe a procedure for taking samples and having the samples certified by both the person receiving and the person delivering the grain as being true samples of the grain in dispute on the day the grain is delivered and sampled. Samples must be forwarded prepaid in suitable air-tight containers, with the names and addresses of the person receiving and the person delivering the grain, to the head of the Grain Inspection Division of the department. The head of the Grain Inspection Division shall examine samples submitted, and determine the proper grade, dockage, moisture content, protein content, and other factors used in establishing the market price of the samples of grain in accordance with the inspection rules and the standards established by the United States Department of Agriculture and the state of Minnesota. The test results must be based on the arithmetic mean of the samples submitted. If a person requesting the inspection asks for determination of some but not all of the factors that affect market price, the department shall perform only the requested tests on the samples. A person requesting the inspection must pay the required fee before the results of the inspection are released. The fee charged must be the same as that required for similar services rendered by the Grain Inspection Division. Payment for the grain involved in a disagreement must be made on the basis of grade, dockage, moisture content, protein content, and other market pricing factors certified by the department on samples submitted. An appeal of the determination made by the department may be made as provided under the United States Grain Standards Act, United States Code, title 7, section 79, subsection (c), and the Code of Federal Regulations, title 7, sections 800.125 to 800.140. A person receiving or delivering grain that is subject to this section is liable for damages resulting from not abiding by the determination made by the department. A person who violates this section is subject to penalties prescribed in section 17B.29.

(b) A licensed business that uses test equipment as defined in section 17B.02 to perform tests or analysis on grain to be purchased or placed in storage must post at the place of business a notice informing persons selling or delivering grain of their right to have a representative sample of the grain forwarded to the Grain Inspection Division for analysis. The commissioner shall provide copies of the notice to each business licensed to buy or receive grain. The business must display the notice in a conspicuous location as prescribed by the commissioner.

History: 1974 c 548 s 5; 1987 c 199 s 1; 1988 c 688 art 6 s 13

17B.06 BOARD OF GRAIN STANDARDS.

There is hereby created a Board of Grain Standards. The board shall consist of the head of the grain inspection program of the department and two principal assistants selected by the commissioner for terms specified by the commissioner. This board shall have jurisdiction over all grain standards hereafter established in Minnesota.

History: 1974 c 548 s 6; 1986 c 444

17B.07 OFFICIAL TITLE OF BOARD; MEETINGS.

The official title of the board shall be “The Minnesota Board of Grain Standards” and it shall have jurisdiction over all grain appeal cases brought before it.

The board shall meet as needed and shall establish the grades of all grain subject to state inspection which shall be known as the "Minnesota grades," and all grain received at any public warehouse shall be graded accordingly. Such grades shall not be changed without the concurrence of at least two members of the board. At the time of establishing Minnesota grades, the board also shall adopt such rules, in accordance with the Administrative Procedure Act, as it deems necessary for the enforcement of this section and section 17B.06. In establishing the grades, in addition to the physical qualities of the grain, there shall be taken into consideration the milling and bread-producing quality of all grain products used as human food. The board shall determine the grade, and dockage, if any, of all grain in all cases where appeals from the decisions of the chief inspector have been taken and for such purpose they may request fresh samples of such grain to be furnished directly to the board.

History: 1974 c 548 s 7; 1985 c 248 s 70; 2000 c 477 s 5

17B.08 [Repealed, 1979 c 68 s 6]

17B.09 [Repealed, 1979 c 68 s 6]

17B.10 STANDARD SAMPLES.

The commissioner shall furnish standard samples of grain of each Minnesota grade to any grain warehouse operator in the state, upon request and payment of the actual cost thereof.

History: 1974 c 548 s 10; 1986 c 444

17B.11 DUTY OF INSPECTORS.

The commissioner shall inspect and grade all grain received at any terminal warehouse when requested to do so by any person having a contractual or other financial interest in such grain as the owner, seller, purchaser, warehouse operator, or carrier or otherwise. The commissioner shall provide inspection service for interhouse transfers or when grain is "run for grade" within a house if requested by the warehouse operator. All rights and privileges covering reinspection and appeal in all such cases are hereby preserved to all interested parties.

History: 1974 c 548 s 11; 1986 c 444

17B.12 APPEALS; PROCEDURE.

Any owner, consignee, or shipper of grain, or any warehouse operator, who is dissatisfied with the inspection of grain may appeal to the Board of Grain Standards by filing a notice of appeal with the commissioner and paying a fee to be fixed by the commissioner. The commissioner shall promptly transmit the notice to the Board of Grain Standards. The decision of the board fixing the grade of the grains is final.

