

United States Department of Agriculture  
Commodity Credit Corporation

USDA

**CCC-25**

**Uniform Grain and Rice Storage Agreement**



# Uniform Grain and Rice Storage Agreement

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## UNIFORM GRAIN AND RICE STORAGE AGREEMENT

No. A \_\_\_\_\_ -3-CCC- \_\_\_\_\_

This Uniform Grain and Rice Storage Agreement (Agreement or UGRSA) is a contract for the storage and handling of CCC-interest grain. This Agreement is entered into between the Commodity Credit Corporation (CCC), and  
(1) \_\_\_\_\_ (Warehouse) whose principal  
place of business is at (2) \_\_\_\_\_ (location).

### PART I - DEFINITION OF TERMS

**APPROVED SPACE** - Warehouse space approved by a CCC Contracting Officer for storage of the grain.

**APPROVED WEIGHTS** - These weights include the following:

1. Class X - Weights determined and certified by official personnel of the quantity of a lot of grain based on the actual performance of, or the physical supervision of, the weighing.
2. Class Y - Weights supervised a minimum of 25 percent of the time by official personnel of the grain weighing process to the extent that the integrity of the weighing and certification is reasonably assured by the actual performance of, or the physical supervision of, the weighing.
3. Class I - A weight documented by a weight certificate obtained by a licensed weigher using an approved scale under 100 percent supervision of a disinterested third party or supervisory agency.
4. Class II - A weight documented by a weight certificate obtained by a licensed weigher using an approved scale under a minimum of 25 percent supervision of a disinterested third party or supervisory agency.

**AUTHORIZED GRAIN EVALUATION PROCEDURES** - Procedures approved by GIPSA pursuant to the Food, Agriculture, Conservation, and Trade Act of 1990, as amended.

**BREAK IN SHIPMENT** - An event that occurs when more than thirty (30) days elapse between shipments on a loading order.

**BUSINESS DAY** - A calendar day excluding Saturdays, Sundays, or Federal holidays.

**CCC** - A wholly-owned government corporation within the U.S. Department of Agriculture.

**CCC-INTEREST GRAIN** - Grain, the title of which is in CCC, or grain which is placed under price support loan to CCC.

**CCC LIST OF APPROVED WAREHOUSES** - A list of grain warehouses approved under the UGRSA. These warehouses are approved to store CCC-interest grain. Warehouses that have been removed from the CCC List of Approved Warehouses may not accept grain to be pledged as collateral for a price support loan, nor will additional CCC-owned grain be placed in the warehouse until the warehouse is reinstated to the List.

**CCC-LOAN GRAIN** - Grain which was placed in storage by someone other than CCC and pledged to CCC as security for a CCC price support loan.

**CCC-OWNED GRAIN** - Grain in which title is vested in CCC.

**COMMINGLED** - The storage or handling of grain under any circumstance other than identity preserved.

**CONDITIONING** - Re-elevating, screening, blowing, cooling, fumigating, and such other operation (excluding drying) as may be necessary to preserve or improve the grade and quality of the grain.

**CONVEYANCE** - The individual means of transportation (truck, railroad car, unit train, barge, or vessel) used in receiving or shipping grain.

**COUNTRY WAREHOUSE** - Locations that do not have UGRSA Approved Weights and Official Grain Inspections available.

**DAY OR DAYS** - Calendar day or days.

**DIRECT TRANSFER** - Transferring grain from one transportation conveyance to another for the purpose of obtaining approved weights, official grain inspections, or both.

**GIPSA** - (Grain Inspection, Packers and Stockyards Administration) A regulatory agency of the U.S. Department of Agriculture authorized to perform grain inspections.

**GRAIN** - Wheat, corn, rye, barley, oats, soybeans, rice and sorghum as defined in the Grain Standards.

**GRAIN STANDARDS** -

Official United States Standards for Grain - Grain class, grade, and quality standards established by GIPSA pursuant to the United States Grain Standards Act, as amended. 7 C.F.R. part 810.

United States Standards for Rice - Rice class, grade, and quality standards established by GIPSA pursuant to The Agricultural Marketing Act of 1946, as amended. 7 C.F.R. part 68.

In the absence of such Standards, relevant industry standards as determined by CCC.

**HANDLING ONLY** - Receiving and loading out grain tendered for prompt shipment rather than storage. All the grain accepted by the warehouse for "handling only" is considered to be commingled and the responsibility of the warehouse is as if handled commingled.

**IDENTITY PRESERVED** - The storage and handling of grain which is represented by warehouse receipts marked in a manner acceptable to CCC indicating that the grain is stored or handled identity preserved and which grain is stored or handled in such manner that the actual grain deposited and no other may be delivered to the holders of the warehouse receipts. CCC-interest grain authorized to be stored identity preserved must be stored in specific sealed bins under such supervision and conditions as directed by CCC.

**KC-228** - A form that is issued by a warehouse operator to CCC in lieu of or in addition to a warehouse receipt. Pursuant to CCC prior written authorization, this form is a document of title under this Agreement which represents the ownership interests of CCC in grain stored in the warehouse.

**KC-350** - A document that is used as an adjunct to a warehouse receipt and which contains such information as CCC may prescribe.

**LOADING ORDER** - Instructions issued by CCC to the warehouse operator authorizing and directing disposition of CCC-owned grain. Such instructions may include, but are not limited to, the description of the grain, method of delivery, stop storage date, and warehouse receipt number or description.

**LOADING OUT** - Removing the grain from the warehouse and loading the grain into conveyances.

**MILLING YIELD** - An estimate of the quantity of whole kernels and total milled rice (whole and broken kernels combined) that are produced in the milling of rough rice to a well-milled degree.

