

**§ 739.37 System of accounts.**

Each warehouseman shall use for his warehouse a system of accounts, approved for the purpose by the Administrator, or his authorized representative, which shall show for each bag or lot of beans the name of the depositor, the weight of the beans, the number of bags in each lot, the grade when grade is required to be, or is ascertained, the location in the warehouse, the dates received for and delivered out of storage, the receipts issued and canceled, a separate record for each depositor; and such accounts shall include a detailed record of all moneys received and disbursed and of all effective insurance policies. In the case of beans the identity of which is to be preserved the tag number or stencil identification mark mentioned in § 739.33 shall be shown. Such records shall be retained by the warehouseman for a period of six years after December 31 of the year in which created, and for such longer period as may be necessary for the purposes of any litigation which the warehouseman knows to be pending, or as may be required by the Administrator in particular cases to carry out the purposes of the Act.

(Approved by the Office of Management and Budget under control number 0581-0027)

[10 FR 4964, May 4, 1945, as amended at 29 FR 13369, Sept. 26, 1964; 47 FR 745, Jan. 7, 1982. Redesignated at 50 FR 1814, Jan. 14, 1985]

**§ 739.38 Reports.**

Each warehouseman shall, from time to time, make such reports as the Service may require, on forms prescribed and furnished for the purpose by the Service, concerning the condition, contents, operation, and business of the warehouse.

**§ 739.39 Copies of reports to be kept.**

Each warehouseman shall keep on file, as a part of the records of the warehouse, for a period of three years after December 31 of the year in which submitted, an exact copy of each report

submitted by such warehouseman under the regulations in this part.

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[29 FR 13369, Sept. 26, 1964, as amended at 47 FR 745, Jan. 7, 1982. Redesignated at 50 FR 1814, Jan. 14, 1985]

**§ 739.40 Canceled receipts; auditing.**

Each warehouseman, when requested by the Service, shall forward his canceled receipts for auditing to Washington or to such field offices of the Agricultural Marketing Service as may be designated from time to time. For the purpose of this section, only such portion as the Service may designate of each canceled receipt, numbered to correspond with the actual receipt number, need be submitted.

**§ 739.41 Inspection and examination of warehouses.**

Each warehouseman shall permit any officer or agent of the Department, authorized by the Secretary for the purpose, to enter and inspect or examine at any time any warehouse for the conduct of which such warehouseman holds a license, the office thereof, the books, records, papers, and accounts relating thereto, and the contents thereof, and shall furnish such officer or agent, when he so requests, the assistance necessary to enable him to make any inspection or examination under this section.

**§ 739.42 Weighing apparatus; inspection.**

The weighing apparatus used for ascertaining the weight stated in a receipt or certificate shall be subject to examination by an officer or agent of the Department employed for such purpose. If the Service shall disapprove such weighing apparatus, it shall not thereafter, unless such disapproval be withdrawn, be used in ascertaining the weight of any beans for the purposes of the act and the regulations in this part.

**§ 739.43 Warehouse to be kept clean.**

Each warehouseman shall keep his warehouse clean and free from trash, excessive dirt, rubbish, and scattered beans. He shall also exercise every precaution to keep his warehouse free of rats or other pests that might cause damage or injury to beans in storage. The warehouseman shall not under any circumstances accept for storage in his warehouse beans showing the presence of weevil or the larvae of weevil, nor continue to keep in storage beans so affected, without treating them in such manner as will destroy such weevil and larvae or with such chemicals as may be approved by the Service for that purpose.

**§ 739.44 Fumigation of warehouse.**

When necessary, in the opinion of the Administrator or his representative, the warehouseman shall fumigate thoroughly his warehouse with chemicals approved by the Service.

**§ 739.45 Damp, dirty, frosted beans; no storage.**

A warehouseman shall not, under any circumstances, accept for storage any beans with moisture content in excess of 17 percent and which contain foreign material likely to injure the keeping qualities of the beans or adversely affect their commercial value, or that are otherwise of a condition rendering them unsuitable for storage, but he may accept such beans for conditioning purposes and for storage after conditioning.

**§ 739.46 Care in storage of beans.**

A warehouseman shall so handle and so store beans as not to injure or damage them in any manner.

**§ 739.47 Reconditioning deteriorated beans.**

If the warehouseman considers that any beans in his warehouse are out of condition, or becoming so, he shall direct the licensed inspector to examine the beans in question, and, if such inspector finds such beans to be out of condition or becoming so, and he is of the opinion that such beans can be brought back into condition by mechanical or other means, or that further deterioration can be prevented,

the warehouseman shall give immediate notice of the facts to the persons and in the manner specified in § 739.48 (b) and (c). If, within 24 hours after the giving of such notice, the owners of such beans have not otherwise directed as to the disposition of same, such warehouseman, with the approval of the licensed inspector, shall subject the beans to the proper reconditioning process in his licensed warehouse to the extent to which it is equipped with machinery suitable for the purpose, otherwise in any other warehouse so equipped.

**§ 739.48 Procedure in handling deteriorated beans.**

(a) If a warehouseman, with the approval of the licensed inspector, shall determine that any beans are deteriorating and that such deterioration can not be stopped, he shall give immediate notice thereof in accordance with paragraphs (b) and (c) of this section.

(b) Such notice shall state (1) the name of the warehouse in which the beans are stored, (2) the quantity, kind, and grade of the beans at the time the notice is given, (3) the actual condition of the beans as nearly as can be ascertained, and the reason, if known, for such condition, and (4) the outstanding receipts covering the beans out of condition, giving the number and date of each such receipt and the quantity, the kind and grade of the beans as stated in each such receipt.

(c) A copy of such notice shall be delivered in person or shall be sent by mail (1) to the persons holding the receipts if known to the warehouseman, (2) to the person who originally deposited the beans, (3) to any other persons known by the licensed warehouseman to be interested in the beans, (4) to the Administrator, and (5) public notice shall also be given by posting a copy of such notice at the place where the warehouseman is required to post his license. A copy of such notice shall be kept as a record of the warehouse. If the holders of the receipts and the owners of the beans are known to the warehouseman and cannot, in the regular course of the mails, be reached within 12 hours, the warehouseman shall, whether or not requested to do so, also immediately notify such persons by