

### § 247. Fair treatment in storage of agricultural products

#### (a) In general

Subject to the capacity of a warehouse, a warehouse operator shall deal, in a fair and reasonable manner, with persons storing, or seeking to store, an agricultural product in the warehouse if the agricultural product—

- (1) is of the kind, type, and quality customarily stored or handled in the area in which the warehouse is located;
- (2) is tendered to the warehouse operator in a suitable condition for warehousing; and
- (3) is tendered in a manner that is consistent with the ordinary and usual course of business.

#### (b) Allocation

Nothing in this section prohibits a warehouse operator from entering into an agreement with a depositor of an agricultural product to allocate available storage space.

(Aug. 11, 1916, ch. 313, pt. C, § 8, as added Pub. L. 106-472, title II, § 201, Nov. 9, 2000, 114 Stat. 2065.)

#### PRIOR PROVISIONS

A prior section 247, acts Aug. 11, 1916, ch. 313, pt. C, § 6, 39 Stat. 486; July 24, 1919, ch. 26, 41 Stat. 266; Feb. 23, 1923, ch. 106, 42 Stat. 1283; Mar. 2, 1931, ch. 366, § 2, 46 Stat. 1463, required bond as condition to granting of license and additional bonds if first bond determined to become insufficient, prior to the general amendment of this chapter by Pub. L. 106-472. See section 245 of this title.

A prior section 8 of act Aug. 11, 1916, ch. 313, pt. C, was classified to section 250 of this title, prior to the general amendment of this chapter by Pub. L. 106-472.

### § 248. Commingling of agricultural products

#### (a) In general

A warehouse operator may commingle agricultural products in a manner approved by the Secretary.

#### (b) Liability

A warehouse operator shall be severally liable to each depositor or holder for the care and re-delivery of the share of the depositor and holder of the commingled agricultural product to the same extent and under the same circumstances as if the agricultural products had been stored separately.

(Aug. 11, 1916, ch. 313, pt. C, § 9, as added Pub. L. 106-472, title II, § 201, Nov. 9, 2000, 114 Stat. 2065.)

#### PRIOR PROVISIONS

A prior section 248, acts Aug. 11, 1916, ch. 313, pt. C, § 9, 39 Stat. 487; Mar. 2, 1931, ch. 366, § 4, 46 Stat. 1464, related to issuance of licenses to persons other than warehousemen, prior to the general amendment of this chapter by Pub. L. 106-472. See section 242 of this title.

### § 249. Transfer of stored agricultural products

#### (a) In general

In accordance with regulations promulgated under this chapter, a warehouse operator may transfer a stored agricultural product from one warehouse to another warehouse for continued storage.

#### (b) Continued duty

The warehouse operator from which agricultural products have been transferred under sub-

section (a) shall deliver to the rightful owner of such products, on request at the original warehouse, such products in the quantity and of the kind, quality, and grade called for by the receipt or other evidence of storage of the owner.

(Aug. 11, 1916, ch. 313, pt. C, § 10, as added Pub. L. 106-472, title II, § 201, Nov. 9, 2000, 114 Stat. 2065.)

#### PRIOR PROVISIONS

A prior section 249, act Aug. 11, 1916, ch. 313, pt. C, § 7, 39 Stat. 487, entitled injured persons to bring actions on bonds, prior to the general amendment of this chapter by Pub. L. 106-472. See section 245 of this title.

A prior section 10 of act Aug. 11, 1916, ch. 313, pt. C, was classified to section 251 of this title, prior to the general amendment of this chapter by Pub. L. 106-472.

### § 250. Warehouse receipts

#### (a) In general

At the request of the depositor of an agricultural product stored or handled in a warehouse licensed under this chapter, the warehouse operator shall issue a receipt to the depositor as prescribed by the Secretary.

#### (b) Actual storage required

A receipt may not be issued under this section for an agricultural product unless the agricultural product is actually stored in the warehouse at the time of the issuance of the receipt.

#### (c) Contents

Each receipt issued for an agricultural product stored or handled in a warehouse licensed under this chapter shall contain such information, for each agricultural product covered by the receipt, as the Secretary may require by regulation.

#### (d) Prohibition on additional receipts or other documents

##### (1) Receipts

While a receipt issued under this chapter is outstanding and uncanceled by the warehouse operator, an additional receipt may not be issued for the same agricultural product (or any portion of the same agricultural product) represented by the outstanding receipt, except as authorized by the Secretary.

##### (2) Other documents

If a document is transferred under this section, no duplicate document in any form may be transferred by any person with respect to the same agricultural product represented by the document, except as authorized by the Secretary.

#### (e) Electronic receipts and electronic documents

Except as provided in section 242(h)(2) of this title, notwithstanding any other provision of Federal or State law:

##### (1) In general

The Secretary may promulgate regulations that authorize the issuance, recording, and transfer of electronic receipts, and the transfer of other electronic documents, in accordance with this subsection.

