



INSTRUCTIONS FOR IMPLEMENTING THE NATIONAL SOYBEAN PROMOTION AND RESEARCH ORDER

Collecting Soybean Assessments

Who Pays: All soybean producers in all soybean producing states participate in the checkoff program. The only exception is a producer who holds a current Certificate of Exemption issued by the United Soybean Board. – See pg. 3 *Organic Soybean and Producers*. Exempt producers must provide all first purchasers they transact with a copy of their Certificate of Exemption.

Who Collects: The first purchasers (elevator, terminal, processor, seed producer, trucker or extruder, etc.) collect the checkoff from the producer. First purchasers are required to collect on all soybeans purchased, regardless of the state-of-origin.

Out-of-State: First purchasers are required to collect checkoff on soybeans grown in another state just as they would on soybeans grown in Minnesota. Such soybeans are to be listed by state-of-origin on the remittance reports.

How Much: One-half of one percent (.005) of the net market price. “Net” is after moisture and quality discounts or premiums, but before any deductions for storage, handling or other services.

When: Checkoff collections are made when the producer is paid. Under deferred pricing it is preferred that the deduction be made at the time the contract is settled and the producer receives a check. When a first purchaser is involved with minimum pricing contracts, the checkoff is to be collected on the market value of the soybeans at the time the first purchaser buys them.

Commodity Credit Corporation (CCC) Loans: The Commodity Credit Corporation will not be considered a first purchaser except in what is anticipated to be a few unique situations where a producer forfeits soybeans to the government under the soybean marketing loan program. Therefore, QSSBs should notify all first purchasers to deduct the checkoff unless the transaction is accompanied by form LS-48, Statement of Certification of Non-Producer Status.

Non-Compliance: First purchasers who willfully violate any provision or who fail or refuse to pay, collect, or remit any assessment or fee duly required of the person may be assessed (A) a civil penalty of not more than \$1,000 for each such violation; and (B) in the case of a willful failure to pay, collect, or remit an assessment, an additional penalty equal to the amount of such assessment. Each violation shall be a separate offense.

Documentation: First purchasers must show producers they have deducted the assessment on the sales receipt.

Remitting Soybean Assessments to the QSSB (Minnesota Soybean Research and Promotion Council)

Remittance: **First purchasers must send collected funds and the completed official remittance report** to their qualified state soybean board no later than the last day of the month following the month which the transactions took place. **All remittances must be paid by check or money order payable to the Minnesota Soybean Research and Promotion Council. Remittance reports must be sent in monthly. A late payment charge of 2% will be added each month to assessments not remitted on time. If there is no amount to remit, indicate -0- on the report, sign it and send it in.**

Forms: Official federal remittance forms are required. They are distributed and available from the Minnesota Soybean Research and Promotion Council office.

Completing the Remittance Form

Please fully complete the following fields – Examples are listed in the boxes below

State-of-Origin: State in which the soybeans are grown.

Number of Bushels Purchased: Total bushels of soybeans purchased by the entity in the given monthly reporting period.

Number of Bushels Assessed: Total bushels of soybeans subject to checkoff assessment for the entity in the given monthly reporting period. This amount will reflect any quality discounts/premiums on a per bushel basis, or secondary purchases. (See calculation example below)

Net Market Value of the Assessed Bushels: Total market value of all soybeans subject to checkoff assessment. This amount will reflect any price discount/premium given for quality. (See calculation example below)

Total: Total soybean checkoff assessment due to the Minnesota Soybean Research and Promotion Council. Net Market Value times the current assessment rate of one-half of one percent (.005).

STATE OF ORIGIN	NUMBER OF BUSHELS PURCHASED	NUMBER OF BUSHELS ASSESSED	NET MARKET VALUE OF ASSESSED BUSHELS	RATE	TOTAL
MN	10,500.00	10,500.00	\$ 94,500.00	x .005 =	\$472.50
IA	10,500.00	10,000.00	\$ 90,000.00	x .005 =	\$450.00
SD	10,500.00	10,500.00	\$ 90,090.00	x .005 =	\$450.45

Calculation: The Soybean Research and Promotion Checkoff funds are to be deducted after any quality discounts and before any storage, handling or other charges. If a deduction for quality needs to be made, please use the examples below for making the proper deductions.

EXAMPLE 1 - Weight Discounts

Use this method if a weight discount is used to deduct for quality deficiencies.

Gross Bushels	10,500.00
Less: Quality Discount (Weight for Moisture, Damage, Foreign Material or Test Weight)	- 500.00
Net Bushels	10,000.00
Price per Bushel	X \$9.00
Net Dollars	\$90,000.00
Checkoff Rate	x .005
Soybean Promotion and Research Checkoff Investment	\$ 450.00

EXAMPLE 2 - Price Discounts

Use this method if the price is discounted to deduct for quality deficiencies.

Gross Bushels	10,500.00
Price (Adjusted for quality discount)	x \$8.58
Gross Dollars	\$90,090.00
Checkoff Rate	x .005
Soybean Promotion and Research Checkoff Investment	\$450.45

Deductions for storage, handling, transportation or other services are not permitted before the SPARC assessment.

Soybean Assessments and Seed Producers

Seed is defined as: Any seed by which a new soybean plant can be grown, including those developed through both conventional and biotechnological breeding methods.

Soybean Seed Conditioner – if you are a soybean seed conditioner and purchase soybean seed for resale, as a first purchaser, you are responsible for deducting, collecting and remitting the soybean checkoff.

Soybean Seed Grower – all soybeans, which are raised and sold for seed, are subject to the soybean checkoff.

Wholesale Seed Sales – for wholesale seed sales between seed dealers, it is the responsibility of the individual or company selling the seed to ensure that the soybean checkoff has been deducted and remitted.

The Federal Rules and Regulations governing soybean checkoff procedures refers to soybeans sold as seed under Subsection 1220.311 (c) and states: “Such assessments shall be based upon .005 percent of the net market price specified or established in the contract and shall be collected at the time of payment to the producer. If the net market value is not established in the contract, the soybeans will be assessed at the county price posted at the local FSA office for the county in which the soybeans are grown.

Unsold, clean out and discarded seed: If you have paid a producer for the total bushels of un-cleaned seed, you will need to complete a non-producer status form (available from the Minnesota Soybean office) and provide that document to the local elevator you sell the “clean out” to in order to document that the soybean checkoff has already been paid. The non-producer status form should be submitted on a transactional or annual basis to organizations you do business with.

This also applies to discarded soybean seed and unsold seed at the end of the seed season that is being resold or remarketed. If you have already deducted and remitted the checkoff on these bushels, you will need to supply a non-producer status form to first purchaser in order to **AVOID** having the soybeans checked-off **twice**.

Organic Soybeans and Producers

Organic Producers & Marketers Exempted From National Portion of Soybean Assessment: In order for a producer to be exempt from soybean checkoff assessment, the producer must meet all of the following:

1. Operate under an approved organic system plan authorized by the National Organic Program (NOP) (7 CFR Part 205)
2. Produces/handles/imports/exports/processes only products eligible for a 100% organic label under NOP
3. Is not a split operation as defined by the Organic Foods Production Act of 1990.

To receive a copy of the organic exemption request form, please contact the Minnesota Soybean Research and Promotion Council.

For more information on the federal Soybean Research and Promotion Order, please visit:

<http://www.ams.usda.gov/AMSV1.0/ismarketingprograms>