

2021 Kansas Statutes

34-2,111. Grain purchase contracts with delayed payment or delayed pricing; required provisions; standby letter of credit, posted notice. (a) Whenever a public warehouseman offers to purchase grain pursuant to a grain purchase contract which includes provision for deferred payment or delayed pricing of the grain, the public warehouseman shall inform the seller that such grain purchase contract is a voluntary extension of credit and is not protected by the surety bond or letter of credit, pursuant to K.S.A. 34-229, and amendments thereto, of the public warehouseman.

(b) Each grain purchase contract which contains a provision for deferred payment or delayed pricing, or both such provisions, shall be in writing and shall include the following statement: "THIS CONTRACT CONSTITUTES A VOLUNTARY EXTENSION OF CREDIT BY THE SELLER TO THE PUBLIC WAREHOUSEMAN AND IS NOT PROTECTED BY THE SURETY BOND OR LETTER OF CREDIT OF THE PUBLIC WAREHOUSEMAN." The statement shall be prominently displayed in capital letters that are at least as large as 10-point type and shall be followed by a signature line that has the following statement in parentheses under the line: "Must be signed by seller." Such statements and signature line shall be framed in a box and placed on the first page of the grain purchase contract as a part thereof so that it stands out from the other provisions of the grain purchase contract.

(c) If a public warehouseman has entered into a written grain purchase contract with a seller that produced the grain and if such grain purchase contract provides for either deferred payment or delayed pricing, or both, then, upon demand of the seller made after delivery of such grain to the public warehouseman, the public warehouseman shall cause a financial institution to issue to the seller a standby letter of credit in the amount of the unpaid balance under the grain purchase contract at the time such demand is made. Each public warehouseman who offers to enter into such a grain purchase contract with any seller that produced the grain shall post a sign providing public notice of the availability of such standby letter of credit.

(d) This section shall be a part of and supplemental to the statutes contained in article 2 of chapter 34 of the Kansas Statutes Annotated, and amendments thereto.

History: L. 1985, ch. 137, § 1; L. 1985, ch. 138, § 1; L. 1986, ch. 154, § 1; L. 2000, ch. 30, § 8; L. 2021, ch. 69, § 4; July 1.