

fees collected for cotton warehouse inspections shall not exceed \$400,000 in the fiscal year ending September 30, 1982, \$415,000 in fiscal year ending September 30, 1983, and \$430,000 in the fiscal year ending September 30, 1984. All fees collected shall be credited to the current appropriation account that incurs the costs and shall be available without fiscal year limitation to pay the expenses of the Secretary incident to providing services under this chapter. The Secretary may deposit such funds in an interest bearing account with a financial institution. If any interest is earned on this account such interest shall be credited to the account for use by the Secretary in providing such services.

(Aug. 11, 1916, ch. 313, pt. C, §10, 39 Stat. 487; Mar. 2, 1931, ch. 366, §5, 46 Stat. 1464; Aug. 13, 1981, Pub. L. 97-35, title I, § 158(a)(1), 95 Stat. 375.)

AMENDMENTS

1981—Pub. L. 97-35 substituted provisions requiring the Secretary or the Secretary's designated representative to charge, assess, and cause to be collected fees for warehouse examination, inspection, and licensing, for provisions authorizing the Secretary or his designated representative to charge, assess, and cause to be collected fees for warehouse inspection and licensing.

1931—Act Mar. 2, 1931, inserted “, or his designated representative,” after “Secretary of Agriculture”, substituted “may” for “shall” where appearing for first time and substituted provision authorizing a reasonable fee to be charged for license issued to warehouseman or other person to classify etc., agricultural products for former provision requiring a fee of \$2 per annum for each license or renewal thereof issued to a warehouseman, all in first sentence.

EFFECTIVE DATE OF 1981 AMENDMENT

Section 158(b) of Pub. L. 97-35 provided that: “The provisions of this section [amending this section and section 271 of this title] shall become effective October 1, 1981.”

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 271 of this title.

§ 252. License to classify, grade, or weigh agricultural products

The Secretary of Agriculture, or his designated representative, may upon presentation of satisfactory proof of competency, issue to any person a license to inspect, sample, or classify any agricultural product or products, stored or to be stored in a warehouse licensed under this chapter, according to condition, grade, or otherwise and to certificate the condition, grade, or other class thereof, or to weigh the same and certificate the weight thereof, or both to inspect, sample, or classify and weigh the same and to certificate the condition, grade, or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this chapter and of the rules and regulations prescribed hereunder so far as the same relate to him.

(Aug. 11, 1916, ch. 313, pt. C, §11, 39 Stat. 487; Feb. 23, 1923, ch. 106, 42 Stat. 1283; Mar. 2, 1931, ch. 366, §6, 46 Stat. 1464.)

AMENDMENTS

1931—Act Mar. 2, 1931, inserted “, or his designated representative,” after “Secretary of Agriculture”.

1923—Act Feb. 23, 1923, inserted “inspect, sample or” before “classify” and “condition” before “grade” wherever appearing.

§ 253. Suspension and revocation of license to classify, grade, or weigh

Any license issued to any person to inspect, sample, or classify, or to weigh any agricultural product or products under this chapter may be suspended or revoked by the Secretary of Agriculture, or his designated representative, whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to inspect, sample, or classify, or to weigh any agricultural product or products correctly, or has violated any of the provisions of this chapter or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatever. Pending investigation, the Secretary of Agriculture, or his designated representative, whenever he deems necessary, may suspend a license temporarily without hearing.

(Aug. 11, 1916, ch. 313, pt. C, §12, 39 Stat. 487; Feb. 23, 1923, ch. 106, 42 Stat. 1283; Mar. 2, 1931, ch. 366, §7, 46 Stat. 1464.)

AMENDMENTS

1931—Act Mar. 2, 1931, inserted “, or his designated representative,” after “Secretary of Agriculture” wherever appearing.

1923—Act Feb. 23, 1923, inserted “inspect, sample or” before “classify” wherever appearing.

§ 254. Discrimination by warehouseman prohibited

Every warehouseman conducting a warehouse licensed under this chapter shall receive for storage therein, so far as its capacity permits, any agricultural product of the kind customarily stored therein by him which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities.

(Aug. 11, 1916, ch. 313, pt. C, §13, 39 Stat. 488.)

§ 255. Deposits of products deemed subject to chapter

Any person who deposits agricultural products for storage in a warehouse licensed under this chapter shall be deemed to have deposited the same subject to the terms of this chapter and the rules and regulations prescribed thereunder.

(Aug. 11, 1916, ch. 313, pt. C, §14, 39 Stat. 488.)

§ 256. Inspection and grading of products stored

Any fungible agricultural product stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this chapter, shall be inspected and graded by a person duly licensed to grade the same under this chapter.

