DATE: October 12, 2011

TO: SEEDSMEN DOING BUSINESS IN INDIANA

RE: (1) Changes to Seed Inspection Fees
(2) Changes to Seed Reporting Requirements

NO THIRD QUARTER REPORT IS DUE

Under the authorities and procedures of the rule making process, Indiana Administrative Code 360 IAC 1-1-13 (Standards for Seed and Seed Labeling) was amended on March 8, 2011 to include revised seed inspection fees and changes to reporting requirements of seed distribution. The effective date for such changes was **July 1, 2011**. The following amendments were made to 360 IAC 1-1-13:

### Changes to Seed Inspection Fees

Seed inspection fees established in the Indiana Seed Law based on total seed distribution into the state were last amended in July of 1986. The following chart compares the 1986 fees with amended fees taking effect on July 1, 2011:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Alfalfas, clovers, vegetables, grasses:</td>
<td>$0.24/100 lbs sold</td>
<td>$0.30/100 lbs sold</td>
</tr>
<tr>
<td>All other seeds</td>
<td>$0.09/100 lbs sold</td>
<td>$0.15/100 lbs sold</td>
</tr>
<tr>
<td>Vegetable small packet products:</td>
<td>$1.50/consignment/display</td>
<td>$3.00/retail location</td>
</tr>
</tbody>
</table>

The new amended language of 360 IAC 1-1-13 reads as follows:

360 IAC 1-1-13 Inspection fees
Authority: IC 15-15-1-27
Sec. 13. (a) For the purpose of defraying the costs of inspection, analysis, publication, and other expenses incurred in the administration of this rule, the state seed commissioner shall charge the amount set forth in this section.
(c) A person who distributes agricultural or vegetable seed in Indiana may apply to the state seed commissioner for a permit to use the person's own labeling, report the quantity of seed sold, and pay the inspection fee on the basis of the report. The inspection fee is the following:
(1) Thirty cents ($0.30) per one hundred (100) pounds of alfalfa, clover, vegetable, grass seed, and mixtures of such seeds, with a minimum payment of seven and one-half cents ($0.075) for each package or container of more than one (1) pound.
(2) Fifteen cents ($0.15) per one hundred (100) pounds of all agricultural seed other than seeds described in subdivision (1), with a minimum payment of three and three-fourths cents ($0.0375) for each package or container of more than one (1) pound.
(d) A person who distributes vegetable seeds in packets as prepared for use in home gardens or household plantings or preplanted containers, mats, tapes, or other planting devices in containers of not more than one (1) pound shall pay three dollars ($3) for each retail location offering such assortments or display units of seed for sale in Indiana.
Changes to Seed Reporting Requirements

In conjunction with the fee change, modifications have also been made to the reporting requirements of permit holders doing business in the state. A summary of those changes are as follows:

(1) Reports will be due semiannually (two times/yr) vs. quarterly (four times/yr)
   Reporting periods will be January 1 – June 30th, and July 1st – December 31st.

(2) Failure to file reports within 15 days after the due date will result in a penalty assessment
    of $50 or ten percent of the amount due, whichever is greater

(3) A minimum inspection fee is ten dollars ($10) per reporting period

The amended language reads as follows:

360 IAC 1-1-13 Inspection fees
Authority: IC 15-15-1-27

(g) The report of quantity sold is due and the inspection fees are payable semiannually on the last day of
    the month following the end of the semiannual period. The first half reporting period ends June 30. The
    second half reporting period ends December 31.

(h) If the:
    (1) report is not filed and the inspection fee not paid not more than fifteen (15) days following the due
        date;
    (2) report of quantity sold is false; or
    (3) labeling requirements of this rule have not been complied with;
    the state seed commissioner may revoke the permit.

(i) If the report is not filed and the inspection fee not paid not more than fifteen (15) days
    following the due date described in subsection (g), a penalty must be assessed in the amount of:
    (1) fifty dollars ($50); or
    (2) ten percent (10%) of the amount due;
    whichever is greater, in addition to the amount due.

(j) The minimum inspection fee is ten dollars ($10) per reporting period, if a report is required
    under this section

(The full text of 360 IAC can be found at: http://www.in.gov/legislative/iac/iac_title?iact=360)

As mentioned previously, the implementation date for these amendments is July 1, 2011.
Semiannual report forms provided for the second half reporting period (July 1 – December 31)
will reflect the new fees. You should receive this new reporting form in December of this year. It
is suggested that the complete form be reviewed before making your calculations and entries for
the second half reporting period. Should you have any questions concerning these changes, please
feel free to contact this office.