



## Periodic Review / Retain Regulation Agency Background Document

<b>Agency name</b>	Board of Agriculture and Consumer Services
<b>Virginia Administrative Code (VAC) citation</b>	2 VAC 5-250
<b>Regulation title</b>	Rules and Regulations Relating to Grain Dealers Licensing and Bonding Law
<b>Document preparation date</b>	April 5, 2012

This form is used when the agency has done a periodic review of a regulation and plans to retain the regulation without change. This information is required pursuant to Executive Orders 14 (2010) and 58 (1999).

### Legal basis

*Please identify the state and/or federal legal authority for the regulation, including (1) the most relevant law and/or regulation, and (2) promulgating entity, i.e., agency, board, or person.*

The authority for this regulation is contained in §§ 3.2-109 and 3.2- 4763 of the Code of Virginia. These sections authorize the Board of Agriculture and Consumer Services to adopt such rules and regulations as may be necessary to carry out the administration and enforcement of Chapter 47, Article 4 of Title 3.2 of the Code, commonly referred to as the Grain Dealers Licensing and Bonding Law. There is no state or federal mandate for this regulation.

### Alternatives

*Please describe all viable alternatives for achieving the purpose of the existing regulation that have been considered as part of the periodic review process. Include an explanation of why such alternatives were rejected and why this regulation is the least burdensome alternative available for achieving the purpose of the regulation.*

The alternative considered was to have no regulation at all. If there were no regulation, then there would be no third party assuring farmers of prompt payment for their grain, or, in the case of default by the grain dealer, there would be no recourse for farmers to seek payment for their losses.

**Public comment**

*Please summarize all comments received during the public comment period following the publication of the Notice of Periodic Review, and provide the agency response. Please indicate if an informal advisory group was formed for purposes of assisting in the periodic review.*

Commenter	Comment	Agency response

No public comments were received. No informal advisory group was formed for purposes of assisting in the periodic review.

**Effectiveness**

*Please indicate whether the regulation meets the criteria set out in Executive Order 14 (2010), e.g., is necessary for the protection of public health, safety, and welfare, and is clearly written and easily understandable.*

This regulation specifies the information that must be recorded by grain dealers in grain transactions with farmers. This review by VDACS ensures that Virginia farmers are promptly and properly paid for their grain and provides an accounting of amounts owed in the event of non-payment of grain by the grain dealer. In many cases, these grain transactions are for large amounts of money. Therefore, the regulation implements a law that helps to protect farmers from loss of income.

The regulation is clearly written and easily understandable.

**Result**

*Please state that the agency is recommending that the regulation should stay in effect without change.*

The agency is recommending that the regulation should stay in effect without change.

**Small business impact**

*In order to minimize the economic impact of regulations on small business, please include, pursuant to § 2.2-4007.1 E and F, a discussion of the agency’s consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation from the public; (3) the complexity of the regulation; (4) the extent to the which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the*

*area affected by the regulation. Also, include a discussion of the agency's determination whether the regulation should be amended or repealed, consistent with the stated objectives of applicable law, to minimize the economic impact of regulations on small businesses.*

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Because the selling of grain in Virginia is tremendously important to the state's economy, there is a continued need for this regulation. The agency has determined that this regulation is effective in achieving its goals of protecting Virginia farmers against loss when selling their grain. No complaints or comments were received during the public comment period. The regulation does not conflict with state or federal law. The regulation is not overly complex. The agency has determined that no change occurred in the area affected by the regulation subsequent to the agency's previous periodic review that would necessitate the amendment or repeal of this regulation. This regulation is still very important in ensuring fair and prompt payment for grain transactions between buyer and seller.

### Family impact

*Please provide an analysis of the regulation's impact on the institution of the family and family stability.*

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Unless otherwise discussed in this report, this regulation has no impact upon families.