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Overview of Wheat and Barley Assessment Obligations

All handlers (first purchasers) of wheat, wheat seed, barley and barley seed sold, processed, stored or delivered for sale, processing or storage by a producer are required under Washington State Law to collect and remit payment of assessments to the Washington Grain Commission ([RCW 15.115.260](#) and [RCW 15.115.270](#)). Handlers include, warehouse operators, processors, and feedlots receiving wheat or barley in commercial quantities from producers. The obligations also apply to producers who sell wheat and barley to another producer or buyer who is not a handler.

The assessment applies to:

- Grain and seed produced in all counties east of the Cascade Mountains in Washington State.
- The State of Washington and other owners of public lands who either produce or receive as rent a portion of the crop considered as commercial quantities.
- Grain and seed dealers utilizing their own produced seed for any resale transactions.
- Seed purchased from a producer for resale or any other use.

The assessment does not apply to wheat and barley grown and used by the original producer for seed, feed, farm or personal consumption.

What is Required

Producer selling to a handler:

1. The handler must collect/retain the assessment when they first purchase the grain from the producer;
2. The handler must remit the assessment to the Commission on a monthly basis;
3. The handler and producer must provide updated records of production to the Commission ([RCW 15.115.270 \(2\)](#)). The producer remains responsible for reporting and paying assessments for sales to handlers under ([RCW 15.115.270 \(1\)](#)) even if the handler fails to report and pay assessment under RCW 15.115.270 (2).

Producer selling to a producer or other buyer who is not a handler:

1. The requirements of collection, remittance and records under RCW 15.115.270 (1) apply solely to the producer selling wheat or barley to another producer for their own use or to a buyer who is not a handler, when the cumulative sales of wheat or barley add up to commercial quantities in a calendar year.

What is Assessed

Commercial quantities for which the assessment is levied and due is defined as five hundred (500) or more bushels of wheat, or twenty (20) tons of barley produced for market in any calendar year by a producer ([RCW 15.115.030](#)).

Assessment Rates

The assessment rate on wheat and wheat seed is **three-fourths of one percent (.0075)**. The assessment rate on barley and barley seed is **one percent (.01)**. Both rates are applied to the net receipt amount received by the seller (producer) at the first point of sale (RCW 15.115.260). The rates also apply on all wheat and barley sold by a producer/seller to another producer/buyer.

Penalties for Failure to Timely Pay

1. In the event any person fails to pay the full amount of such an assessment, the Commission may add to the unpaid assessment an amount up to ten percent (10%) of the unpaid assessment to defray the cost of enforcing collection and may also refer a delinquent assessment to a collection agency after which a collection agency may also charge a fee ([RCW 15.115.270](#)), ([RCW 19.16.500](#)).
2. The Commission may bring a civil action against the person or persons for failure to pay any due and payable assessment, together with the additional ten percent ([RCW 15.115.270](#)).
3. The Commission can charge interest at a rate of one percent (1%) per month, or fraction thereof, on the principal amount of delinquent assessments starting on the date the debts become past due ([RCW 43.17.240](#)).

Determining Net Receipts Assessment

Net receipts refers to the price received by the producer from the handler at the first point of sale. When a producer sells wheat or barley to another producer or buyer who is not a handler, it is the price the selling producer receives.

Wheat Placed Under Loan

The USDA Farm Service Agency collects the initial assessment payment on wheat and barley placed under CCC loan. When the wheat or barley which has been under CCC loan is redeemed and sold by the producer, the net receipts above the loan amount are assessed at the time of sale, and must be reported to the Commission, along with the total quantity of grain involved in the sale. The sales of redeemed wheat or barley should be identified with the words LOAN WHEAT on the Commission's Form #2 to explain the difference in the assessment collected as compared to what the assessment would be on the total sale.

Reporting Requirements and Process

Handlers (First Purchasers) are required to report to the Commission each transaction by providing the full name (grower or farm name); mailing address; county of production; crop year; production amount; and assessment total collected from each seller ([RCW 15.115.300](#)). This information is to be submitted on a monthly basis. Form #1 is to be mailed to the Commission with check payment. Form #2 (transaction detail) can be included at the time of payment or it can be emailed in an Excel or Excel supported spreadsheet. Examples of Form #1 & #2 are enclosed. The reporting process also applies to a producer selling wheat or barley to another producer or buyer who is not a handler.

Failure to Comply - Penalties

It is unlawful to fail to comply with these requirements ([RCW 15.115.310](#)).

If procedures to collect and remit the required assessments have not been set up, please contact the Washington Grain Commission at 509.456.2481 or email at wgc@wagrains.org.