



Department of
Agriculture

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FOR IMMEDIATE RELEASE

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DEPARTMENT OF AGRICULTURE SUSPENDS OPERATIONS AT SCHWAN GRAIN, INC.

Farmers owed for deposits should contact agency to file claim

REYNOLDSBURG, Ohio (Dec. 10, 2014) – The Ohio Department of Agriculture has suspended the grain license of Schwan Grain, Inc. located at 671 State Route 99 North in Monroeville, Ohio. Farmers who are owed money for grain deposits with Schwan Grain should call ODA’s Grain Warehouse Section at 614-728-6410.

Following up on a complaint received Dec. 5, agency examiners have determined that Schwan Grain, Inc. holds liabilities significantly higher than their available assets. The grain handlers’ license, #5940, was suspended on Dec. 10. The department is currently in the process of completing a final audit to make sure all assets and liabilities are accounted for.

Ohio’s Grain Indemnity Fund was created in 1983 to reimburse farmers when a licensed elevator becomes insolvent. Ohio farmers lost approximately \$8 million due to grain elevator bankruptcies prior to the establishment of the fund. Since the fund was established, it has reimbursed farmers more than \$12.7 million and is funded through a half-cent per bushel assessment on grain marketed at licensed elevators. Claims to the indemnity fund are handled through the department’s Grain Warehouse Section in conjunction with the recommendation of the Ohio Commodity Advisory Commission.

In 2013, the maximum balance on the fund was increased from \$10 million to \$15 million, and the half-cent per bushel assessment will be collected until the fund balance reaches \$15 million. The grain indemnity fund currently holds \$9.7 million in assets. The law also now gives priority to the automatic lien established and held by the department in the event of a grain handler’s failure or insolvency. The department’s liens will now have priority over all competing lien claims asserted against the handler ensuring that the indemnity fund receives maximum reimbursement in the asset liquidation process.

Once ODA completes their final audit of assets and liabilities, the formal indemnity claim process will begin.