

§ 736.25 Nonnegotiable receipts.

Each person to whom a nonnegotiable receipt is issued shall furnish the warehouseman with a statement in writing indicating the person or persons having power to authorize delivery of grain covered by such receipt, together with the bona fide signature of such person or persons. No licensed warehouseman shall honor an order for the release of grain covered by a nonnegotiable receipt until he has first ascertained that the person issuing the order has authority to order such release, and that the signature of the releasing party is genuine.

§ 736.26 Omission of grade; no compulsion by warehouseman.

No warehouseman shall, directly or indirectly by any means whatsoever, compel or attempt to compel the depositor of any grain stored or offered for storage in his warehouse to request the issuance of a receipt omitting the statement of grade.

§ 736.27 Loading out without weighing.

(a) When the lawful owner of an entire lot of identity preserved grain or a mass of grain stored in a single bin requests the warehouseman to deliver said lot or mass without reweighing said grain, the warehouseman may make such delivery if there is an accurate record of the weight of such grain when received. Such deliveries shall be made only when the lawful owner agrees to assume all shortages and other risks incidental thereto, and after the warehouse receipts covering all of the grain in the container have been surrendered to the warehouseman and canceled. After the receipts covering such grain have been surrendered for cancellation no other grain shall be placed in the bin until the entire lot has been delivered.

(b)(1) When the lawful owner of fungible grain requests the warehouseman to deliver grain out of the warehouse without weighing, the warehouseman may, but is not compelled to, make such delivery provided the grain is to be moved into another warehouse in the United States where weights can be established. The weights established at the receiving warehouse must be supervised by an independent weighing agen-

cy unless the shipping warehouse and the receiving warehouse are operated by the same warehouseman, or unless destination weights are available within 24 hours of shipment. Whenever a warehouseman delivers fungible grain out of a warehouse without weighing, the weight of the grain unloaded at the receiving warehouse shall be the weight used to determine fulfillment of the shipping warehouseman's delivery obligations.

(2) When fungible grain is delivered out of the warehouse without weighing, the warehouseman shall estimate as accurately as possible the weight of the grain delivered out and shall promptly obtain destination weights from the receiving warehouse. Should the Administrator determine that such estimated weights are not reasonably accurate, or that destination weights are not promptly obtained, or that destination weights are not supervised by an independent weighing agency when required, he may thereafter require the warehouseman to weigh all fungible grain delivered out of the warehouse.

(3) Any weight certificate issued covering grain delivered out of the warehouse without being weighed must state in bold letters on the face of the certificate the fact that the weight is an estimated weight.

[40 FR 19011, May 1, 1975. Redesignated at 50 FR 1814, Jan. 14, 1985]

§ 736.28 Persons authorized to sign receipts.

Each warehouseman shall file with the Department the name and genuine signature of each person authorized to sign warehouse receipts for the warehouseman, and shall promptly notify the Department of any changes as to persons authorized to sign and shall file the signatures of such persons, and each warehouseman shall be bound by such signatures the same as if he had personally signed the receipt.

§ 736.29 Receipts; basis for issuance.

Before issuing any receipt under the Act each warehouseman shall, unless he personally weighed, inspected, and graded, if graded, a lot of grain, first obtain either a copy of, or the original weight certificate, and inspection certificate, if any, covering said lot of

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grain. The warehouse records shall clearly identify the certificate(s) used as a basis for issuance of each warehouse receipt, and said weight and grade certificates shall be kept on file as a record in the warehouseman's office; provided that said filing requirements shall be deemed satisfied if copies of the certificates upon which warehouse receipts are based are filed in the office of a U.S. Registrar or in the office of an independent inspection or weighing agency which issued them, and are readily accessible for examination purposes. Such certificates shall be retained for a period of three years after December 31 of the year in which issued.

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

[29 FR 15730, Nov. 24, 1964, as amended at 47 FR 745, Jan. 7, 1982. Redesignated at 50 FR 1814, Jan. 14, 1985]

§ 736.30 Receipts for stored grain.

Receipts must be issued for all grain stored in a warehouse. Receipts need not be issued against nonstorage grain, but each warehouseman shall keep accurate records of the weights, kinds, and grades of all lots of nonstorage grain received into and delivered from his warehouse. Whenever the purpose for which any lot of nonstorage grain was received into a warehouse is changed so that its approximate delivery period from the warehouse becomes indeterminate, receipts shall be issued to cover such grain. Records required under this section with respect to nonstorage grain shall be retained, as a part of the records of the warehouse, for a period of one year after December 31 of the year in which the lot of nonstorage grain is delivered from the warehouse.

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

[29 FR 15730, Nov. 24, 1964, as amended at 47 FR 745, Jan. 7, 1982. Redesignated at 50 FR 1814, Jan. 14, 1985]

§ 736.31 No receipts for screenings.

No receipt shall be issued for any product or byproduct which would fall under the term "screenings."

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§ 736.32 Canceled receipts; auditing.

Each warehouseman, if requested by the Service, shall forward canceled receipts for auditing to an entity or office of the Service as may be designated from time to time.

[62 FR 33540, June 20, 1997]

DUTIES OF WAREHOUSEMAN

§ 736.33 Insurance; requirements.

(a) Each warehouseman, when so requested in writing as to any grain by the depositor thereof or lawful holder of the receipt covering such grain, shall, to the extent to which, in the exercise of due diligence, he is able to procure such insurance, keep such grain while in his custody as a warehouseman insured in his own name or arrange for its insurance otherwise to the extent so requested, against loss or damage by fire, lightning, and/or tornado. When insurance is not carried in the warehouseman's name, the receipts shall show that the grain is not insured by the warehouseman. Such insurance shall be covered by lawful policies issued by one or more insurance companies authorized to do such business, and subject to service of process in suits brought in the State where the warehouse is located. If the warehouseman is unable to procure such insurance to the extent requested, he shall, orally or by telegraph or by telephone immediately notify the person making the request of the fact. Nothing in this section shall be construed to prevent the warehouseman from adopting a rule that he will insure all grain stored in his warehouse.

(b) Each warehouseman shall comply fully with the terms of insurance policies or contracts covering his licensed warehouse and all products stored therein, and shall not commit any acts, nor permit his employees to do anything, which might impair or invalidate such insurance.

(c) Each warehouseman shall keep exposed conspicuously in the place prescribed by § 736.8, and at such other place as the Administrator or his representative may from time to time designate, a notice stating briefly the conditions under which the grain will be