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Requirements for Grain Dealers

State of California

Prompt Payment

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Requirements for Grain Dealers

STATE OF CALIFORNIA

Current with legislation from the 2014 Reg.Sess..

West's Ann.Cal.Food & Agric.Code § 56302 § 56302. Time for payment

Every dealer shall pay for any farm product purchased by him at the time and in the manner specified in the contract with the producer or licensee. If no time for payment is set by such contract or made at the time of the delivery, the dealer shall pay for the farm product within 30 days from the delivery or taking possession of such farm product.

West's Ann.Cal.Food & Agric.Code § 56302.5 § 56302.5. Notice to sellers; burden of proof

Upon the following, a licensee operating as a dealer shall notify the seller on a form to be prescribed by the department, as to the requirements set forth in Sections 56302 and 56620:

- (a) Upon delinquency of a contract.
- (b) If payment is not made within 30 days when the contract does not specify time of payment or if there is no contract.
- (c) If payment is not made within 30 days when the contract is oral, irrespective of the agreed time of payment.

The dealer shall have the burden of proof as to the timely delivery of such a notice.

Such a notice shall only be required as to the first contract between any particular seller and dealer during any one calendar year.