



United States  
Department of  
Agriculture

WLED-06

## NOTICE TO THE TRADE

Farm and Foreign  
Agricultural Services

DATE: September 11, 2003

Farm Service  
Agency

TO: United States Warehouse Act (USWA) Cotton and Nut  
Warehouse Operators and Interested Parties

Kansas City  
Commodity Office  
P.O. Box 419205  
Kansas City,  
Missouri  
64141-6205

SUBJECT: USWA Licensing Agreements for Cotton and Nut Warehouse Operators

### **Background:**

The Grain Standards and Warehouse Improvement Act of 2000 (the Act) updated and revised the provisions of the USWA. The regulation implementing the USWA reduced the number of regulations from eight agricultural-commodity-specific regulations to one regulation that is common to all agricultural products. The United States Department of Agriculture (USDA) believes it can react to producer and industry needs and changes more effectively by implementing new provisions through individual Licensing Agreements (Agreements). Should changes prove warranted in the future, changing the individual Agreement provides more flexibility to producers, industry and USDA. USDA wrote these Agreements to cover the specific terms and conditions of cotton and nut warehousing that were formerly covered in the replaced commodity-specific regulations.

### **Purpose:**

The purpose of this notice is to advise the trade and other interested parties that the new Agreements for cotton and nut warehouses are now available. In addition, this notice announces that the Agreements, the application for USWA licensing and other forms used by USWA warehouse operators are available on USDA's web site. The forms include instructions for completion. This notice also provides information on the execution and effective date of the new Agreements.

### **Action and Effective Dates:**

The Agreement for Cotton Warehouse Operators (form WA-401) and the Agreement for Nut Warehouse Operators (form WA-405) are available for execution and submission. When submitting Agreements the warehouse operator must execute and submit two copies of the Agreement with original authorized signature to the Kansas City Commodity Office (KCCO). USWA's representative will sign both Agreements then return one Agreement to the warehouse operator and retain the other Agreement for their file. **For warehouse operators with multiple licenses, only one master Agreement needs execution for the overall legal entity or company, as this master Agreement will encompass all USWA licenses issued to and operated by the legal entity or company.** The effective date of these

new Agreements is October 1, 2003. All current USWA licensed cotton and nut warehouse operators **must** execute a new Agreement by September 30, 2003 to comply with USWA licensing provisions. **Failure to execute and submit a new Agreement will prohibit a current Licensed Cotton or Nut Warehouse Operator from legally accepting or storing agricultural products under the USWA.**

During the transitional period, FSA will work with current and prospective warehouse operators in meeting increased insurance, financial, net worth and operational requirements. All future Agreement(s) and applicable Addenda executed and submitted by a warehouse operator will be effective upon the date of execution by USWA's representative. The Act, Regulation, Agreements, Addenda and other USWA forms used by licensed warehouse operators are available for use on USDA's web site: <http://www.fsa.usda.gov/daco/uswa.htm>. The forms should be mailed to KCCO at the address shown below. KCCO will mail the proper Agreement to cotton or nut warehouse operators currently licensed under the USWA if the warehouse operator is unable to file the form electronically. Any affected warehouse operator should notify KCCO if they are unable to successfully file the electronic form.

**Special Note:**

The financial assurance (bond and letter of credit) forms for USWA licensing have been revised. Warehouse operators must use the new forms as bonding actions come due. Warehouse operators must use the **new continuous bond form** in lieu of the one-year bond form that the previous regulations specified for some commodities (i.e., nuts).

USDA requests and appreciates everyone's cooperation in making this transition as seamless and timely as possible.

If any problems are encountered accessing these documents, please contact Donna Walker at [dmwalker@kcc.usda.gov](mailto:dmwalker@kcc.usda.gov), send e-mail to [webteam@fsa.usda.gov](mailto:webteam@fsa.usda.gov), or call 1-800-255-2434.

For questions regarding these changes, please contact Terry Chapman, Chief, Licensing Branch, Kansas City Commodity Office at Telephone (816) 926-6474, Facsimile: (816) 926-1548 or electronically: [tlchapman@kcc.usda.gov](mailto:tlchapman@kcc.usda.gov)

**SUBMIT EXECUTED AGREEMENT(S) USING ONE OF THE METHODS BELOW:**

**Regular Mail (Submit Two Original Copies):**

Licensing Branch, Warehouse Licensing and Examination Division  
Kansas City Commodity Office STOP 9148  
P.O. Box 419205  
Kansas City, Missouri 64141-6205

**Express Mail (Submit Two Original Copies):**

Licensing Branch, Warehouse Licensing and Examination Division  
Kansas City Commodity Office STOP 9148  
6501 Beacon Drive, Room G42-A  
Kansas City, Missouri 64133-4675

/s/

George W. Aldaya  
Director