

of the current feed charges based on average feed cost and showing the effective date shall be conspicuously posted at the stockyard at all times. Changes in feed charges may become effective 2 days after the change is posted at the stockyard.

(c) *Professional veterinary services.* The 10-day filing and notice provision contained in section 306(a) of the Act is waived for a schedule of charges for professional veterinary services. A schedule of charges for professional veterinary services rendered by a veterinarian at a posted stockyard shall be conspicuously posted at the stockyard at all times. The schedule of charges and any supplement or amendment thereto may become effective 2 days after the schedule, supplement, or amendment is posted at the stockyard.

(d) *Joint schedules.* If the same schedule is to be observed by more than one market agency operating at any one stockyard, one schedule will suffice for such market agencies. The names and business addresses of those market agencies adhering to such schedule must appear on the schedule.

(Approved by the Office of Management and Budget under control number 0590-0001)

(7 U.S.C. 203, 204, 207, 217a, 222 and 228)

[49 FR 33003, Aug. 20, 1984]

GENERAL BONDING PROVISIONS

§201.27 Underwriter; equivalent in lieu of bonds; standard forms.

(a) The surety on bonds maintained under the regulations in this part shall be a surety company which is currently approved by the United States Treasury Department for bonds executed to the United States; and which has not failed or refused to satisfy its legal obligations under bonds issued under said regulations.

(b) Any packer, market agency, or dealer required to maintain a surety bond under these regulations may elect to maintain, in whole or partial substitution for such surety bond, a bond equivalent as provided below. The total amount of any such surety bond, equivalent, or combination thereof, must be the total amount of the surety bond otherwise required under these regula-

tions. Any such bond equivalent must be in the form of:

(1) A trust fund agreement governing funds actually deposited or invested in fully negotiable obligations of the United States or Federally-insured deposits or accounts in the name of and readily convertible to currency by a trustee as provided in §201.32, or

(2) A trust agreement governing funds which may be drawn by a trustee as provided in §201.32, under one or more irrevocable, transferrable, standby letters of credit, issued by a Federally-insured bank or institution and physically received and retained by such trustee.

(c) The provisions of §§201.27 through 201.34 shall be applicable to the trust fund agreements, trust agreements and letters of credit authorized in paragraph (b) of this section.

(d) Bonds, trust fund agreements, letters of credit and trust agreements shall be filed on forms approved by the Administrator.

(Approved by the Office of Management and Budget under control number 0590-0001)

[56 FR 2128, Jan. 22, 1991, as amended at 61 FR 36279, July 10, 1996; 62 FR 11759, Mar. 13, 1997]

§201.28 Duplicates of bonds or equivalents to be filed with Regional Supervisors.

Fully executed duplicates of bonds, trust fund agreements, and trust agreements maintained under the regulations in this part, and fully executed duplicates of all endorsements, amendments, riders, indemnity agreements, and other attachments thereto, and photographically reproduced copies of any letter of credit or amendment thereto, shall be filed with the Regional Supervisor for the region in which the registrant, packer, or person applying for registration resides, or in the case of a corporation, where the corporation has its home office: *Provided*, that if such registrant, packer, or person does not engage in business in such area, the foregoing documents shall be filed with the Regional Supervisor for the region in which the place

of business of the registrant or packer or person is located.

(Approved by the Office of Management and Budget under control number 0590-0001)

[56 FR 2128, Jan. 22, 1991]

MARKET AGENCY, DEALER AND PACKER
BONDS

§201.29 Market agencies, packers and dealers required to file and maintain bonds.

(a) Every market agency, packer, and dealer, except as provided in paragraph (d) of this section, and except packer buyers registered as dealers to purchase livestock for slaughter only, shall execute and maintain a reasonable bond on forms approved by the Administrator containing the appropriate condition clauses, as set forth in §201.31 of the regulations, applicable to the activity or activities in which the person or persons propose to engage, to secure the performance of obligations incurred by such market agency, packer, or dealer. No market agency, packer, or dealer required to maintain a bond shall conduct his operations unless there is on file and in effect a bond complying with the regulations in this part.

(b) Every market agency buying on a commission basis and every dealer buying for his own account or for the accounts of others shall file and maintain a bond. If a registrant operates as both a market agency buying on a commission basis and as a dealer, only one bond to cover both buying operations need be filed. Any person operating as a market agency selling on a commission basis and as a market agency buying on a commission basis or as a dealer shall file and maintain separate bonds to cover his selling and buying operations.

(c) Each market agency and dealer whose buying operations are cleared by another market agency shall be named as clearee in the bond filed and maintained by the market agency registered to provide clearing services. Each market agency selling livestock on a commission basis shall file and maintain its own bond.

(d) Every packer purchasing livestock, directly or through an affiliate

or employee or a wholly-owned subsidiary, except those packers whose annual purchases do not exceed \$500,000, shall file and maintain a reasonable bond. In the event a packer maintains a wholly-owned subsidiary or affiliate to conduct its livestock buying, the wholly-owned subsidiary or affiliate shall be registered as a packer buyer for its parent packer firm, and the required bond shall be maintained by the parent packer firm.

(7 U.S.C. 204, 228(a))

[48 FR 8806, Mar. 2, 1983]

§201.30 Amount of market agency, dealer and packer bonds.

(a) *Market agency selling livestock on commission.* To compute the required amount of bond coverage, divide the dollar value of livestock sold during the preceding business year, or the substantial part of that business year, in which the market agency did business, by the actual number of days on which livestock was sold. The divisor (the number of days on which livestock was sold) shall not exceed 130. The amount of bond coverage must be the next multiple of \$5,000 above the amount so determined. When the computation exceeds \$50,000, the amount of bond coverage need not exceed \$50,000 plus 10 percent of the excess over \$50,000, raised to the next \$5,000 multiple. In no case shall the amount of bond coverage for a market agency selling on commission be less than \$10,000 or such higher amount as required to comply with any State law.

(b) *Market agency buying on commission or dealer.* The amount of bond coverage must be based on the average amount of livestock purchased by the dealer or market agency during a period equivalent to 2 business days. To compute the required amount of bond coverage, divide the total dollar value of livestock purchased during the preceding business year, or substantial part of that business year, in which the dealer or market agency or both did business, by one-half the number of days on which business was conducted. The number of days in any business year, for purposes of this regulation, shall not exceed 260. Therefore, the divisor (one-half the number of days on