(Aug. 11, 1916, ch. 313, pt. C, §15, 39 Stat. 488; Feb. 23, 1923, ch. 106, 42 Stat. 1283.)

AMENDMENTS

1923—Act Feb. 23, 1923, struck out “That grain, flaxseed or”.

§ 257. Standards for agricultural products

The Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products by which their quality or value may be judged or determined: *Provided*, That the standards for any agricultural products which have been, or which in future may be, established by or under authority or any other Act of Congress shall be, and are, adopted for the purposes of this chapter as the official standards of the United States for the agricultural products to which they relate.

(Aug. 11, 1916, ch. 313, pt. C, §19, 39 Stat. 489; Feb. 23, 1923, ch. 106, 42 Stat. 1284.)

AMENDMENTS

1923—Act Feb. 23, 1923, struck out “in this chapter defined” after “products”.

§ 258. Mingling products stored

Every warehouseman conducting a warehouse licensed under this chapter shall keep the agricultural products therein of one depositor so far separate from agricultural products of other depositors, and from other agricultural products of the same depositor for which a separate receipt has been issued, as to permit at all times the identification and redelivery of the agricultural products deposited; but if authorized by agreement or by custom, a warehouseman may mingle fungible agricultural products with other agricultural products of the same kind and grade, and shall be severally liable to each depositor for the care and redelivery of his share of such mass, to the same extent and under the same circumstances as if the agricultural products had been kept separate, but he shall at no time while they are in his custody mix fungible agricultural products of different grades.

(Aug. 11, 1916, ch. 313, pt. C, §16, 39 Stat. 488.)

§ 259. Security interests**(a) Receipts for products stored**

Except as provided in subsection (b) of this section, for all agricultural products stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this chapter original receipts shall be issued by the warehouseman conducting the same, but no receipts shall be issued except for agricultural products actually stored in the warehouse at the time of the issuance thereof.

(b) Transfer of agricultural products stored in warehouses

(1) Notwithstanding any other provision of this chapter, if a warehouseman because of a temporary shortage lacks sufficient space to store the agricultural products of all depositors in a licensed warehouse, the warehouseman may, in accordance with regulations issued by the Secretary of Agriculture and subject to such terms and conditions as the Secretary may prescribe, transfer stored agricultural products for

which receipts have been issued out of such warehouse to another licensed warehouse for continued storage.

(2) The warehouseman of a licensed warehouse from which agricultural products have been transferred under paragraph (1) shall deliver to the rightful owner of such products, on request, at the licensed warehouse where first deposited, such products in the amount, and of the kind, quality, and grade, called for by the receipts or other evidence of storage of such owner.

(c) Central filing system records in lieu of receipts for cotton stored; delivery of cotton; electronic transmission facilities between warehouses and systems; system records equivalent to receipts and ownership interests; recordation and enforcement of liens in central filing system; warehousemen's liens unaffected; conditions for delivery on demand of cotton stored

(1)(A) Notwithstanding any other provision of Federal or State law, the Secretary of Agriculture, or the designated representative of the Secretary, may provide that in lieu of issuing a receipt for cotton stored in a warehouse licensed under this chapter or in any other warehouse the information required to be included in a receipt (i) under section 260 of this title in the case of a warehouse licensed under this chapter or (ii) under any applicable State law in the case of a warehouse not licensed under this chapter shall be recorded instead in a central filing system or systems maintained in one or more locations in accordance with regulations issued by the Secretary.

(B) Any such record shall state that the cotton shall be delivered to a specified person or to the order of the person.

(C) This subsection and subsection (d) of this section shall not apply to a warehouse that does not have facilities to electronically transmit and receive information to and from the central filing system. Nothing in this subsection shall be construed as to require a warehouseman to obtain the facilities.

(2) Notwithstanding any other provision of Federal or State law:

(A) The record of the possessory interests of persons in cotton included in any such central filing system shall be deemed to be a receipt for the purposes of this chapter or State law and shall establish the possessory interest of persons in the cotton.

(B) Any person designated as a holder of an electronic warehouse receipt authorized under this subsection and subsection (d) of this section shall, for the purpose of perfecting the security interest of the person under Federal or State law with respect to the cotton covered by the warehouse receipt, be considered to be in possession of the warehouse receipt. If more than one security interest exist in the cotton reflected on the electronic warehouse receipt, the priority of the security interests shall be determined by the applicable Federal or State law. This subsection is applicable to electronic cotton warehouse receipts and any other security interests covering cotton stored in a cotton warehouse, regardless of whether the warehouse is licensed under this chapter.