

**United States Department of Agriculture  
Commodity Credit Corporation**

**Form CCC-22,  
Peanut Storage Agreement**



# Peanut Storage Agreement

## Table of Contents

	Page
<b>Part 1 Definition of Terms</b> .....	1
<b>Part 2 General Terms</b>	
A. Scope .....	3
B. Terms of Agreement to Prevail.....	3
C. Documents Incorporated by Reference.....	3
D. Applicability .....	3
<b>Part 3 Warehouse Operator's Responsibilities</b>	
A. Basis on Which Peanuts are Stored or Transferred.....	4
B. Determination of Type, Quality, and Weight.....	4
C. Obligation to Maintain Stocks and Value .....	4
D. Condition of Warehouse and Peanuts .....	4
E. Receipts and Certificates .....	5
F. Load Out Requirements .....	5
G. