

Instructions for Collecting Soybean Promotion and Research Checkoff (SPARC) Funds in Indiana

Use of Funds	Information and programs that will lead to the development of new markets, new marketing strategies, or increased efficiency of the soybean industry, and activities to enhance the image of the soybean industry. Plans and projects mean promotion, research, consumer and industry information plans and studies or projects. 7 CFR 1220.117 Checkoff funds can not be used for lobbying activities.
Rate	The assessment rate of 0.5% (one-half of one percent) or 50 cents for every \$100 of sales is fixed in the law and cannot be changed by the United Soybean Board or by the Indiana Soybean Alliance, Inc. (ISA) Assessments are to be collected on the net sale price. “Net” is after moisture and quality discounts or premiums, but before any deductions for storage, handling or other services. Drying and inspection cannot be deducted before the assessment (as it is not defined as a deduction in the Soybean Act and Order) – Title 7– 6302 (9) .
Who pays	All soybean producers in all states are to participate in the program Title 7 – 6302 (12) .
Who collects	The first purchaser (whoever pays the producer—country elevator, terminal, processor, seed company, trucker or extruder) is responsible for collecting from the producer. First purchasers are required to collect on all soybeans purchased regardless of the state of origin. Provisions are in place to identify soybeans checked off at a previous sale point. (Title 7 – 6302 (6) – Definition of First Purchaser).
When to collect	Checkoff collections are due when the producer is paid in full.
Date of sale	The Soybean Promotion and Research Checkoff (SPARC) regulations define date of sale (settlement date) as the date the buyer pays a producer for his or her soybeans. The day in which the soybeans physically change hands (the delivery date) is inconsequential. 7 CFR Part 1220.311 (a)
Out-of-state soybeans	First purchasers are required to collect on out-of-state soybeans just as you would on soybeans grown in Indiana. Such soybeans are to be listed on the remittance reports by state of origin (the state in which the soybeans were grown). The qualified state soybean boards work with surrounding states to credit the funds to the state in which the soybeans were grown. Unless the producer tells you otherwise, you may consider the producer’s address the state of origin. But if the address is not in an adjacent state (Michigan, Ohio, Kentucky or Illinois), please ask for and record the state in which the soybeans were grown as First Purchaser may be using address where they send checks to Producer (not where the Soybeans are grown). 7 CFR Part 1220.223 (5) (i)

Remittance

First purchasers must send collected funds and a remittance report form to ISA on a quarterly basis. You need not send copies of settlement sheets. Please complete and mail the form or electronically submit even if you have not purchased soybeans during the quarter. Forms and payment must be submitted (postmarked or electronic) not later than the last day of the month following the quarter for which the report covers. **Electronic payments must post in ISA’s account by that date.** Remittances are payable to the ISA. Each quarter blank remittance report forms are sent to first purchasers, unless you have enrolled to submit electronically, you will then receive an email stating the Quarter is ready to file. The remittance schedule for Indiana follows on the next page.

Remittance schedule **7 CFR Part 1220.312**:

<u>Quarter</u>	<u>Assessments Due</u>
July–September	October 31
October–December	January 31
January–March	April 30
April–June	July 31

Your check may cover multiple buying points within Indiana if the terminal is identified on the remittance report form.

Documentation

First purchasers must show producers on the sale document that you collected the assessment. The sale document must include the name and address of the first purchaser, the name of the producer who paid the assessment, the number of bushels sold, the net market price of soybeans assessed, the assessments paid by the producer for the sale, the date of assessment (date the producer is paid for the soybeans) and the state in which the soybeans were grown. **7 CFR Part 1220.314**

Compliance

This is a federal law. First purchasers who do not collect the assessments or producers who do not pay will be in violation and subject to a civil penalty of not more than \$1,000 for each violation, plus an additional penalty for willful failure to pay equal to the amount of such assessment. **Title 7 6304 (4) Penalty** A late payment charge of 2 percent will be added each month to assessments not remitted by the due date. **7 CFR Part 1220.223 Assessments (c) (1)**

The timeliness of receipt of reports and assessments shall be based on the applicable postmark date or the date actually received by ISA whichever is earlier. **7 CFR Part 1220.312**

The SPARC Order requires compliance audits of first purchasers. The purpose is to assure that all first purchasers are making every effort to comply with the SPARC act, marketing order, and rules and regulations.

The Indiana Grain Buyers and Warehouse Licensing Agency (IGBWL) is conducting these audits as a contractor on behalf of ISA. You may be

randomly selected for an audit, in which case you would receive an unscheduled visit from an IGBWLA field auditor.

