

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 publication of the MAL and LDP final rule on April 6, 2009, regulation governing the MAL and LDP program was amended to incorporate policy about authorized warehouse storage (commercial storage). This regulatory change eliminated the requirement for Federally and State licensed 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 in which CCC requires execution of a UGRSA by a warehouse operator for producers to obtain warehouse-stored MAL's.

Disposal Date	Distribution
July 1, 2010	State Offices; State Offices relay to County Offices and FAX to CMA's and DMA's

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1 Overview (Continued)

C Contacts

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

Name	Telephone Number	E-Mail Address
Jose R. Gonzalez	202-690-2534	jose.gonzalez@wdc.usda.gov
Toni Williams	202-720-2270	toni.williams@wdc.usda.gov

For questions about States where CCC does or does not require a UGRSA, contact **Patricia Barrett, Warehouse Operations Program Manager, at 202-720-3877.**

2 Authorized Warehouse Storage and General UGRSA 2009 Policy

A Authorized Warehouse Storage

Authorized warehouse storage, as defined in 7 CFR 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 for the listed commodities, and that issue warehouse receipts that meet the criteria for MAL's (as specified in 7 CFR 1421.107)
 - 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 for the listed commodities.

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

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3 States 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. See exception in Exhibit 1.

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. Only apply storage owed to CCC if the loan is forfeited. See Notice LP-2135, 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, Commodity Management Division for **every** forfeited loan transaction.

Note: A future notice will instruct County Offices on processing forfeited commodities resulting from warehouse-stored MAL's.

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

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

B Making a Warehouse-Stored Loan and Processing Commodity Forfeitures

Storage deductions will no longer be applied at loan making. Only apply storage owed to CCC if the loan is forfeited. See Notice LP-2135, paragraph O for further instructions on making warehouse-stored MAL's.

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.

Note: A future notice will instruct County Offices on processing forfeited commodities warehouse-stored MAL's.

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 *(except Rice)
- Washington
- Wisconsin
- Wyoming.

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

*CCC will execute a UGRSA in Rice Warehouses participating in price support programs.

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.