**NEW YORK FARM PRODUCTS DEALER SURETY BOND**

The Agricultural Producers Security Program under Article 20 of the Agriculture and Markets Law – Licensing & Sale of Farm Products provides for the licensing of all dealers who buy or receive farm products from New York producers in excess of $10,000 annually to re-sell at wholesale. The purpose of the law is to ensure New York State producers are paid fully and promptly; ensure payment in the event a dealer defaults in payment; and, to suppress and prevent any unfair and fraudulent marketing practices. Licensed dealers are required to file security in the form of a bond or letter of credit with the Department. Supplemental financial coverage is provided by the Agricultural Producers Security Fund, which is funded by the licensed dealers. Producers are provided further protection through a provision of the Article 20 Law, which authorizes a statutory trust (replaces the producer lien, effective July 20, 2005) in the event a dealer defaults in payment.