History: 1974 c 548 s 12; 1986 c 444; 2000 c 477 s 6

17B.13 WEIGHERS, RESTRICTIONS, BONDING.

Subdivision 1. **Export and other terminal points.** The commissioner shall appoint at each designated export terminal point weighers as may be necessary to control the weighing of all grain received at or shipped from each designated export terminal point, except when the shipment is specifically exempted by the administrator of the federal grain inspection service. These weighers shall have the supervision or control of the other weighing of grain at other terminal points when requested by the operator of the facility desiring the service.

Subd. 2. **Licensed persons.** The commissioner may hire as official inspection personnel any individual who is licensed to perform functions of official inspection under the United States Grain Standards Act.

History: 1974 c 548 s 13; 1978 c 610 s 3; 1979 c 68 s 1

17B.14 RECORDS AND CERTIFICATES.

Subdivision 1. **Furnishing of certificates; evidence.** Every weigher shall keep such records as may be prescribed by the commissioner, and shall furnish to any person for whom weighing is done a signed certificate, showing the amount of each weight, the number and initial letter or other distinctive mark of each car weighed, the place and date of weighing, and the contents of the car. Such certificate shall be prima facie evidence of the facts therein certified.

Subd. 2. **Certificates; inspection; weighing.** Every person operating any elevator, building, or place in this state for the purchase, storage, or deposit of any grain or other farm commodity shall be entitled to receive from, and shall demand of, the officer whose duty it is to issue the same the official certificate of inspection in duplicate, together with the weighing certificate in duplicate, for any grain or other farm commodity shipped from such elevator, building, or place, and inspected and weighed as provided by the laws of this state.

Subd. 3. **Duplicate to be delivered to buyer.** Within ten days from the delivery of any certificate, as provided in subdivision 2, the person receiving the same shall deliver to the local buyer at the place where such grain or other farm commodity is purchased, stored, or deposited, one of the duplicate certificates and the same shall be retained by such local buyer in the buyer's office or place of business for 30 days thereafter and be subject to examination by any person desiring to inspect same.

Subd. 4. **Failure to deliver; penalty.** Any person mentioned in subdivision 2 who shall fail to deliver any certificate mentioned in subdivision 2 within the time and as provided in subdivision 3 shall be guilty of a misdemeanor; and the weight and grade of the grain or other farm commodity, as shown by the records of the local buyer, shall be taken as a basis of settlement between the local buyer of any such grain or farm commodity and the person failing to deliver the certificate.

History: 1974 c 548 s 14; 1986 c 444

17B.15 FEES FOR INSPECTION AND WEIGHING; DEDICATED ACCOUNT.

Subdivision 1. **Administration; appropriation.** The fees for inspection and weighing shall be fixed by the commissioner and be a lien upon the grain. The commissioner shall set fees for all inspection and weighing in an amount adequate to pay the expenses of carrying out and enforcing the purposes of sections 17B.01 to 17B.22, including the portion of general support costs and statewide indirect costs of the agency attributable to that function, with a reserve sufficient for up to six months. The commissioner shall review the fee schedule twice each year. Fee adjustments are not subject to chapter 14. Payment shall be required for services rendered.

All fees collected and all fines and penalties for violation of any provision of this chapter shall be deposited in the grain inspection and weighing account, which is created in the agricultural fund for carrying out the purpose of sections 17B.01 to 17B.22. The money in the account, including interest earned on the account, is annually appropriated to the commissioner of agriculture to administer the provisions of sections 17B.01 to 17B.22. When money from any other account is used to administer sections 17B.01 to 17B.22, the commissioner shall notify the chairs of the Agriculture, Environment and Natural Resources Finance, and Ways and Means Committees of the house of representatives; the Agriculture and Rural Development and Finance Committees of the senate; and the Finance Division of the Environment and Natural Resources Committee of the senate.

Subd. 2. [Repealed, 1983 c 300 s 28]

Subd. 3. **Minimum charge.** The schedule of fees shall provide that any elevator, mill, or other business requesting a weighing or inspection service, shall pay a minimum charge per hour for each employee requested or assigned. Any fees earned by the employee shall be credited against the charge made therefor. The minimum charge shall be assessed only after taking into consideration all fees earned and all hours

charged. When deemed necessary by the commissioner, a charge for actual overtime costs may be made.

History: 1974 c 548 s 15; 1975 c 204 s 70; 1977 c 296 s 1; 1981 c 356 s 258; 1983 c 300 s 2; 1986 c 444; 1987 c 396 art 11 s 1; 1994 c 632 art 2 s 12; 1996 c 407 s 14; 1999 c 231 s 37; 2000 c 477 s 7; 1Sp2001 c 2 s 33; 2002 c 379 art 1 s 11

17B.16 QUALIFICATIONS.