**NEGOTIABLE WAREHOUSE RECEIPT** - A receipt in which it is stated that the grain referred to thereon will be delivered to the bearer or to the order of any person named in such receipt.

**NET DEFICIENCY** - The amount by which the dollar value of discounts for quality underdeliveries exceeds the dollar value of premiums for quality overdeliveries on a loading order or unit shipment, as applicable. In the case of hard wheat, protein net deficiencies are determined separately from other quality factors. Over or under values for quality are determined by comparing the quality of each conveyance of grain to the weighted average quality ordered shipped on the loading order.

**OFFICIAL GRAIN INSPECTION** - Sampling, testing, grading, and certification of grain by official inspection personnel under the United States Grain Standards Act, as amended, or the Agricultural Marketing Act of 1946, as amended, in accordance with methods and procedures prescribed in the regulations and instructions issued pursuant to such Acts by the U.S. Department of Agriculture. The methods and procedures to be used to establish an official grade, official factors, or both for the purpose of this Agreement will be those prescribed in the regulations and instructions issued under such Acts for an “official sample -- lot inspection” or “quality lot inspection” for rice.

**OFFICIAL GRAIN INSPECTOR** - Any person employed by an official inspection agency and licensed under the United States Grain Standards Act, as amended, or the Agricultural Marketing Act of 1946, as amended, to perform official inspections within the United States, or any person employed by the U.S. Department of Agriculture and authorized under such Acts and regulations to perform official inspections, and to certify to any interested person the official grade and other determinations of an official inspection.

**PRODUCER** - Any party having an interest or ownership in grain which is eligible for a CCC price support loan or which is eligible to be delivered to a warehouse in settlement of a CCC price support loan.

**QUALITY** - In addition to the grade, all grading factors, special grades, and sample grade factors as prescribed in the Grain Standards, quality also will include dockage, if applicable, moisture, protein content in the case of hard wheat, and milling yield.

**RECEIVING** - Receiving and unloading all of the grain from conveyances and elevating such grain into the warehouse.

**RECONCENTRATED GRAIN** - CCC-owned grain that upon request of CCC has been physically moved from one approved warehouse to another such warehouse.

**REPRESENTATIVE SAMPLE** - A sample of grain drawn by an official grain inspector and representative of the entire quantity of grain being sampled.

**SUBMITTED SAMPLE** - A representative sample of grain drawn by anyone other than an official grain inspector and submitted to an official grain inspector for grading.

**TERMINAL WAREHOUSE** - Locations that have UGRSA Approved Weights and Official Grain Inspections available.

**UNIT SHIPMENT** – Multiple cars on a single bill of lading, shipped as a unit to comply with a CCC loading order.

**WAREHOUSE OPERATOR** - Person who owns or manages a grain warehouse.

**WAREHOUSE RECEIPT** - A receipt, either negotiable or nonnegotiable, given by the warehouse operator for grain received by the warehouse operator for storage in a specified warehouse. It is evidence of title to the grain represented thereby. For the purposes of this Agreement, the term includes other documents authorized and approved by CCC to be used in lieu of negotiable warehouse receipts representing such grain, including, but not limited to, CCC loading orders, Form KC-228, and KC-350, and other documents (such as open scale tickets) not denominated as “warehouse receipts” but which represent grain deposited for storage in the warehouse. Notwithstanding the provisions of this definition, CCC, at its request, must be issued a negotiable warehouse receipt under the laws of the licensing jurisdiction or State where the warehouse is located if the warehouse is not licensed for storage of the grain. CCC will only accept a negotiable warehouse receipt under the price support program.

**WEIGHTED AVERAGE QUALITY** - Resultant requirements for a loading order, computed on the basis of quantities, by individual factors shown on inspection certificates and warehouse receipts.

**PART II - GENERAL TERMS****A. Scope**

1. Unless otherwise specified in this Agreement, the provisions of this Agreement apply to all CCC-interest grain as of the date of deposit or the date title is transferred to CCC, until such grain is loaded out or title is transferred from CCC to another party (transferee).
2. If CCC transfers title to CCC-owned grain instore, the storage and handling rates applicable to the transferee with respect to such grain shall not exceed CCC's schedule of rates in effect at the time of title transfer until the earlier of:
  - a. 60 days, or
  - b. Title to the grain is transferred by the transferee to another party, or
  - c. The grain is loaded out of the warehouse by the transferee.
3. Notwithstanding 2 above, if CCC transfers title to CCC-owned grain instore, the storage and handling rates contained in the schedule of rates will apply to such grain until it is loaded out, provided the transferee, in writing, orders the grain loaded out for immediate shipment within 30 days after the date title is transferred, as specified by CCC.

**B. Documents Incorporated by Reference**

Incorporated by reference into this Agreement are the following documents:

1. Application for Approval of Warehouse and Supplement;
2. Schedule of Warehouses;
3. Schedule of Rates;
4. Financial Statement and any Supplement;
5. 7 C.F.R. parts 1403 and 1407;
6. Supplement to Uniform Storage Agreements;
7. Standards for Approval of Warehouses for Grain, Rice, Dry Edible Beans, and Seed contained in 7 C.F.R. part 1421; and
8. Applicable supplements in effect under this Agreement and the preceding UGSA or URSA.

**C. Terms of Agreement to Prevail**

Applicable Federal laws, regulations of the United States and the terms of this Agreement prevail over the written or printed terms of warehouse receipts representing grain, the warehouse's tariff or posted rates, and State and local laws or regulations to the extent that such laws or regulations are inconsistent with the provisions of this Agreement or the laws and regulations of the United States. Any State law, local law, regulation, or tariff provision, which is not consistent with or imposes additional restrictions on, the provisions of Federal law and regulation or this Agreement is of no effect to the extent of such inconsistency or additional restriction.

