

§ 735.17

(c) In addition to complying with paragraphs (a) and (b) of this section, every negotiable receipt issued for cotton stored in a licensed warehouse shall embody within its written or printed terms a statement that the cotton covered by such receipt was classified by a licensed classifier or a board of cotton examiners when such cotton is so classified.

(d) Whenever the grade or other class of the cotton is stated in a receipt issued for cotton stored in a licensed warehouse, such grade or other class shall be determined by a licensed classifier or a board of cotton examiners upon the basis of a sample drawn in accordance with § 735.71, and shall be stated in the receipt in accordance with §§ 735.68 through 735.74.

(e) If, at the request of the depositor, a warehouseman issues a receipt omitting the statement of grade and/or weight, such receipt shall have clearly and conspicuously stamped or written on the face thereof, or included as part of the electronic warehouse receipt record, either one or both of the following: "Not graded on request of the depositor" or "Not weighed on request of the depositor," as applicable.

(f) Licensed receipts issued to cover linters shall be clearly and conspicuously marked "Linters".

(g) If a warehouseman issue a receipt under the act omitting any information not required to be stated, for which a blank space is provided in the form of the receipt, a line shall be drawn through such space to show that such omission has been made by the warehouseman.

(h) A warehouse receipt may contain additional information; Provided that such information does not interfere with the information required by this part.

(Approved by the Office of Management and Budget under control number 0560-0120)

[29 FR 15720, Nov. 24, 1964, as amended at 33 FR 14699, Oct. 2, 1968; 37 FR 12920, June 30, 1972; 47 FR 745, Jan. 7, 1982. Redesignated at 50 FR 1814, Jan. 14, 1985; 59 FR 15038, Mar. 31, 1994; 64 FR 54510, Oct. 7, 1999]

§ 735.17 Copies of receipts.

(a) At least one actual, skeleton, or microfilm copy of all receipts shall be made, and all copies, except skeleton

7 CFR Ch. VII (1-1-01 Edition)

and microfilm copies, shall have clearly and conspicuously printed or stamped thereon the words "Copy—Not Negotiable."

(b) A copy of each receipt issued shall be retained by the warehouseman for a period of 1 year after December 31 of the year in which the corresponding original receipt is canceled.

(c) If copies are retained on microfilm, the warehouseman shall:

(1) Have available at all times facilities for immediate, easily readable projection of the microfilm and for producing easily readable facsimile enlargements;

(2) Arrange, index, and file the films in such a manner as to permit the immediate location of any particular microfilm record; and

(3) Be ready at all times to provide, and immediately provide, at the expense of the warehouseman, any facsimile enlargement of such microfilm copies which any authorized officers or agents of the Department of Agriculture may request.

(Approved by the Office of Management and Budget under control number 0560-0120)

[37 FR 12920, June 30, 1972, as amended at 47 FR 745, Jan. 7, 1982. Redesignated at 50 FR 1814, Jan. 14, 1985]

§ 735.18 Lost or destroyed receipts; bond.

(a) In the case of a lost or destroyed receipt, a new receipt upon the same terms, subject to the same conditions, and bearing on its face the number and the date of the receipt in lieu of which it is issued and a plain and conspicuous statement that it is a duplicate issued in lieu of a lost or destroyed receipt, may be issued upon compliance with the conditions set out in paragraph (b) of this section.

(b) Before issuing such new or duplicate receipt the warehouseman shall require the depositor or other person applying therefor to make and file with the warehouseman (1) an affidavit showing that he is lawfully entitled to the possession of the original receipt, that he has not negotiated or assigned it, how the original receipt was lost or destroyed, and, if lost, that diligent effort has been made to find the receipt without success, and (2) a bond in an amount double the value, at the time

Farm Service Agency, USDA

§ 735.23

the bond is given, of the cotton represented by the lost or destroyed receipt. Such bond shall be in a form approved for the purpose by the Secretary, or his designated representative, shall be conditioned to indemnify the warehouseman against any loss sustained by reason of the issuance of such receipt, and shall have as surety thereon preferably a surety company which is authorized to do business, and is subject to service of process in a suit on the bond, in the State in which the warehouse is located, or at least two individuals who are residents of such State and each of whom owns real property therein having a value, in excess of all exemptions and encumbrances, equal to the amount of the bond.

§ 735.19 Printing of receipts.

No receipt shall be issued by a licensed warehouseman unless it is:

- (a) In a form prescribed by the Administrator;
- (b) Upon distinctive paper or card stock specified by the Administrator;
- (c) Printed by a printer with whom the United States has a subsisting agreement and bond for such printing; and
- (d) On paper and/or card stock tinted with ink in the manner prescribed by the agreement under paragraph (c) of this section.

[64 FR 54510, Oct. 7, 1999]

§ 735.20 Partial delivery of cotton.

If a warehouseman delivers a part only of a lot of cotton for which he has issued a negotiable receipt under the act, he shall take up and cancel such receipt and issue a new receipt in accordance with the regulations in this part for the undelivered portion of the cotton.

§ 735.21 Return of receipts before delivery of cotton.

Except as permitted by law or by the regulations in this part, a warehouseman shall not deliver cotton for which a negotiable receipt has been issued under the Act until such receipt has been returned and canceled; and shall not deliver cotton for which a non-negotiable receipt has been issued until such receipt has been returned or until

the warehouseman has obtained from the person lawfully entitled to such delivery or their authorized agent, a written delivery order that is properly signed, specifying by bale or tag number, mark, or identifier each bale to be delivered from any receipt or receipts.

[64 FR 54510, Oct. 7, 1999]

§ 735.22 Omission of grade; no compulsion by warehouseman.

No licensed warehouseman shall, directly or indirectly by any means whatever, compel or attempt to compel the depositor of any cotton in his warehouse to request the issuance of a receipt omitting the statement of grade.

DUTIES OF LICENSED WAREHOUSEMAN

§ 735.23 Insurance; requirements.

(a) When requested in writing by the depositor of cotton in a licensed warehouse, or by the holder of the receipt covering such cotton, to insure such cotton against loss or damage by fire, lightning, and other risks, each licensed warehouseman shall secure in his own name such insurance under reporting forms of policies which automatically attach for the full value of such cotton, including daily changes of value through market fluctuations and changes in the quantity of such product from day to day, as soon as such cotton is placed in his legal custody, and he shall continue such insurance in effect so long as the cotton remains in his legal custody. Such insurance shall be covered by lawful policies issued by one or more insurance companies. Each warehouseman insuring cotton under the provisions of this section shall submit such reports to underwriters as may be required under the terms of such policies, and copies of such reports shall be submitted to the Department as it may require. If the warehouseman is unable to procure insurance to the extent requested, he shall, orally or by telegraph or by telephone, and at his own expense, immediately notify the person making the request of such fact. When insurance is not carried in the warehouseman's name, the receipt shall show that the cotton is not insured by the warehouseman.