

§ 735.32

shall be approved by the Administrator. These tags will contain a number, mark, or identifier and shall be attached in an orderly systematic sequence, clearly distinguishable from each other.

[64 FR 54510, Oct. 7, 1999]

§ 735.32 Arrangement of stored cotton.

(a) Each warehouseman shall store each bale of cotton for which a receipt under the act has been issued so that the tag thereon, required by § 735.31 is visible and readily accessible, except as provided in paragraph (b) of this section, and shall arrange all other cotton in his licensed warehouse so as to permit an accurate check thereof.

(b) If cotton is tendered to a licensed warehouseman for storage and the cotton is of the same grade and staple and is tendered in such quantity by any one depositor that efficiency of operation dictates that such cotton should be stored in a lot or lots without regard to visibility of all tags on all bales within any lot, the warehouseman may store such cotton if each lot originally contained two or more bales: *Provided, however,* that each bale entering into a lot must bear an individual bale identification, and must be stored so that the number of bales within the lot may be accurately determined.

(c) An individual lot identification tag showing the lot number and the number of bales in the lot shall be affixed by the warehouseman to each lot of cotton. The warehouseman shall also maintain an office record showing the bale or tag number, mark, or identifier of each bale in the lot and the location of the lot in the warehouse. Each lot shall be so arranged as to be readily distinguishable from each and every other lot. When requested by a proper representative of the Department of Agriculture engaged in making an examination of the warehouse, the warehouseman shall tear or break down at his own expense such stacks or lots of cotton as the examiner deems necessary to a proper examination. Before any warehouseman undertakes to store in accordance with this section he shall submit a statement setting forth: (1) His reasons for desiring to avail him-

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self of this section and (2) the plan of storage he proposes to follow, and he shall secure prior permission from the Secretary or his designated representative to practice such method of storage.

[29 FR 15720, Nov. 24, 1964. Redesignated at 50 FR 1814, Jan. 14, 1985, as amended at 64 FR 65510, Oct. 7, 1999]

§ 735.33 System of accounts.

Each warehouseman shall use a system of accounts which is approved by the Service. The system of accounts shall show the following for each bale of cotton: the tag number, mark, or identifier as specified in § 735.31; its weight; its class when required or ascertained; its location; the dates received for, and delivered out of, storage; and the receipts issued and canceled. All systems of accounts shall include a detailed record of all moneys received and disbursed and of all effective insurance policies.

[64 FR 54510, Oct. 7, 1999]

§ 735.34 Reports.

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

§ 735.35 Canceled receipts; auditing.

Each warehouseman, if requested by the Service, shall forward canceled receipts for auditing to an entity or office of the Service as may be designated from time to time.

[62 FR 33540, June 20, 1997]

§ 735.36 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