**PART III - WAREHOUSE OPERATOR'S RESPONSIBILITIES****A. Grain Accepted for Storage**

1. All grain accepted for storage must be stored in approved space. CCC-interest grain will be considered to be stored commingled unless:
  - a. CCC and the warehouse operator agree in writing that such grain is to be stored identity preserved;
  - b. CCC-interest grain is transferred to identity preserved storage at the request of the warehouse operator in accordance with the terms of this Agreement.
2. When CCC-interest grain is accepted for storage or when grain is acquired instore by CCC, the warehouse operator must:
  - a. Issue negotiable warehouse receipts within 30 days on such grain in accordance with CCC's instructions. At a minimum, the negotiable warehouse receipts must show all grading factors, moisture, dockage, hard wheat protein content, and milling yields for rice. In addition, the quality of the grain represented by the warehouse receipt must at all times be suitable for interstate commerce.
  - b. Furnish to CCC all weight, inspection, and protein inspection certificates, if applicable, representing the grain.
  - c. Furnish, as required by CCC, a KC-350 identified to a negotiable warehouse receipt.
3. The warehouse operator must furnish, on receiving grain deliveries for "handling only" or "direct transfer", documents in such form as CCC may prescribe.
4. If the warehouse operator accepts a unit shipment of CCC-owned grain, the warehouse operator will:
  - a. Unload all cars in the unit.
  - b. Store all grain in the unit shipment if the average grade of the shipment is equal to or better than the lowest grade the warehouse operator agreed to store prior to shipment.
  - c. Notify CCC immediately upon discovery of any grain received grading U.S. No. 3 on account of damage, U.S. No. 4, 5, (or 6 for rice) or sample grade or any grain refused for storage by the warehouse operator.
  - d. If requested by CCC, load any grain subject to rejection by CCC into conveyances for disposition by CCC.
5. The warehouse operator will notify CCC by telephone immediately upon discovery and prior to the issuance of a warehouse receipt of all:
  - a. U.S. No. 3 on account of damage, U.S. No. 4, 5, (or 6 for rice) or sample grade grain, delivered by producers for the account of CCC.
  - b. U.S. No. 3 on account of damage, U.S. No. 4, 5, (or 6 for rice) or sample grade grain, that is received from another warehouse for the account of CCC.
6. The warehouse operator will promptly notify CCC if any grain received under this Agreement requires drying in accordance with the warehouse operator's requirements. If the warehouse is equipped with drying facilities, the warehouse operator will, if authorized by CCC, promptly dry such grain. If drying is authorized, CCC agrees that inventories will be reduced by one and three-tenths percent (1.3%) for each one percent (1%) of moisture removed. Payment for such drying will be made at a rate agreed to between CCC and the warehouse operator, except that no payment will be made nor inventory reduced for drying which is necessitated by causes within the control of and due to the fault or negligence of the warehouse operator.

**B. Terminal Warehouse Determination of Quantity and Quality For Grain**

1. Kind, class, grade, quantity, and quality of inbound CCC-interest grain at terminal warehouses will be determined on the basis of approved weights and official grain inspections for each conveyance except for the following:
  - a. The quantity of truck delivered grain may be determined by weights other than approved weights at no cost to CCC. Grain inspections may be on the basis of a submitted sample taken by the warehouse operator.
  - b. The kind, class, grade, and quality of producer deliveries of CCC-owned grain will be determined at no cost to CCC:
    - i. By the warehouse operator in accordance with the Grain Standards and through the use of authorized grain evaluation procedures. This provision does not require an official inspection unless requested by the producer.
    - ii. On the basis of a submitted sample obtained pursuant to authorized grain evaluation procedures.
    - iii. At the producer's request, based on official inspection of a submitted sample. The producer's request must be made in advance of the commingling of the grain. The warehouse operator is required to take split samples representative of the grain and in accordance with authorized grain evaluation procedures. One portion of the sample will be provided to the producer by the warehouse operator upon the producer's request.
  - c. Hard wheat protein content of CCC-interest grain will be determined by the warehouse operator using approved grain evaluation procedures or, at the producer's request, on the basis of an official determination from a submitted sample of such wheat, at no cost to CCC.
  - d. Rice milling yields will be determined by the warehouse operator, or at the producer's request, on the basis of an official determination from a submitted sample of such rice, at no cost to CCC.
2. Kind, class, grade, quantity, and quality of CCC-interest grain loaded out will be determined at the warehouse on the basis of approved weights and official grain inspections on the basis of official samples for each conveyance. Truck shipments may be weighed at a point specified by CCC, and notwithstanding the previous sentence, official grain inspections may be on the basis of submitted samples taken by the shipping warehouse operator if authorized by CCC. The protein content of hard wheat and milling yield of rough rice will be officially determined on the basis of a submitted sample taken at a location determined by CCC.
3. All Official Grain Inspections obtained under this Agreement are subject to appeal. CCC, the warehouse operator, or the producer may appeal official inspection results. If the appeal provides a result in favor of the party requesting the appeal, the cost of the appeal will be paid by the party adversely affected by the appeal result. Otherwise, the party requesting the appeal does so at its own expense. All appeal results will be the basis for settlement.

