

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 insufficient, 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.)

Editorial Notes**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.