

ply with this chapter (including regulations promulgated under this chapter).

**(l) Examination of books, records, papers, and accounts**

The Secretary may examine and audit, using designated officers, employees, or agents of the Department, all books, records, papers, and accounts relating to activities subject to this chapter of—

- (1) a warehouse operator operating a warehouse licensed under this chapter;
- (2) a person operating a system for the electronic recording and transfer of receipts and other documents authorized by the Secretary; or
- (3) any other person issuing receipts or electronic documents authorized by the Secretary under this chapter.

**(m) Cooperation with States**

The Secretary may—

- (1) cooperate with officers and employees of a State who administer or enforce State laws relating to warehouses, warehouse operators, weighers, graders, inspectors, samplers, or classifiers; and
- (2) enter into cooperative agreements with States to perform activities authorized under this chapter.

(Aug. 11, 1916, ch. 313, pt. C, §3, as added Pub. L. 106-472, title II, §201, Nov. 9, 2000, 114 Stat. 2062.)

**Editorial Notes**

**PRIOR PROVISIONS**

A prior section 242, acts Aug. 11, 1916, ch. 313, pt. C, §2, 39 Stat. 486; Feb. 23, 1923, ch. 106, 42 Stat. 1282, defined terms, prior to the general amendment of this chapter by Pub. L. 106-472. See section 241 of this title.

A prior section 3 of act Aug. 11, 1916, ch. 313, pt. C, was classified to section 243 of this title, prior to the general amendment of this chapter by Pub. L. 106-472.

**§ 243. Imposition and collection of fees**

**(a) In general**

The Secretary shall assess persons covered by this chapter fees to cover the costs of administering this chapter.

**(b) Rates**

The fees under this section shall be set at a rate determined by the Secretary.

**(c) Treatment of fees**

All fees collected under this section shall be credited to the account that incurs the costs of administering this chapter and shall be available to the Secretary without further appropriation and without fiscal year limitation.

**(d) Interest**

Funds collected under this section may be deposited in an interest-bearing account with a financial institution, and any interest earned on the account shall be credited under subsection (c).

**(e) Efficiencies and cost effectiveness**

**(1) In general**

The Secretary shall seek to minimize the fees established under this section by improv-

ing efficiencies and reducing costs, including the efficient use of personnel to the extent practicable and consistent with the effective implementation of this chapter.

**(2) Report**

The Secretary shall publish an annual report on the actions taken by the Secretary to comply with paragraph (1).

(Aug. 11, 1916, ch. 313, pt. C, §4, as added Pub. L. 106-472, title II, §201, Nov. 9, 2000, 114 Stat. 2064.)

**Editorial Notes**

**PRIOR PROVISIONS**

A prior section 243, act Aug. 11, 1916, ch. 313, pt. C, §3, 39 Stat. 486, authorized investigation of warehousing, weighing, classifying, and certification of agricultural products, inspection of warehouses, and prescription of duties of warehousemen by Secretary of Agriculture, prior to the general amendment of this chapter by Pub. L. 106-472. See section 242 of this title.

A prior section 4 of act Aug. 11, 1916, ch. 313, pt. C, was classified to section 244 of this title, prior to the general amendment of this chapter by Pub. L. 106-472.

**§ 244. Quality and value standards**

If standards for the evaluation or determination of the quality or value of an agricultural product are not established under another Federal law, the Secretary may establish standards for the evaluation or determination of the quality or value of the agricultural product under this chapter.

(Aug. 11, 1916, ch. 313, pt. C, §5, as added Pub. L. 106-472, title II, §201, Nov. 9, 2000, 114 Stat. 2064.)

**Editorial Notes**

**PRIOR PROVISIONS**

A prior section 244, acts Aug. 11, 1916, ch. 313, pt. C, §4, 39 Stat. 486; Mar. 2, 1931, ch. 366, §1, 46 Stat. 1463, authorized licensing of warehousemen, prior to the general amendment of this chapter by Pub. L. 106-472. See section 242 of this title.

A prior section 5 of act Aug. 11, 1916, ch. 313, pt. C, was classified to section 245 of this title, prior to the general amendment of this chapter by Pub. L. 106-472.

**§ 245. Bonding and other financial assurance requirements**

**(a) In general**

As a condition of receiving a license or approval under this chapter (including regulations promulgated under this chapter), the person applying for the license or approval shall execute and file with the Secretary a bond, or provide such other financial assurance as the Secretary determines appropriate, to secure the person's performance of the activities so licensed or approved.

**(b) Service of process**

To qualify as a suitable bond or other financial assurance under subsection (a), the surety, sureties, or financial institution shall be subject to service of process in suits on the bond or other financial assurance in the State, district, or territory in which the warehouse is located.

**(c) Additional assurances**

If the Secretary determines that a previously approved bond or other financial assurance is in-

sufficient, the Secretary may suspend or revoke the license or approval covered by the bond or other financial assurance if the person that filed the bond or other financial assurance does not provide such additional bond or other financial assurance as the Secretary determines appropriate.

**(d) Third party actions**

Any person injured by the breach of any obligation arising under this chapter for which a bond or other financial assurance has been obtained as required by this section may sue with respect to the bond or other financial assurance in a district court of the United States to recover the damages that the person sustained as a result of the breach.

(Aug. 11, 1916, ch. 313, pt. C, § 6, as added Pub. L. 106-472, title II, § 201, Nov. 9, 2000, 114 Stat. 2064.)

**Editorial Notes**

PRIOR PROVISIONS

A prior section 245, acts Aug. 11, 1916, ch. 313, pt. C, § 5, 39 Stat. 486; Feb. 23, 1923, ch. 106, 42 Stat. 1282, related to term and renewal of license, prior to the general amendment of this chapter by Pub. L. 106-472.

A prior section 6 of act Aug. 11, 1916, ch. 313, pt. C, was classified to section 247 of this title, prior to the general amendment of this chapter by Pub. L. 106-472.

**§ 246. Maintenance of records**

To facilitate the administration of this chapter, the following persons shall maintain such records and make such reports, as the Secretary may by regulation require:

(1) A warehouse operator that is licensed under this chapter.

(2) A person operating a system for the electronic recording and transfer of receipts and other documents that are authorized under this chapter.

(3) Any other person engaged in the issuance of electronic receipts or the transfer of documents under this chapter.

(Aug. 11, 1916, ch. 313, pt. C, § 7, as added Pub. L. 106-472, title II, § 201, Nov. 9, 2000, 114 Stat. 2065.)

**Editorial Notes**

PRIOR PROVISIONS

A prior section 246, acts Aug. 11, 1916, ch. 313, pt. C, § 25, 39 Stat. 490; Mar. 2, 1931, ch. 366, § 8, 46 Stat. 1465, related to suspension and revocation of license, prior to the general amendment of this chapter by Pub. L. 106-472. See section 252 of this title.

A prior section 7 of act Aug. 11, 1916, ch. 313, pt. C, was classified to section 249 of this title, prior to the general amendment of this chapter by Pub. L. 106-472.

**§ 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.)

**Editorial Notes**

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 redelivery 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.)

**Editorial Notes**

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 subsection (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.)