**C. Country Warehouse Determination of Quantity and Quality For Grain**

1. Kind, class, grade, quantity, and quality of all CCC-interest grain accepted by the warehouse operator will be determined at no cost to CCC:
  - a. By use of the warehouse operator's scales if approved by CCC for quantity determination of producer deliveries.
  - b. By the use of Grain Standards and through the use of authorized grain evaluation procedures for quality. This provision does not require an official inspection, except if requested by CCC or the producer. However, upon request, the warehouse operator is required to take split samples of the grain and provide one part of the sample to the producer. A portion of the sample may be submitted to an official grain inspector for grading.
  - c. By agreement between the receiving warehouse operator and CCC for reconcentrated grain.



- d. By agreement between the producer and the warehouse operator for protein content of hard wheat for all CCC-interest grain delivered by the producer. However, if the producer or CCC requests a protein test, the protein content will be officially determined for the account of the requesting party on the basis of a submitted sample which the requesting party and the warehouse operator agree is representative. For all other CCC-interest grain, protein will be determined by agreement between the warehouse operator and CCC.
2. Kind, class, grade, quantity, and quality of all CCC-owned grain loaded out will be on the basis of approved weights at destination and official grain inspections basis official samples obtained at the shipping warehouse or, at CCC's option, at a point named in the loading order. However, the quantity and quality of all CCC-owned grain loaded out by truck will be determined by agreement between the warehouse operator and CCC on the basis of and at a point specified in the loading order. The protein content of hard wheat and milling yield of rough rice will be officially determined on the basis of a submitted sample taken at a location determined by CCC.
3. All Official Grain Inspections obtained under this Agreement are subject to appeal. CCC, the warehouse operator, or the producer may appeal official inspection results. If the appeal provides a result in favor of the party requesting the appeal, the cost of the appeal will be paid by the party adversely affected by the appeal result. Otherwise, the party requesting the appeal does so at its own expense. All appeal results will be the basis for settlement.

D. Obligation to Maintain Stocks

1. Warehouse operators must, at their expense, maintain at all times in approved space, a quantity of grain of the same kind, class, subclass for white club wheat, grade, and at least representative of the quality, equivalent to all storage obligations to all depositors. An amount of grain equalling that owned by CCC must be stored in the warehouse represented by the CCC warehouse code shown on the warehouse receipt unless CCC authorizes, in writing, such grain to be stored at another location.
2. For identity preserved grain, the warehouse operator must maintain as would a prudent owner, at all times, the identical lot of grain in specified bins as defined in the warehouse records.

E. Loadout and Delivery Requirements

1. If CCC tenders loading orders for CCC-owned grain to be shipped, the warehouse operator must deliver the grain in accordance with such loading orders. The loadout must be completed by the shipment completion date shown on the loading order, or CCC must be notified immediately and other arrangements satisfactory to CCC made.
2. If the warehouse operator fails to loadout grain in accordance with loading orders and the terms of this Agreement, the warehouse operator agrees to allow CCC to remove equivalent grain representative of grain called for by the loading order. Any additional costs incurred by CCC to recover such grain will be paid by the warehouse operator.
3. In the case of terminal warehouses:
  - a. When a unit shipment is ordered by CCC, individual cars may be applied to the loading order provided the grade is not more than one grade lower than the weighted average grade called for and no lower than the lowest grade warehouse receipt included in the loading order.
  - b. The warehouse operator, if shipping CCC-interest grain, agrees to notify the receiving warehouse of the grain prior to shipping a unit train shipment.
  - c. When a unit train shipment is ordered for corn, individual cars may be applied with moisture no greater than fourteen percent (14%) or one-half of one percent (0.5%) in excess of the weighted average required by the loading order whichever is greater.
  - d. When issuing loading orders, CCC will restrict its blending of factors shown on the warehouse receipts in such a way that factors only from numerical grades U.S. No. 1, No. 2, or No. 3 will be blended together on a loading order, while only factors from numerical grades U.S. No. 4 and No. 5 will be blended together on a loading order. Warehouse receipts designated as sample grade will not be blended with numerical grades. The blend of individual factors shown on the warehouse receipts will not result in issuance of loading orders that requires a higher numerical grade than the numerical grade specified on at least one-third of the quantity of grain represented by the tendered warehouse receipts

comprising the loading order. This subsection d. will not apply when CCC issues loading orders for the entire quantity of CCC-owned grain stored in a warehouse.

4. In the case of country warehouses:
  - a. If CCC issues loading orders for CCC-owned grain, the warehouse operator must load out grain of the same quantity, kind, and class and of a grade and quality fairly representative of the grain ordered shipped.
  - b. The warehouse operator and CCC may agree to unit shipments in accordance with the terminal warehouse provisions of this Agreement; however, CCC will not reject individual cars of a unit shipment for individual factors provided the unit shipment as a whole is fairly representative of the quality of that ordered shipped.
5. Loadout may commence in accordance with the loading order instructions upon warehouse operator's receipt of such order with a listing of warehouse receipts as provided by CCC.