No inspector, sampler, nor weigher shall during that person's term of service be in any way interested in the handling, storing, shipping, purchasing, or selling of grain or any of its products, nor in the employment of any person engaged therein, nor shall the inspector, sampler, or weigher be a member of any board of trade or organization of like character.

History: 1974 c 548 s 16; 1986 c 444

17B.17 REMOVAL OF EMPLOYEE.

Upon written complaint filed with the commissioner, charging any inspector, sampler, or weigher with official misconduct, inefficiency, incompetency, or neglect of duty, the commissioner shall investigate such charge and, if it be sustained, remove such employee.

History: 1974 c 548 s 17

17B.18 OBSTRUCTING WEIGHER.

Any person who shall obstruct any state weigher in the performance of the weigher's official duties, by preventing proper access to the scales used in weighing grain or otherwise, is guilty of a misdemeanor.

History: 1974 c 548 s 18; 1986 c 444

17B.19 [Repealed, 1975 c 227 s 10]

17B.20 BREAKING OF SEALS; PENALTY; EXAMINATION OF CARS.

Subdivision 1. **Who may break seals.** No person shall knowingly break the seal on any car of grain subject to state inspection prior to delivery thereof, except the employees of the department, and the owner of the grain, or the owner's authorized agent, under rules prescribed by the commissioner.

Subd. 2. **Unauthorized breaking of seals; misdemeanor.** Any person who, without legal authority, shall break or remove any seal upon any car loaded with grain, or otherwise break or enter such car, shall be guilty of a misdemeanor.

Subd. 3. **Examination of cars.** An employee of the department before opening the doors of any cars containing grain, upon their arrival at any of the several places designated by law as terminal points in this state, for the purposes of inspecting the same, shall first ascertain the condition of such cars and determine whether any leakages have occurred while the cars were in transit; also whether or not the doors were properly secured and sealed, making a record of such facts in all cases and recording the same in a proper book to be kept for the purpose. After such examination shall have been made and recorded and the inspection of such grain has been made, the above mentioned employee shall securely close and reseal such car doors as have been opened, using a special seal of the department for the purpose. A record of all original seals broken by the employee and the time when broken, a record of all state seals substituted therefor and the time when such state seals were substituted, together with a full description of the seals, with their numbers, shall be made by the employee.

History: 1974 c 548 s 20; 1986 c 444

17B.21 [Repealed, 1Sp2001 c 2 s 162]

17B.22 EMPLOYEE; MISCONDUCT; PERSONATION.

Subdivision 1. **Falsely acting as inspector.** Any person not duly appointed and qualified who shall assume to act as a state inspector of grain shall be guilty of a misdemeanor.

Subd. 2. **Misconduct of employees.** Any employee of the department who shall knowingly or carelessly inspect or weigh any grain improperly, or give any false certificate of inspection or weight, or accept money or other consideration directly or indirectly for any neglect or improper performance of duty or who shall be guilty of any neglect of duty, and any person who shall improperly influence or attempt to influence any such officer in the performance of an official duty shall be guilty of a gross misdemeanor.

Subd. 3. [Repealed, 1977 c 347 s 9]

History: 1974 c 548 s 22; 1986 c 444

17B.23 [Repealed, 1Sp2001 c 2 s 162]

17B.24 [Repealed, 1Sp2001 c 2 s 162]

17B.25 [Repealed, 1Sp2001 c 2 s 162]

17B.26 [Repealed, 1Sp2001 c 2 s 162]

17B.27 [Repealed, 1Sp2001 c 2 s 162]

17B.28 ENFORCEMENT; RULES.

The commissioner shall enforce the provisions of Laws 1974, chapter 548 including semiannual adjustment of the fees for services rendered and shall promulgate, in the manner provided by law, such rules as the commissioner deems necessary or desirable to carry out the provisions of sections 17B.01 to 17B.29. Until such rules are promulgated, the rules of the Public Service Commission, chapter five, PSC 150 to 169, as amended, promulgated pursuant to Minnesota Statutes, sections 14.05 to 14.28, and not inconsistent with sections 17B.01 to 17B.29, shall remain in full force and effect and shall be enforced by the commissioner until amended or repealed by the commissioner in accordance with the Administrative Procedure Act.

History: 1974 c 548 s 28; 1982 c 424 s 130; 1985 c 248 s 70; 1986 c 444; 1995 c 233 art 2 s 56

17B.29 PENALTIES.

Any person who shall violate any of the provisions of sections 17B.01 to 17B.29 where no specific penalty is prescribed shall be guilty of a gross misdemeanor.

History: 1974 c 548 s 29