##### (2) Electronic receipt or electronic document systems

Electronic receipts may be issued, recorded, and transferred, and electronic documents

may be transferred, under this subsection with respect to an agricultural product under, a system or systems maintained in one or more locations and approved by the Secretary in accordance with regulations issued under this chapter.

**(3) Treatment of holder**

Any person designated as the holder of an electronic receipt or other electronic document issued or transferred under this chapter shall, for the purpose of perfecting the security interest of the person under Federal or State law and for all other purposes, be considered to be in possession of the receipt or other electronic document.

**(4) Nondiscrimination**

An electronic receipt issued, or other electronic document transferred, in accordance with this chapter shall not be denied legal effect, validity, or enforceability on the ground that the information is generated, sent, received, or stored by electronic or similar means.

**(5) Security interests**

If more than one security interest exists in the agricultural product that is the subject of an electronic receipt or other electronic document under this chapter, the priority of the security interest shall be determined by the applicable Federal or State law.

**(6) No electronic receipt required**

A person shall not be required to issue in electronic form a receipt or document with respect to an agricultural product.

**(7) Option for non-federally licensed warehouse operators**

Notwithstanding any other provision of this chapter, a warehouse operator not licensed under this chapter may, at the option of the warehouse operator and in accordance with regulations established by the Secretary, issue electronic receipts and transfer other electronic documents in accordance with this chapter.

**(8) Application to State-licensed warehouse operators**

This subsection shall not apply to a warehouse operator that is licensed under State law to store agricultural commodities in a warehouse in the State if the warehouse operator elects—

- (A) not to issue electronic receipts authorized under this subsection; or
- (B) to issue electronic receipts authorized under State law.

(Aug. 11, 1916, ch. 313, pt. C, §11, as added Pub. L. 106-472, title II, §201, Nov. 9, 2000, 114 Stat. 2065.)

PRIOR PROVISIONS

A prior section 250, acts Aug. 11, 1916, ch. 313, pt. C, §8, 39 Stat. 487; Mar. 2, 1931, ch. 366, §3, 46 Stat. 1463, authorized designation as bonded warehouse upon filing of bond and approval by Secretary, prior to the general amendment of this chapter by Pub. L. 106-472.

A prior section 11 of act Aug. 11, 1916, ch. 313, pt. C, was classified to section 252 of this title, prior to the general amendment of this chapter by Pub. L. 106-472.

**§251. Conditions for delivery of agricultural products**

**(a) Prompt delivery**

In the absence of a lawful excuse, a warehouse operator shall, without unnecessary delay, deliver the agricultural product stored or handled in the warehouse on a demand made by—

- (1) the holder of the receipt for the agricultural product; or
- (2) the person that deposited the product, if no receipt has been issued.

**(b) Payment to accompany demand**

Prior to delivery of the agricultural product, payment of the accrued charges associated with the storage of the agricultural product, including satisfaction of the warehouseman's lien, shall be made if requested by the warehouse operator.

**(c) Surrender of receipt**

When the holder of a receipt requests delivery of an agricultural product covered by the receipt, the holder shall surrender the receipt to the warehouse operator, in the manner prescribed by the Secretary, to obtain the agricultural product.

**(d) Cancellation of receipt**

A warehouse operator shall cancel each receipt returned to the warehouse operator upon the delivery of the agricultural product for which the receipt was issued.

(Aug. 11, 1916, ch. 313, pt. C, §12, as added Pub. L. 106-472, title II, §201, Nov. 9, 2000, 114 Stat. 2067.)

PRIOR PROVISIONS

A prior section 251, acts Aug. 11, 1916, ch. 313, pt. C, §10, 39 Stat. 487; Mar. 2, 1931, ch. 366, §5, 46 Stat. 1464; Pub. L. 97-35, title I, §158(a)(1), Aug. 13, 1981, 95 Stat. 375, authorized fee for warehouse examination, inspection, and licensing, prior to the general amendment of this chapter by Pub. L. 106-472. See section 243 of this title.

A prior section 12 of act Aug. 11, 1916, ch. 313, pt. C, was classified to section 253 of this title, prior to the general amendment of this chapter by Pub. L. 106-472.

**§252. Suspension or revocation of licenses**

**(a) In general**

After providing notice and an opportunity for a hearing in accordance with this section, the Secretary may suspend or revoke any license issued, or approval for an activity provided, under this chapter—

- (1) for a material violation of, or failure to comply, with any provision of this chapter (including regulations promulgated under this chapter); or
- (2) on the ground that unreasonable or exorbitant charges have been imposed for services rendered.

**(b) Temporary suspension**

The Secretary may temporarily suspend a license or approval for an activity under this chapter prior to an opportunity for a hearing for any violation of, or failure to comply with, any provision of this chapter (including regulations promulgated under this chapter).

**(c) Authority to conduct hearings**

The agency within the Department that is responsible for administering regulations promul-