All first purchasers are treated equally. Auditors ascertain that funds due were collected and remitted. They check to see that all soybeans purchased were assessed. They review state-of-origin procedures and the stage and rate at which the assessment is collected. They are not allowed to share financial or commercial information about your business with others. They report to the ISA whether your business is in compliance. (7 CFR Part 1220 – 1220.242)

Soybeans previously assessed

Soybeans that are resold are not to be assessed a second time. First purchasers may use any system of their choice to verify collection of assessments on soybeans purchased previously. Title 7 – 6304 – L Assessments (iii)

Soybeans sold for seed

Soybeans raised by growers and delivered to seed companies are assessed at the posted county price (at the county in which the first purchaser resides) on the day the final settlement is made. To get the posted county price, please call the county FSA office.

Soybeans that are grown on the seed producer's own farm and sold for seed are priced at the posted county price that is in effect on the first marketing day of December in the year grown. Although they are *priced* in December, the soybeans do not need to be *assessed* until they are sold (paid for); the assessments are remitted quarterly. You may determine the bushels to assess by estimating production from the field (in the bin). Or you may use the bushels actually sold. Please note that cleanings must be assessed by the first purchaser that buys them.

If you plant on your *own* farm seed that you grew, it is *not* assessed.

Soybeans under loan

The CCC is *not* considered a first purchaser except in cases in which growers actually forfeit soybeans under loan to the government under the soybean marketing loan program. 7 CFR 1220.15 (b)

Refunds

There is not a refund provision for SPARC. ISA is a nonprofit organization organized under Section 501(c) (6) of the Internal Revenue Code. SPARC provided for the Soybean Promotion Research Order (the marketing order) which was enacted on July 9, 1991. A referendum was passed in February 1994 to continue the marketing order. Referendums to recall the marketing order can occur once every five years upon request of at least 10% of soybean producers. The most recent request to soybean producers was sent in May 2024 and only 207 valid requests were received, which was well short of the required 10% of soybean producers to hold a referendum.

Calculation

SPARC is to be assessed *after* any quality or moisture discounts and *before* any storage, handling or other charges. If a deduction for quality is to be made, please use the examples below for making the proper deductions.

Example 1—Weight discounts

Use this method if a weight discount is used to deduct for quality deficiencies.

Gross bushels	1,020.00
Less quality discount (taken as percentage of weight for moisture, damage, foreign material or low test weight)	<u>-20.00</u>
Net bushels	1,000.00
Price per bushel	<u>X \$6.00</u>
Net price	\$6,000.00
SPARC assessment rate	<u>X .005</u>
Soybean Promotion and Research Checkoff investment	\$30.00

Example 2—Price discounts

Use this method if the price is discounted to deduct for quality deficiencies.

Gross bushels	\$1,020.00
Price per bushel	<u>X \$6.00</u>
Gross price	\$6,120.00
Less quality discount (taken as price deduction for moisture, damage, foreign material or low test weight)	<u>-\$120.00</u>
Net price	\$6,000.00
SPARC assessment rate	<u>X .005</u>
Soybean Promotion and Research Checkoff investment	\$30.00

Deductions for storage, handling, transportation or other services are *not* permitted before the SPARC assessment.

Organic Exemption

To apply for an exemption under this section, the producer must submit a request for to the United Soybean Board on an Organic Exemption Request Form (Form AMS-15 at any time during the year, initially and annually thereafter on or before January 1, for as long as the producer continues to be eligible for the exemption. [7 CFR 1220.302 \(b\)](#)

Assessment statements

Following are preferred choices of wording when referring to the soybean checkoff on such documents as sales receipts, settlement sheets or checks:

- Soybean Promotion and Research Checkoff
- Soybean Promotion and Research Assessment
- SPARC Assessment
- SPARC
- Soybean Checkoff
- Checkoff Assessment

Confidentiality

As required by law, the commercial and financial information you supply to us is kept confidential. Only those people who need the information to manage the SPARC program have access to it. [7 CFR 1220.242 \(a\)](#)

Remittance address

Indiana Soybean Alliance, Inc.
PO Box 6069 Dept 223
Indianapolis, IN 46206-6069

Further information

For further information or materials, please contact:

Indiana Soybean Alliance, Inc.
8425 Keystone Crossing, Ste 200
Indianapolis, IN 46240
Toll-free phone: (800) 735-0195
Local phone: (317) 347-3620
Fax: (317) 347-3626
Online: www.incornandsoy.org