F. Rejection

1. CCC may reject grain delivered against its loading instructions if:
  - a. The grain delivered does not meet the requirements specified in the CCC loading order or this Agreement, or if the grain is infested or adulterated according to GIPSA or Food and Drug Administration definitions.
  - b. The grain is in violation of Federal health and safety standards.
  - c. Notwithstanding the moisture content of CCC-interest grain accepted by the warehouse operator for storage, the average moisture content of grain which is shipped exceeds fourteen percent (14%) for corn, or thirteen percent (13%) for grain sorghum and soybeans.
2. CCC may accept grain that is subject to rejection if it is determined by CCC to be in the best interest of CCC.
3. The warehouse operator will not be given credit for loading grain rejected by CCC. The shipping warehouse operator must arrange for the disposition of the rejected grain and must replace any rejected grain with grain that meets the requirements of the loading order. However, CCC may:
  - a. Enter into an agreement with the shipping warehouse operator under which CCC will sell the grain and the net proceeds of the sale will be applied to the settlement of the loading order; or
  - b. Accept the grain if the warehouse operator and CCC can agree to a discount schedule.
4. For grain rejected by CCC and not replaced, the discount to be deducted from the settlement base price will be the difference between the net sales price and the market base price on the date of rejection at the location of the rejected grain sale.
5. The parties agree that the administrative costs to CCC associated with the rejection of grain are significant but are not predictable for all cases at the time the parties enter into this Agreement. Therefore, the warehouse operator agrees to pay CCC the amount of ten (10) cents per bushel (17.86 cents per cwt.) as liquidated damages. It is mutually agreed that such damages are a reasonable estimate of the probable actual damages for the rejection of grain.

G. Warehousing Practices

The warehouse operator will not:

1. Add or mix water, foreign material or dockage into any grain, except as may be expressly permitted by Federal law.
2. Enter into any agreements with producers limiting their right to redeem CCC-loan grain. CCC will not pay for any charges on grain during any part of the contract year in which the producer's right to redeem price support grain has been limited by the warehouse operator.
3. Load any grain into a conveyance that is not clean.

#### H. Insurance

1. The warehouse operator must insure and continue to insure in the name of the warehouse, at the warehouse's expense, and for its full market value, all CCC-loan grain against loss or damage by:
  - a. Fire, lightning, windstorm, cyclone, or tornado; or
  - b. Inherent explosion (except for rupture or bursting due to expansion or swelling of the contents of any building or structure of the warehouse caused by or resulting from water, and rupture or bursting of any building or structure of the warehouse caused by expansion or contraction of any part thereof due to changes in temperature).
2. Without limiting the warehouse operator's liability under this section, the warehouse operator may carry a standard form of insurance policy specifically covering the grain inventory and approved for a grain warehouse in the State in which the warehouse is located with a deductible provision on contents of not to exceed \$10,000 for each occurrence.
3. If the warehouse operator insures against other hazards to any CCC-interest grain, such insurance will be at the warehouse operator's expense. In the case of loss or damage from such hazards, the insurance proceeds will be remitted to the holders of warehouse receipts or others having beneficial interest in the grain so insured.
4. If the storage rate on the current schedule of rates for uninsured CCC-owned grain is the same or more than the insured rate, the warehouse operator must carry insurance on CCC-owned grain to the same extent as CCC loan grain.
5. In the event of loss or damage resulting from fire, lightning, explosion, windstorm, cyclone, and tornado to CCC-owned grain on which insurance is not required by this Agreement, and which at the time of loss or damage, is stored at such locations and under such storage conditions (other than conditions relating to insurance) as are specified in the warehouse receipt, CCC will hold the warehouse operator harmless from any liability which, if the warehouse operator had insured such grain against loss or damage resulting from such causes under the warehouse operator's policy would have been within the coverage afforded the warehouse operator under such policy. If, in addition to such insurance, warehouse receipts contain a provision indicating extended insurance coverage, the warehouse operator will also be held harmless with respect to loss or damage resulting from nuclear incident, nuclear reaction, nuclear radiation, radioactive contamination, flood, strikes, riot, war, public enemy, or acts of God to the same extent as if the receipts did not contain such provision.

#### I. Notification of loss

In the event of any loss or damage to the grain or the warehouse facilities, the warehouse operator must inform CCC no later than the next business day after such loss or damage occurs and take all reasonable steps to protect the grain from further loss.

#### J. Payment of Fees

In addition to the fees required by 7 C.F.R. 1421.5558, if a warehouse operator defaults in carrying out the terms of this Agreement, and CCC determines a reexamination is necessary to ensure contract violations have been corrected, the warehouse operator will be assessed a reexamination fee equal to the inspection fee in 7 C.F.R. 1421.5558 before CCC will schedule the reexamination.

#### K. Records

1. The warehouse operator must maintain current and complete records at all times with respect to all grain stored, handled, or under the control of the warehouse operator. Access to these records must be available on-site, unless otherwise agreed to by CCC, in writing. The required records must include, but are not limited to, a Daily Position Record which, as of the close of each business day during which any activity or transactions occurred with respect to approved space, shows the following:
  - a. The total quantity of grain received, loaded out, and all adjustments which are made, by kind and class, including subclass for white club wheat, and the quantity of each kind and class of grain remaining in the warehouse. Adjustments are only permitted for verifiable bookkeeping errors, moisture and handling losses (shrink), estimated weight corrections based on returned weight certificates, and increases evidenced by a documented weigh-up of all stocks. Upward adjustments are not permitted on the basis of any examination or audit performed under this Agreement.

- b. The total storage obligations for each kind and class of grain. These obligations must be identified by quantity of grain on outstanding warehouse receipts, quantity of grain owned by others not on warehouse receipts, quantity of grain owned by the warehouse (all paid and all unpaid company-owned grain).
2. Warehouse records may be kept by warehouse code or warehouse license. However, the warehouse operator must maintain CCC-owned grain in the warehouse represented by CCC's warehouse code as shown on warehouse receipts and a Daily Position Record of all CCC-owned grain must be maintained by warehouse code. Prior written approval from CCC is needed if the Daily Position Record is kept on a license basis which differs from the CCC code.
3. If computerized, the Daily Position Record must be printed out, and maintained, at the end of each day during which activity or transactions occurred. These records may be maintained on microfilm, microfiche, or other readable hard copy.
4. The warehouse operator must retain the records required by this Agreement, and the supporting documents, for a period of not less than 6 years, unless otherwise authorized in writing by CCC.
5. The warehouse operator must furnish to CCC any records requested by CCC regarding the warehouse, its financial condition, the operation of the warehouse facilities, or the condition of its grain inventory.

