

**Warehousemen—Department of Agriculture — Elevators  
—Grain Elevators—Cooperative Associations.**

Cooperative marketing associations organized under sections 6428-6449 R. C. M. 1921 must make an annual report to the commissioner of agriculture as required by section 6445.

Cooperative marketing associations organized for the purpose of selling the grain of members are "engaged in the business of negotiating sales or contracts for grain" within the meaning of section 3574 R. C. M. 1921 and must therefore be licensed and bonded as grain warehousemen.

W. T. Giese, Esq.,  
Chief of Grain Grading and Marketing,  
Helena, Montana.

August 13, 1927.

My dear Mr. Giese:

You have referred to me a letter of Attorney Justin M. Smith, of Bozeman, to the commissioner of agriculture, with the request that I

advise you to what extent cooperative grain marketing associations are subject to regulation by your department.

Sections 6428-6449 R. C. M. 1921 provide for the incorporation of cooperative marketing associations and I assume that the association referred to by Mr. Smith will be organized under the above act. Section 6445, as amended by chapter 144, laws of 1923, requires such associations to make an annual report to the commissioner of agriculture setting forth certain information.

Except for the authority to require the making of this report, I do not find anything in the law directly giving your department any supervision over cooperative marketing associations. The question, however, presents itself in this connection as to whether such an association would be required to comply with the law requiring the licensing and bonding of grain warehousemen (sections 3574, 3889 and amendments). I note the statement in Mr. Smith's letter that the association will not buy grain but will be essentially a selling agency. On this state of facts the association would probably not be a "grain dealer" as that term is defined in section 3574, but it would be an "agent or broker" within the meaning of the above section since it will "engage in the business of negotiating sales or contracts for grain."

In my opinion it is the intent of the grain warehouseman law that all persons or concerns engaged in handling grain, whether as purchasers or as selling agencies, shall be bonded for the protection of those whose property they handle.

It is therefore my opinion that the association referred to in Mr. Smith's letter, should be required to comply with the grain warehouseman law above cited and should report to your department as required by section 6445.

Very truly yours,

L. A. FOOT,  
Attorney General.