

# COMMISSION MERCHANT ACT

In 1959, Washington State implemented the Commission Merchant Act designed to protect the agricultural industry and consumers. The act regulates people and businesses who receive on consignment or take possession, title, or control of agricultural products for resale or processing. WSDA's Ag Investigations Program can help producers obtain proper payment for their agricultural products sold or entrusted to persons or businesses.

The act requires people or businesses that receive agricultural goods for resale to obtain a license and, in some instances, requires an agricultural bond. The Agricultural Investigations program is solely funded through the collection of license fees.

There are several licenses and the classification may depend on the type of business conducted within the agricultural industry. Licenses must be renewed each year by December 31st.



# COMMISSION MERCHANT AND DEALER PROGRAM

## Additional items/licenses

- Businesses or persons can license in more than one category, i.e., Commission Merchant and Dealer.
- Additional agriculture license plates and tabs can be obtained.
- Manifest of cargo books can be purchased from WSDA.

## More information

- RCW 20.01:  
[app.leg.wa.gov/rcw/default.aspx?cite=20.01](http://app.leg.wa.gov/rcw/default.aspx?cite=20.01)
- WSDA Ag Investigations:  
[agr.wa.gov/aginvestigations](http://agr.wa.gov/aginvestigations)
- USDA Packers and Stockyard Enforcement:  
[ams.usda.gov/services/enforcement/psd](http://ams.usda.gov/services/enforcement/psd)



Washington  
State Department of  
Agriculture

Washington State Department of Agriculture  
Commission Merchant and Dealer Program

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WASHINGTON STATE DEPARTMENT OF AGRICULTURE

# Agricultural Investigations



Washington  
State Department of  
Agriculture

Commission Merchant  
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# WSDA Agricultural Investigations

## CASH BUYER LICENSE

Most applicable to a farmers market vendor. Cash buyers may purchase agricultural products for resale and must pay for products with cash or a cashier's check. No surety is required.

## COMMISSION MERCHANT LICENSE

Any person or business who receives agricultural product on consignment for sale or processing for sale, accepts product in trust for sale, or handles product for the account of the consignor.

- Hay, straw, and seed minimum surety of \$15,000.
- All others, surety of \$10,000.

## BROKER'S LICENSE

Brokers do not take possession of either the agricultural product or proceeds. This category does not require a bond.



## LIMITED DEALER LICENSE

Applies to persons or businesses where the producer is paid in cash or check upon taking possession of product.

- Hay, straw, and seed minimum surety of \$15,000.
- All others, surety of \$10,000.

An alternate surety calculation can be provided.

## DEALER LICENSE

Any person or businesses who solicits, contracts for, obtains, buys, or agrees to purchase any agricultural products for resale or processing. This includes livestock, agricultural products, alfalfa products, or seed on behalf of another.

- Hay, straw, and seed minimum surety of \$15,000.
- All others, surety of \$10,000.

Dealers of livestock must pay within seven days and dealers of all other products must pay within 30 days of taking possession or control unless other terms are agreed to by contract. Livestock dealers must register and bond with USDA Packers and Stockyards and license with WSDA.

Hay and straw dealers must furnish producers with an endorsed, completed manifest of cargo for each load and also provide a certified net and gross weight from a certified scale within 72 hours.

## PRODUCER PROTECTION

The Washington State Department of Agriculture (WSDA) Agricultural Investigations Program enforces the Commission Merchant Act through the investigation of complaints. Its mission is to protect producers, buyers, and sellers of agricultural products from illegal activities. The program's highly experienced investigators understand the products produced in Washington State and our state's agriculture industry.

### To file a complaint for an investigation, contact:

WSDA AG INVESTIGATIONS  
21 North 1st Avenue  
Suite 110  
Yakima, WA 98902  
Phone: 509-249-6961  
E-mail: [commerch@agr.wa.gov](mailto:commerch@agr.wa.gov)

### *Protecting Washington State Producers*