L. Financial

1. Financial statements must be submitted to the Kansas City Commodity Office, P.O. Box 419205, Kansas City, Missouri 64141-6205, within 90 days after the close of the warehouse's fiscal or calendar year.
2. Indemnification Agreements may be accepted by CCC at its option to assist the warehouse operator in meeting net worth requirements above the minimum set out in 7 C.F.R. 1421.5552(a)(3).

M. Examinations

1. The warehouse operator must permit CCC to examine any or all warehouse facilities, records or inventory without prior notice at any time. Upon request, the warehouse operator must provide access to records on site, unless otherwise agreed to by CCC, in writing, and any assistance necessary to perform the examination. If any special requirements or equipment are needed to perform an examination, the warehouse operator must notify CCC in writing of such requirements. The warehouse operator must take reasonable steps to reduce or remove risks or hazards that could affect an examination. The examination will be stopped and the warehouse removed from the Approved List if the warehouse or its equipment (e.g. ladders, catwalks, lifts or elevators) is not safe to conduct or continue the examination of the warehouse.
2. Warehouse examinations under this Agreement are only intended for the use of CCC and are not for the protection of any other party, including the warehouse operator. CCC does not guarantee the results of its examinations to the warehouse operator or any other party. However, for the purposes of this Agreement, the findings of these examinations will be accepted by CCC.
3. The warehouse operator must, at the time of the examination, notify the warehouse examiner if any bin has been fumigated, if the fumigant is still active, and must post in a conspicuous location on the storage structure fumigated, the date of fumigation and type of fumigant used.

N. Transit Responsibilities

1. General - The warehouse operator must observe the carrier's lawful tariffs, rules, regulations, and loading and unloading requirements. The warehouse operator will indemnify CCC against losses in weight due to the warehouse operator's error in weighing or failure to remove all grain from the transportation conveyance on unloading. The warehouse operator will also indemnify CCC against minimum weight penalties (except where losses in weight were incurred due to circumstances beyond the warehouse operator's control) detention, and demurrage (including storage in transportation equipment). The warehouse operator will assume all switching charges (inbound or outbound) which are recoverable or which are absorbed by the carrier. Prepayment of freight will be allowed only if authorized, in writing, by CCC. The warehouse operator will be liable for any deviation from original loading order instructions and all excess freight charges resulting from routing at variance with instructions issued by CCC.

2. Recording - Except as otherwise directed by CCC, the warehouse operator must hold and, subject to the provisions of this section, record for transit in the warehouse operator's name each freight and switching bill, transit tonnage, or credit slip within the period of time required by and in accordance with the carrier's lawful published tariffs. CCC will have the benefit of transit on reconcentrated grain when price support loans on such grain are forfeited to the extent that CCC paid the freight on reconcentrated grain. On price support loan grain which has been reconcentrated, the storing warehouse is responsible for protecting the lowest rail freight rate from origin to designated terminal market that will permit one stop for storage.
3. Use - The warehouse operator must take all actions necessary to assure full use and protection of transit billing privileges, including applying for all renewals permitted under applicable tariffs. When further renewal cannot be obtained, the warehouse operator must notify CCC at least ninety (90) days prior to the expiration date of such billing, furnishing a description of the billing and the quantities of the different kinds of grain represented thereby. Once CCC is provided proper notice by the warehouse operator of transit billing expiration as provided under this section, the warehouse operator will not be liable for the expiration of such transit billing.
4. Substitution -
  - a. Subject to all other applicable provisions of this Agreement and, except as otherwise agreed to, the warehouse operator may substitute other valid freight bills, transit tonnage, or credit slips which are registered in the warehouse operator's name, for the freight bills, transit tonnage, or credit slips applicable to any transit grain stored under this Agreement. The substituted tonnage must cover an equal quantity of grain and must have transit arrangements comparable to those contained in the inbound freight bills or on the supplemental certificates furnished to CCC or the holder of the warehouse receipt. The warehouse operator and CCC will adjust any freight cost differences due to such substitution. Transit substitution settlement will be based upon the freight cost to CCC on transit billing ordered by CCC as opposed to the freight cost to CCC on transit billing actually applied by the warehouse operator. Such differences will be computed on the freight cost to CCC utilizing transit billing ordered by CCC to be applied to the grain when loaded out, including all legal charges applicable thereto, as opposed to utilizing transit billing actually applied against the loading order, including all legal charges applicable thereto. CCC will pay any transit extension charges incurred and paid by the warehouse operator. The warehouse operator must, when requested, report the CCC transit extension charges incurred and paid by the warehouse operator. The warehouse operator must, when requested, report the CCC transit tonnage available.
  - b. Subject to all other applicable provisions of this Agreement and only when authorized by CCC in writing, the warehouse operator may apply the warehouse operator's transit billing to any CCC non-transit grain stored under this Agreement. Settlement, when the warehouse operator applies his own transit on CCC non-transit grain, will be made in accordance with such terms and conditions as may be mutually agreeable to CCC and the warehouse operator if such agreement is made prior to the substitution.
  - c. CCC may negotiate rates with rail carriers involving transit tonnage. CCC agrees that transit liability of the warehouse operator will not be affected by any agreement negotiated with the carrier after the grain has been ordered shipped. CCC will notify the affected warehouse operator of the results of the negotiations. Upon notification, CCC must be advised if the warehouse operator is unable to preserve specific tonnage to absorb exposure under the negotiated agreement. If the warehouse operator is unable to absorb the exposure, CCC and the warehouse operator will negotiate to determine if agreement can be reached on transit, transit liability, and settlement. If the parties cannot mutually agree, CCC will determine the benefit to the warehouse operator of the use of CCC's transit tonnage and the warehouse operator will pay the amount to CCC.
5. Expired Transit Rates - The warehouse operator will not be liable for loss caused by the expiration of transit rates unless the warehouse operator failed to extend such rates in accordance with the carrier's instructions or in accordance with the negotiated agreement between the carrier and CCC if the provisions for extension in the negotiated agreement are made known to the warehouse operator in time to comply with the agreement's provisions.
6. Sales of Transit - CCC controls its available transit tonnage and may sell such tonnage to any party. The warehouse operator will have the right of first refusal if CCC determines to make its transit tonnage available. Upon transfer of such tonnage by CCC, it will no longer be subject to the terms of this Agreement including settlement of transit liability. Whenever possible, prior to cancellation, sale, exchange, or barter, the warehouse operator will be given the opportunity to purchase the transit tonnage applicable to the grain.

