



PROTECTING
F LORIDA
H orticulture
IN THE MARKETPLACE

**The Agricultural
License and Bond Law**



**Florida Department
of Agriculture and
Consumer Services**

PURPOSE OF THE LAW

The Florida License and Bond Law, Sections 604.15-604.34, Florida Statutes, is intended to facilitate the marketing of Florida agricultural products by encouraging a better understanding between buyers and sellers and by providing a marketplace that is relatively free of unfair trade practices and defaults. The perishable nature of agricultural products and the methods by which they move through the marketing channels make such protection essential to the agricultural industry in this state. The purpose of the law is to help assure that the producers of products covered by the law receive proper accounting and payment for their products.

PRODUCTS COVERED BY THE LAW

Every agricultural product grown in Florida except citrus (excluding limes), tobacco, tropical foliage and sugar cane is covered by the Agricultural License and Bond Law.

WHO MUST COMPLY WITH THE LAW?

Any person, unless specifically exempt, who is engaged within the state in the business of buying, receiving, soliciting, handling, or negotiating agricultural products from or for Florida producers, or their agents, must be licensed and bonded. Producers who buy or handle agricultural products from other producers or their agents must also comply.

WHO IS EXEMPT FROM THE LAW?

These types of operations are not required to comply with the law:

- 1.** Those who deal only in products not covered by the law.
- 2.** Producer or groups of producers in the sale of agricultural products grown by themselves.
- 3.** All persons who pay at the time of purchase with United States currency. (Checks and drafts are not considered cash).
- 4.** A dealer in agricultural products who operates as a bonded licensee under the Federal Packers and Stockyard Act.
- 5.** Dealers who operate exclusively on a retail basis and who purchase less than \$1,000 worth of agricultural products from Florida producers or

their agents or representatives during the peak month of such purchases within the calendar year.

LICENSE REQUIRED

In order to secure a license, one must:

1. File a properly completed application
2. Pay the required license fee
3. Post an adequate surety bond or certificate of deposit.

APPLICATION

The application must accurately reflect the name and ownership of the operation and, among other things, provide the dollar value of agricultural products purchased or handled, subject to the law, during the peak month.

FEES

The license fees for primary locations are graduated according to the amount of bond or certificate of deposit required. There is also a \$50 fee for each additional location where a license is required. A delinquent penalty of \$35 is required for each license renewed late. The annual fees are as follows:

Bond Amount	License Fee
\$3,000 - 4,999	\$65
\$5,000 - 9,999	\$135
\$10,000 - 14,999	\$195
\$15,000 - 100,000	\$265



BOND OR CERTIFICATE OF DEPOSIT

The required surety bond is obtained through one's regular insurance agent. The amount of bond required is equal to the dollar value of agricultural products purchased or handled subject to the law during the peak month of the previous year. The minimum bond required for dealers in agricultural products is \$3,000 and the maximum is \$100,000. A certificate of deposit may be used in lieu of a bond.

COMPLAINTS

Any producer or producer's agent who feels he has been damaged by a dealer's failure to make proper accounting or payment for agricultural products may file a complaint. Complaints must be filed within six months of the sale or delivery of the agricultural product. This effectively means that no sale or delivery can be included on a complaint that occurred more than six months **prior to the day** on which the complaint is filed. There is a minimum claim of \$250 for complaints filed under the License and Bond Law.

To file a complaint one should contact the Bureau of License and Bond which will provide complaint forms and assistance. The complaint will be investigated from each party's point of view. The department makes every effort to encourage an amicable solution if possible. The formal processing of complaints is handled according to the License and Bond Law and the Administrative Procedures Act. A hearing is held if requested by one of the parties or if the matters contain disputed fact. If a licensee is ordered to make payment in settlement of a complaint, but fails to comply with such order, the surety company is required to make payment under the bond.

The Florida Department of Agriculture and Consumer Services is not a party to a complaint and therefore has no responsibility to prove or defend the allegations. Matters of proof and defense, including appearances at hearings and engaging legal counsel, are the sole responsibility of the parties.

LICENSEE RESPONSIBILITIES

The law and the conditions of a license and bond, impose certain responsibilities on licensees. They include:

1. Make payment, when due, for all agricultural products purchased and received according to agreement.
2. When acting as agent for producers, licensees:
 - (a) may not consign products, or use services of brokers, without written permission from producers.
 - (b) provide each producer with a complete account of sale within 48 hours of sale.
 - (c) make full payment to producer with a complete account of all net proceeds within 5 days from receiving payment from receivers.
 - (d) make and preserve for one year, a complete record of each transaction.

Good business practices dictate that licensees also help assure that a clear understanding of each transaction is achieved and reduced to writing.

PRODUCER'S RESPONSIBILITIES

If the law is to achieve its intended purpose, then producers of agricultural products must recognize and exercise certain responsibilities even though they are not specifically mentioned in the law. Such responsibilities include:

1. Be sure that a clear understanding is reached on each transaction including the responsibilities of all parties involved.
2. Make a written detailed record of each transaction and keep a copy.
3. Make sure your terms of sale are on the invoice/delivery ticket. In all instances make sure plant material is signed for on delivery by the receiver of the plant material or his employee.
4. Use botanical names on invoices, particularly on plant sales to out of state firms. Common names for some plants vary in different regions. This can help avoid misunderstandings resulting in loss of plants and failure to pay. Be sure the buyer gets the quality and quantity of plants ordered.
5. Understand the marketing process and unique characteristics of all products grown.
6. Deal only with properly licensed dealers and check their pay practices, business reputation and ability to pay.

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7. Make every effort to keep accounts current (with your terms) of those who purchase on open account from your nursery. Establish a routine system in your accounting or bookkeeping department to see that the terms of the sale are adhered to.

Bureau of License and Bond Offices

Tallahassee (Headquarters)

Mayo Building, M-38
Tallahassee, FL 32399-0800
(850) 488-4101

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2232 Northeast Jacksonville Road
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