



Agriculture and Markets

ANDREW M. CUOMO
Governor

RICHARD A. BALL
Commissioner

Re: Agricultural Producers Security Program
Article 20 - Farm Products Dealer License

Dear Prospective Dealer:

Thank you for your inquiry to obtain a Farm Products Dealer License to deal in farm products from New York producers required under Article 20 of the Agriculture and Markets Law. If you did not inquire, this letter is being sent because information has been received that you may be subject to the license.

If your annual purchases/dealings of farm products from New York producers do not exceed \$10,000 **OR** you will not be purchasing or dealing in New York farm products **OR** if you buy farm products only for sale, including sale in a processed form, at retail to the ultimate consumer (sale at retail to the ultimate consumer shall not include sales to industrial, institutional, commercial or agricultural users), you shall not be deemed a dealer for purposes of this article and licensing is not required. If any of these apply, please complete and return the enclosed Non-Dealer Declaration Form.

If subject, please complete and return the enclosed application, together with payment of the Producers Security Fund Fee to: NYS Dept. of Agriculture & Markets, Division of Agricultural Development, 10B Airline Drive, Albany, NY 12235.

For your convenience, you have the opportunity to apply on-line and pay by credit card by visiting the NYS Licensing Center, New York State's One Stop E-Licensing Services website at <http://aca.licensecenter.ny.gov/ACA/>.

Instructions are enclosed to assist you in completing the application. If you have any questions, please call (518) 453-8130.

Best regards,

Peter Pamkowski
Manager, Agricultural Producers Security Program

Instructions for Completing the Application

1. Complete the application **ONLY** if your annual purchase volume exceeds \$10,000 from New York producers. If your annual purchases/dealing of farm products from New York producers do not exceed \$10,000, or you will not be purchasing or dealing in New York farm products, or if you buy farm products only for sale at retail to the ultimate consumer (does not include sales to industrial, institutional, commercial or agricultural users), complete and return the bottom portion on page 2 of these instructions.
2. Please complete all questions and return to the address on the bottom of the application. **Incomplete applications will be returned.**

Written Payment Agreements

The law authorizes the use of written payment agreements if the dealer wishes to make payment to a producer more than 30 days after the product is sold by the producer and delivered to the dealer, or other person as the purchaser may designate, provided that in no event shall such period exceed 120 days from said date of delivery.

Please note, the length of your written agreement will increase your security requirement obligation because extended payment agreements increase the Security Fund's exposure in the case of a default of payment. For example, if your calculated security requirement based on 30 days is \$50,000 and you have a written payment agreement extending payment terms from 30 days to 120 days, the amount would be four times the 30 days amount of \$50,000 or \$200,000. If payment terms are 60 days, the amount would be twice the 30 days amount of \$50,000 or \$100,000.

After your application is received and reviewed, you will be notified by the Department of the required security amount. You will have a choice of obtaining a bond through your local insurance carrier or an irrevocable letter of credit through your financial institution.

Non-Dealer Declaration

___ My annual purchases or dealings of farm products grown by New York producers that are sold wholesale to agricultural, commercial, industrial and institutional users will not exceed \$10,000.

___ My purchases or dealings from New York producers are only for sale at retail to the ultimate consumer. Sale at retail to the ultimate consumer shall not include sales to industrial, institutional, commercial or agricultural users.

___ I will not be purchasing or dealing in New York farm products (includes Commission Merchant, Broker and Processor).

Name of Dealer (print)

Authorized Person and Title (print)

Date

Signature

Name and address of succeeding business (if applicable)

Return this form OR the completed application to following address:

NYS Department of Agriculture and Markets
Division of Agricultural Development
10B Airline Drive
Albany, NY 12235.