**Section 281.50 Price Later Contracts**

a) Prescribed Form

A price later contract executed between a licensee and a producer shall be on a prescribed form that has been approved by the Department. A licensee may issue a price later contract by way of a written price later contract document, an EPLC, or both. All price later contracts shall include, but need not be limited to, the following information:

1) The legal name and address of the licensee;

2) The legal name of the seller;

3) The bushel amount of grain to be covered by the contract;

4) The grade and commodity of grain to be covered by the contract;

5) The dates of delivery of the grain to be covered by the contract;

6) The method of pricing;

7) A section to indicate service charges, advances or other terms;

8) The following statements:

A) Title to the grain covered by this contract passes to buyer at the time of delivery.

B) Buyer is required to maintain grain assets and price later, storage and drying service charges equal to 90% of its price later obligations.

C) Price later grain is not stored grain for the seller. In the event of a failure, the contract is the basis for a grain dealer claim. The maximum coverage afforded by the Illinois Grain Insurance Fund is 85% of valid grain dealer claim amounts up to a maximum of $250,000 per claimant. The maximum payment per claimant covers all contracts that in any way can be related or tied to a person or entity, whether in full or in part.

D) This contract shall cease to be the basis of a valid claim, and seller shall not be entitled to any recovery:

i) When both the date of completion of delivery and the date of pricing of the grain are in excess of 160 days before the date of failure;

ii) If the later of the date of execution of the contract or the date of delivery of the grain covered by the price later contract occurred more than 365 days before the date of failure (The phrase "the later of the date" means the date closest to the date of failure, and the phrase "date of delivery" means the date of the last delivery of grain to be applied to the quantity requirement of the price later contract.);

iii) If the claim is based upon or acquired by fraudulent or illegal acts of the seller.

E) The execution of subsequent price later contracts for the grain previously covered by a price later contract shall not extend coverage of a claim beyond the original 365 days.

F) The contract must be signed by both parties within 30 days after the last date of delivery or, if an EPLC is used, the EPLC must be maintained as an electronic record containing electronic signatures and security procedures for both parties within 30 days after the last date of delivery. If the contract is not signed by both parties within 30 days after the last date of delivery or if the EPLC is not maintained as an electronic record containing electronic signatures and security procedures for both parties within 30 days after the last date of delivery, then the grain will be priced at the market price of the grain at the close of the next business day after the 29th day.

G) Within 5 business days after the seller selects a price for all or any part of the grain represented by the price later contract, the buyer shall settle and mail to the seller full settlement for the priced grain;

9) A section indicating the signature, electronic or otherwise, and date of signature for both the seller and buyer's representative;

10) The contract shall contain a schedule of settlements and basis activity for the grain to be covered by the contract.

b) Electronic Price Later Contracts

1) An EPLC issued in accordance with the Code and this Part shall not be denied legal effect, validity, or enforceability on the grounds that the information is generated, sent, received or stored by electronic or similar means.

2) If a grain dealer licensed under the Code elects to issue EPLCs and the producer prefers a written price later contact, the grain dealer shall cancel the EPLC and reissue a written price later contract. The reissuance of a price later contract does not extend the coverage afforded by the Illinois Grain Insurance Fund.

c) Issuance

1) A price later contract shall be written or in electronic format and shall be issued by a person authorized by the Department to issue those contracts. The Department shall authorize persons to issue price later contracts if they are issued in accordance with the Code and this Part and if they have registered in accordance with Section 10-15 of the Code.

A) All price later contracts shall be:

i) Issued only for licensees.

ii) Numbered consecutively either at the time of printing or through the control of a computer generated system.

B) A complete record of contracts issued shall be retained for 6 years, showing for whom issued, the number issued, and the consecutive numbers that were issued on the contracts.

2) Authorized printers shall notify the Department of the number of price later contracts printed, when they were printed, for whom they were printed and the consecutive numbers printed on the contracts.

d) Separate Series

Each location at which price later contracts are issued shall have its own identifiable series of price later contracts.

e) Requirements for Use of Price Later Contracts

1) Only one commodity per contract.

2) The bushel quantity of a price later contract shall not be increased.

3) Price later contracts are to be executed with the original copy or EPLC maintained by the dealer and a copy available to the seller, if requested.

4) Unless issued by EPLCs, the dealer shall maintain the updated and signed contracts in numerical order.

5) No storage charges shall be made with respect to any commodity purchased by price later. A service charge may be assessed.

6) If issued by written price later contract, a rollover shall be documented with the initials of both parties and dated by both parties. If by EPLC, a rollover shall be documented by electronic signature and security procedure on the contract.

7) Grain assets included in the assets required to meet 90% of outstanding price later obligations do not have to be commodity specific.

f) Pre-delivery Price Later

When a price later contract is used as a pre-delivery contract, the original bushel amount shall be adjusted down to reflect the actual amount of grain delivered against the contract.

(Source: Amended at 47 Ill. Reg. 5939, effective April 12, 2023)