

**For:** State and County Offices, CMA's, and DMA's

**2009 Crop Year Uniform Grain and Rice Storage Agreement (UGRSA) Policy**

**Approved by:** Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

With the publication of the MAL's and LDP's final rule on April 6, 2009, the regulation governing the MAL and LDP program was amended to incorporate a new policy about authorized warehouse storage (commercial storage). This regulatory change eliminated the requirement for all public warehouses storing CCC's interest commodities for price support purposes to execute a UGRSA.

Commodities covered by a UGRSA are wheat, barley, oats, corn, grain sorghum, soybeans, long and medium grain rice, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, dry peas, lentils, and small and large chickpeas.

Commodities **not** covered by a UGRSA include peanuts, cotton, and sugar. CCC has separate storage agreements for these commodities.

Policies and procedures included in this notice:

- are effective immediately for the 2009 crop year
- will be included in 8-LP.

**B Purpose**

This notice:

- provides general UGRSA policies and procedures for administering 2009 crop year loans, including authorized warehouse storage
- identifies States, based on USDA's interpretation of current State laws, for which CCC requires execution of a UGRSA by a warehouse operator for producers to obtain warehouse-stored MAL's.

<b>Disposal Date</b>	<b>Distribution</b>
September 1, 2009	State Offices; State Offices relay to County Offices and FAX to CMA's and DMA's

## Notice LP-2123

### 1 Overview (Continued)

#### C Contacts

If there are questions about this notice, County Offices shall contact the State Office Program Specialist, and the State Offices shall contact either of the following PSD employees.

Name	Telephone Number	E-Mail Address
Jose R. Gonzalez	202-690-2534	<a href="mailto:jose.gonzalez@wdc.usda.gov">jose.gonzalez@wdc.usda.gov</a>
Toni Williams	202-720-2270	<a href="mailto:toni.williams@wdc.usda.gov">toni.williams@wdc.usda.gov</a>

For questions about States where CCC does or does not require a UGRSA, contact Commodity Operations Division Deputy Director, **Mark Overbo at 202-690-4647.**

### 2 Authorized Warehouse Storage and General UGRSA 2009 Policy

#### A Authorized Warehouse Storage

Authorized warehouse storage, as defined in 7 CFR Section 1421.103(c) (1), consists of warehouses that:

- are Federally-licensed under the U.S. Warehouse Act (USWA)
- if **not** Federally-licensed, are in compliance with State laws in a State with an operating warehouse licensing program and that issue warehouse receipts that meet the criteria for MAL's (as specified in 7 CFR Part 1421.107)
- if **not** Federally-licensed or in a State with an operating warehouse licensing program, have entered into a UGRSA with CCC.

#### B General UGRSA 2009 Policy

Beginning with the 2009 crop year, for MAL loan making purposes, CCC will no longer require the execution of UGRSA by warehouse operators in grain, rice, oilseeds, and pulse crops storage facilities that are either of the following:

- Federally-licensed
- in compliance with State laws in a State with an operating warehouse licensing program.

CCC reserves the right to execute a UGRSA if deemed necessary by DACO to protect CCC's interests.

## Notice LP-2123

### 3 **Federally-Licensed Warehouse or Warehouses in a State With an Operating Warehouse Licensing Program (UGRSA Not Required)**

#### A **Federally-Licensed Warehouse**

Federally-licensed warehouse operators, regardless of location, will **not** be required to execute a UGRSA with CCC.

#### B **Warehouses in a State With an Operating Warehouse Licensing Program**

Warehouse operators in States with an operating warehouse licensing program will **not** be required to execute a UGRSA with CCC.

**Note:** See Exhibit 1 for a list of States with an operating warehouse licensing program.

#### C **Making a Warehouse-Stored Loan and Processing Commodity Forfeitures**

Storage deductions will no longer be applied at loan making. See Notice LP-2114, paragraph O, for further instructions on making warehouse-stored MAL's.

Before processing loan forfeitures in APSS, County Offices shall contact the storing warehouse operator to obtain applicable storage or public tariff rates. This information must be submitted to KCCO, Bulk Commodities Division for **every** forfeited loan transaction.

**Note:** A future notice will instruct County Offices on processing warehouse-stored MAL's that meet the conditions listed in this subparagraph.

### 4 **States Without an Operating Warehouse Licensing Program (UGRSA Required)**

#### A **States Without an Operating Warehouse Licensing Program**

For MAL loan making purposes, non federally-licensed warehouse operators in States without an operating warehouse licensing program who are interested in providing storage services for commodities with CCC's interest will **be** required to execute a UGRSA with CCC.

**Note:** See Exhibit 2 for a list of States without an operating warehouse licensing program.

See 8-LP, paragraph 445 to obtain a current list of warehouses having a UGRSA with CCC.

## Notice LP-2123

### 4 States Without an Operating Warehouse Licensing Program (UGRSA Required) (Continued)

#### B Making a Warehouse-Stored Loan and Processing Commodity Forfeitures

See Notice LP-2114, paragraph O for further instructions on making warehouse-stored MAL's. Storage deductions will no longer be applied at loan making.

In case of forfeiture, storage deductions using the offer shipping rate table will be applied. See 8-LP, paragraph 445 to obtain applicable approved offer shipping rates. Updated warehouse offer shipping rates for States listed in Exhibit 2 are available on the FSA Intranet at [http://erielake.sc.egov.usda.gov/whserates/grain/warehouse\\_rates.asp](http://erielake.sc.egov.usda.gov/whserates/grain/warehouse_rates.asp).

**Note:** A future notice will instruct County Offices about processing warehouse-stored MAL's that meet the conditions listed in this subparagraph.

### 5 Action

#### A State Office Action

State Offices shall instruct County Offices to notify all producers and warehouse operators of the contents of this notice using available resources.

#### B County Office Action

County Offices shall:

- continue to use 8-LP and issued PS notices for additional guidance
- use every available resource to inform producers and warehouse operators of the contents of this notice.

**States With an Operating Warehouse Licensing Program (UGRSA Not Required)**

The following States have an operating warehouse licensing program and warehouse operators will **not** be required to execute a UGRSA for MAL loan-making purposes:

- Alabama
- Arkansas
- Colorado
- Georgia
- Idaho
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Louisiana
- Michigan
- Minnesota
- Mississippi
- Missouri
- Montana
- Nebraska
- North Dakota
- Ohio
- Oklahoma
- South Carolina
- South Dakota
- Tennessee
- Texas
- Washington
- Wisconsin
- Wyoming.

**Notes:** This listing is based on USDA's interpretation of current State laws.

A CCC storage agreement may be required if commodities are forfeited to CCC.

**States Without an Operating Warehouse Licensing Program (UGRSA Required)**

The following States do **not** have an operating warehouse licensing program and warehouse operators will **be** required to execute a UGRSA for MAL purposes:

- Alaska
- Arizona
- California
- Connecticut
- Delaware
- Florida
- Hawaii
- Maine
- Maryland
- Massachusetts
- Nevada
- New Hampshire
- New Jersey
- New Mexico
- New York
- North Carolina
- Oregon
- Pennsylvania
- Rhode Island
- Utah
- Vermont
- Virginia
- West Virginia.

**Note:** This listing is based on USDA's interpretation of current State laws.