

Grain Trust Establishment Act Toolkit

From 2021-2023, two large organic and non-GMO grain companies declared bankruptcy, putting farmers in financial risk. Growers failed to receive payments for grain delivered, were held to contracts to deliver grain to a company unable to pay for it, or received clawback letters demanding they give back payment for crops they had delivered to the buyer.

If this impacted your community, especially if your farm was affected, use this toolkit to reach out to your legislators and ask them to pass proposed legislation to protect grain farmers from buyer bankruptcies.

PROPOSED LEGISLATION

A legislative champion is needed to introduce the drafted Grain Trust Establishment Act, which would create a legal instrument, known as a Trust, to help ensure that farmers are paid for the grain they sell.

The trust would allow farmers to take priority in obtaining their money from a grain dealer that is insolvent or going out of business. Instead of being embroiled in bankruptcy proceedings for years where they may still not be fully paid, farmers would have an immediate legal pathway to recovering their funds. This would also make it more difficult for buyers to clawback payments made to farmers. This provision is modeled after the Perishable Agricultural Commodities Act(PACA) Trust, which has similar protections for fresh fruit and vegetable growers.

This bill would create needed protection for farmers and stability in the grain market, particularly for farmers who sell into smaller, less mature grain markets. This bill would not require federal funds, it is simply a policy change.

RESOURCES

- **Grain Trust Establishment Act DRAFT Text**
- **Grain Trust Establishment Act one pager**
- **Clawback and Bankruptcy Resources for Organic Farmers**

For any questions, please contact Lily Hawkins, OFA Policy Director:
lily@organicfarmersassociation.org

Find guides on the reverse side to help reach your legislators



HOW TO CONTACT YOUR LEGISLATOR

The best way to reach out to your Senator or Member of Congress is to contact their Agriculture Staffer. You can find a spreadsheet with that information [here](#).

CALLING SCRIPT (feel free to make this your own)

Ask to speak to the staffer listed [here](#) for your legislator. If they are not available, it is fine to leave a message with the person who answers the phone, or to leave a voicemail.

Start by introducing yourself, and state the name of your farm and where you are located.

I'm calling today regarding a proposal to establish a Grain Trust that ensures farmers are paid for grain delivered ahead of creditors, placing farmers first.

BRIEFLY describe your personal experience with the clawback

AFTER CALL FOLLOW UP EMAIL TEMPLATE

Dear [staffer],
Thanks so much for taking the time to talk with me today! [OR I hope you received my message from today.] I'm following up to highlight the urgent need to protect farmers from grain-buyer bankruptcies. I wanted to make sure that you have [the draft legislation](#), a short [summary](#), and a link to the Organic Farmers Association's [Resources for Organic Farmers to Prevent Fraud](#).

It is extremely important to me that [legislator] supports this issue.

Thanks again,
(your name)

EMAIL OUTREACH

Subject: Protect Farmers from Grainbuyer Bankruptcies

Dear _____,

I'm writing about a drafted no-score bill to establish a Grain Trust that ensures farmers are paid for grain delivered ahead of creditors, putting farmers first.

On October 24, 2022, organic and non-GMO grain buyer Global Processing, Inc. filed for Chapter 11 bankruptcy. Many farmers who delivered grain but hadn't been paid were left without compensation, and the Iowa Grain Indemnity Fund had already been depleted by the Pipeline Foods bankruptcy claims in 2021.

Making matters worse, beginning in September 2024, over 90 farmers across Iowa, Minnesota, and other states received "clawback" letters demanding they return portions of payments they received from Global Processing during the 90 days before the bankruptcy filing. These legitimate but devastating letters required farmers to pay back money they had already earned and spent.

[Describe your personal experience with the clawback]

[The draft legislation](#) would establish a NO SCORE legislative legal protection for grain farmers. [This factsheet](#) outlines the problem that led to work on this solution and explains how the bill would work.

Iowa farmers need protection from future grain-buyer bankruptcies, and I hope that [legislator] will be a champion on this issue! Please let me know if you have any questions or if you would like to talk more.

Sincerely,
[Your Name]