**PART IV –CCC’ RESPONSIBILITIES****A. CCC Not Obligated to Store Grain**

This Agreement does not obligate CCC to tender grain for storage or handling. The issuance of loading orders or a request for storage space does not obligate CCC to tender grain for storage. If CCC-owned grain is instore, the storage period will be at the option of CCC.

**B. Payment of Charges**

1. CCC will make quarterly payments based on CCC-prepared invoices. CCC procedures for submitting warehouse invoices for charges or services not included on such CCC-prepared invoices may be obtained from the Contracting Officer.
2. All claims for payment must be submitted to CCC within 12 months from the date they were incurred, unless otherwise agreed to by the warehouse operator and CCC in writing. CCC is not obligated to pay claims not timely submitted.
3. Storage payments.
  - a. Storage payments will be calculated from the day after which CCC either deposited CCC-owned grain in the warehouse or the day after CCC obtained title to grain instore.
  - b. Storage charges will stop on the day:
    - i. Specified by CCC in loading orders issued to the warehouse operator,
    - ii. CCC transfers title to the grain instore to another party, or
    - iii. CCC determines the grain was lost, destroyed, removed without authority, or deteriorated to such a point that it is no longer representative of the kind, grade, or quality required by the warehouse receipts in the possession of CCC.
4. CCC will not pay any charges for:
  - a. Services not rendered, services prepaid by any party, or services that are not authorized by this Agreement,
  - b. Services on grain the warehouse operator fails or refuses to deliver, or
  - c. Storage on grain for which CCC, as the result of a loading order underdelivery, cancellation or partial cancellation, has not received a warehouse receipt within thirty (30) days of its written request. Such written request will state that storage will stop on the 31st day after such letter is issued. Storage for such grain will only begin to accrue as of the date the warehouse receipt is received by CCC.

**C. Notification of Rejected Grain**

CCC will immediately notify the shipping warehouse operator of rejected grain shipments.

**D. Request for an Official Inspection**

CCC may at any time request an official inspection of CCC-interest grain and, unless otherwise provided for in this Agreement, the costs of such an inspection will be borne by CCC.

**PART V - SETTLEMENT FOR LOADOUT****A. Settlement for Grain**

Settlement will be made by CCC for differences in value between the grain loaded out of the warehouse and the value of the grain contained on the loading order in accordance with this part.

1. If there is a break in shipment on any one loading order, CCC reserves the right to establish a settlement date for the quantity shipped prior to the break in shipment. The settlement date for such quantities will be the date of shipment of the last car prior to the break. The settlement date for quantities shipped after the break in shipment will be the date of shipment of the last car shipped for the remaining quantity.
2. Quantity Differences.
  - a. CCC will settle quantity differences based on values established by CCC as of the date of acceptance by the carrier of the last shipment under the applicable loading order. At its option, CCC may surrender additional warehouse receipts against overdeliveries, or request warehouse receipts for the balance of underdeliveries.
  - b. In the case of shortweight cars shipped from country warehouses supported by documentation acceptable by CCC, the warehouse operator will be allowed a quantity tolerance not to exceed one-quarter of one percent (0.25%) of the loading weight determined in accordance with this Agreement.
3. Unit Shipments.
  - a. For grain ordered to be loaded out by unit shipment, discounts will not be applied if the unit shipment meets all the applicable requirements as follows:
    - i. The weighted average quality of all the cars in the unit shipment is equal to or better than the weighted average called for on the loading order;
    - ii. The grades for individual cars are no more than one grade lower than the grade called for in the loading order, and no lower than the lowest grade warehouse receipt surrendered; and
    - iii. For corn ordered by unit shipment, discounts will not be applied for moisture if the weighted average moisture of all the cars in the unit shipment is equal to or less than the weighted average called for on the loading order.
  - b. For loading orders that require more than one unit shipment, each unit shipment will be considered separately for settlement under the provisions of this part.
4. Terminal Warehouse Quality Differences.
  - a. On commingled grain accepted by CCC, settlement will be made on each loading order for the value of the net deficiencies in quality or milling yield of all grain on the loading order in accordance with discounts established by CCC.
  - b. CCC will not pay the warehouse operator for the value of overdeliveries in quality or milling yield on a loading order.
  - c. Settlement for wheat protein content.
    - i. No discounts for the protein difference will be applied on the loading order if the weighted average protein of the wheat accepted by CCC on the loading order is within three-tenths of one percent (0.3%) of that ordered shipped.
    - ii. A discount for the value of the full protein difference will be applied to all the wheat which is less than the protein ordered shipped if the weighted average protein content of the wheat accepted by CCC on the loading order is less than that ordered shipped by more than three-tenths of one percent (0.3%).

- iii. Protein content settlement will be made only on that portion of the loading order represented by warehouse receipts calling for protein.

5. Country Warehouse Quality Differences.

- a. Except in the case of unit train shipments, quality differences will be settled on a warehouse receipt basis.
- b. CCC will pay the warehouse operator for the value of overdeliveries in quality or milling yield (including differences in the protein value of wheat in accordance with d.).
- c. The warehouse operator will pay CCC for the value of underdeliveries in quality or milling yield (including differences in the protein value of wheat in accordance with d.).
- d. Settlement for protein content of hard wheat will not be made on a loading order that does not call for delivery of protein. If a loading order calls for both protein and non-protein wheat, settlement for protein differences will be made on a warehouse receipt basis.

B. Determination of Values

Values for settlement purposes will be based on cash prices, as determined by CCC, current for the location from which the grain was shipped as of the date of loading settlement.

C. Changes in Standards

Grain Standards and inspection methods in effect at the time the grain was received into the warehouse will govern the delivery, loadout and settlement with respect to such grain. If any changes are made, CCC will determine methods to adjust the settlement of such grain. Settlement may include monetary adjustments to compensate the warehouse operator or CCC for such changes. Such adjustments will apply to all warehouse receipts, issued prior to the effective date of the applicable change, that represent CCC-owned grain instore or CCC-loan grain that subsequently is forfeited to CCC. The adjustments made by CCC will apply to all purchases and exchanges of CCC-owned grain in the warehouse affected by such changes. CCC will notify affected warehouse operators of its settlement factors in writing. Any warehouse operator who does not agree to such adjustment may, within sixty (60) days of notification, request that the grain affected by the adjustment be loaded out as soon as practicable, in the normal course of business, under the previous Grain Standards, method, or interpretation.

**PART VI - REMOVAL - UNAUTHORIZED SALE OF GRAIN - TERMINATION - EFFECTIVE DATE**

A. Removal from the CCC List of Approved Warehouses

CCC may remove the warehouse from the CCC List of Approved Warehouses under this Agreement for:

- 1. Any material breach of this Agreement.
- 2. Failure to pay any amount due to CCC.
- 3. Suspension, proposed debarment, or debarment of the warehouse operator or warehouse.

CCC will call all price support loans on CCC loan grain and dispose of all CCC-owned grain in a warehouse which fails to be reinstated to the List of Approved Warehouses.

B. Unauthorized Sale of Grain and Replacement of Noncompany-owned Grains

If CCC determines that a warehouse operator has received profits from the sale and replacement of grain not owned by the warehouse, the warehouse operator must pay CCC a pro rata share of those profits attributed to the amount of CCC-owned grain instore. The amount of this profit will be determined by using a first out first in basis. The profit will be calculated by comparing the price at which the CCC-owned grain was sold versus the price of the replacement grain based on CCC's pro rata share. Any losses incurred by the warehouse operator due to the sale and replacement of grain not owned by the warehouse is for the account of the warehouse operator and will not be offset against profits to be paid to CCC.



C. Termination

1. In addition to the grounds specified in other provisions of this Agreement, this Agreement may be terminated as follows:
  - a. Either party may terminate this Agreement without cause with respect to any and all warehouses subject to this Agreement. Written notice of termination must be given to the other party at least 30 days prior to the date the termination is to be effective. Termination under this section will not give rise to any damages under this Agreement.
  - b. CCC may terminate this Agreement immediately if the warehouse operator has violated the terms of this Agreement.
2. After termination of this Agreement, all provisions applicable to the storage, loading out, and settlement of grain in this Agreement remain in effect pending removal of CCC-interest grain.
3. Notwithstanding any other provision of this Agreement relating to disputes, the warehouse operator may request that the Deputy Administrator for Commodity Operations (DACO) review any Contracting Officer's determination which proposes termination of this Agreement. If DACO should agree to review the Contracting Officer's proposal, DACO will become the Contracting Officer with regard to this matter. Once the issue or issues which are the subject of the warehouse operator's request for DACO review are resolved, upon DACO's direction, the original Contracting Officer may resume as the Contracting Officer for this Agreement.

D. Effective Date

This Agreement will become effective upon the date signed by CCC and will, as of such date, supersede any existing Agreement, and any amendments between the warehouse operator and CCC. This Agreement will remain in effect until the first of April thereafter and will be renewed automatically for one year on each April 1 after the effective date.

<b>3A. WAREHOUSE OPERATOR:</b>  (Company Name)	<b>4. COMMODITY CREDIT CORPORATION:</b>  4A. By: _____ (Contracting Officer)
3B. By:  3C. Title:	4B. Effective Date: _____
<b>3D. BUSINESS TELEPHONE NO. WITH AREA CODE OF PERSON RESPONSIBLE FOR RATES OFFERED</b>  AREA CODE   (    )	

**NOTE:** *The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

*The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is 15 U.S.C. 714 and regulations promulgated thereunder (7 CFR Parts 1421 and 1403). The information will be used to complete the terms of an agreement between the warehouse operator and CCC. Furnishing the requested information is voluntary, however, without it, eligibility to enter into an agreement with CCC cannot be determined. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 1014, 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO THE KANSAS CITY COMMODITY OFFICE, Mail Stop 8748, P.O. BOX 419205, KANSAS CITY, MO 64141-6205***

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