

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.

(3) A warehouseman conducting a warehouse covered under this subsection, in the absence of a lawful excuse, shall, without unnecessary delay, deliver the cotton stored in the warehouse on demand made by the person named in the record in the central filing system as the holder of the receipt representing the cotton, if demand is accompanied by—

(A) an offer to satisfy a valid warehouseman's lien, as determined by the Secretary; and

(B) an offer to provide an acknowledgement in the central filing system, if requested by the warehouseman, that the cotton has been delivered.

(d) Administration of central filing system or systems; imposition and collection of fees; fund as depository for fees, late payment penalties, and investments; fund monies available for expenses

(1) The Secretary shall (under such regulations as the Secretary may prescribe) charge and provide for the collection of reasonable fees to cover the estimated costs to the Department of Agriculture incident to the functioning and the maintenance of any central filing system or systems referred to in subsection (c) of this section that is administered by the Department of Agriculture.

(2) The Secretary may provide for the fees to be collected by persons operating the central filing system administered by the Department from those persons recording information in the central filing system at such time and in such manner as may be prescribed in regulations issued by the Secretary.

(3) The fees shall be deposited into a fund which shall be available without fiscal year limitation for the expenses of the Secretary incurred in carrying out subsection (c) of this section and this subsection. Any sums collected or received by the Secretary under this chapter and deposited to the fund and any late payment penalties collected by the Secretary and credited to the fund may be invested by the Secretary in insured or fully collateralized, interest-bearing accounts or, at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments. The interest earned on the sums and any late payment penalties collected by the Secretary shall be credited to the fund and shall be available without fiscal year limitations for the expenses of the Service incurred in carrying out subsection (c) of this section and this subsection.

(Aug. 11, 1916, ch. 313, pt. C, §17, 39 Stat. 488; Mar. 20, 1986, Pub. L. 99-260, §14, 100 Stat. 54; Nov. 28, 1990, Pub. L. 101-624, title V, §508(a), 104 Stat. 3441; Dec. 13, 1991, Pub. L. 102-237, title X, §1009, 105 Stat. 1898; Oct. 28, 1992, Pub. L. 102-553, §1, 106 Stat. 4140.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (c)(1)(A), (2) and (d)(3), was in the original "this Act" and was translated as reading "this part", meaning part C of act Aug. 11, 1916, known as the United States Warehouse Act, to reflect the probable intent of Congress.

AMENDMENTS

1992—Subsec. (c)(1)(A). Pub. L. 102-553, §1(1), substituted "Notwithstanding any other provision of Federal or State law, the Secretary" for "The Secretary", inserted "or in any other warehouse" after "licensed under this chapter", and substituted "(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" for "under section 260 of this title".

Subsec. (c)(2). Pub. L. 102-553, §1(2), substituted "provision of Federal or State law:" for "provision of law—" in introductory provisions and in subpar. (A) substituted "The record" for "the record", "possessory" for "ownership" in two places, "of this chapter or State law" for "of this chapter", and a period for "and" at end, added subpar. (B) and struck out former subpar. (B) which read as follows: "the Secretary may provide for the recording of liens in the central filing system that shall represent the perfected security interest of persons whose liens are so recorded and for liens that are so recorded to be the only liens that are enforceable against owners and purchasers of cotton registered in the central filing system, except that nothing in this paragraph shall be construed to alter the enforceability of the warehouseman's lien."

Subsec. (c)(3). Pub. L. 102-553, §1(3), substituted "covered under this subsection" for "licensed under this chapter" and "holder" for "owner".

1991—Subsec. (c)(1)(B). Pub. L. 102-237 struck out "or to a specified person" after "specified person".

1990—Subsecs. (c), (d). Pub. L. 101-624 added subsecs. (c) and (d).

1986—Pub. L. 99-260 designated existing provision as subsec. (a), substituted "Except as provided in subsection (b) of this section, for" for "For", and added subsec. (b).

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-624 effective beginning with the 1991 crop of an agricultural commodity, with provision for prior crops, see section 1171 of Pub. L. 101-624, set out as a note under section 1421 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 270 of this title.

§ 260. Contents of receipts

Every receipt issued for agricultural products stored in a warehouse licensed under this chapter shall embody within its written or printed terms (a) the location of the warehouse in which the agricultural products are stored; (b) the date of issue of the receipt; (c) the consecutive number of the receipt; (d) a statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order; (e) the rate of storage charges; (f) a description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification and the weight of such bales or packages; (g) the grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made: *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under authority of law: *Provided further*, That until such official standards of the United States for any agricultural product or products