



TEXAS A&M  
**AGRICULTURE**

Office of the Texas State Chemist  
P.O. Box 3160  
College Station, TX 77841-3160  
t. 979-845-1121 f. 979-845-1389  
web: otsweb.tamu.edu

The Texas A&M University System

Originally Issued as Feed Admn. Memo 6-4 on Apr. 7, 1997  
Revised to Feed Industry Memorandum on November 14, 2006

**FEED INDUSTRY MEMORANDUM NO. 6-4**

**REGISTRATION OF BROKERS AS FACILITY/GUARANTORS**

**OBJECTIVE:**

To define when brokers must register the facilities, from which they obtain products for distribution in Texas.

**BACKGROUND:**

The Texas Commercial Feed Control Act §141.001(3) defines a broker as follows:

- (3) "Broker" means a person who is employed on a commission basis to sell property for another person. The term does not include a person who:
- (A) has possession or absolute control over the property that is to be sold;
  - (B) receives a salary; or
  - (C) acts for one party to the exclusion of all others.

Therefore, distributors who take possession of the property are not brokers and must be licensed.

**POLICY:**

1. The office recognizes two types of traders: (a) the brokers/matchmaker who brings together a buyer and a seller and receives a commission and (b) the person who takes ownership of products (141.001(3)(A)).
2. Brokers need not be licensed. Un-licensed brokers shall pass through labels and the broker shall not be a guarantor. Sellers into Texas need a license.
3. The person who takes ownership or has control of products and assumes responsibility (acts as a guarantor) for the product must be licensed.
4. The person who receives a salary from one party or acts from one party to the exclusion of others must be licensed as a guarantor and license the facilities used.

Dr. Timothy J. Herrman  
State Chemist & Director  
Office of the Texas State Chemist

*Teaching • Research • Extension • Service*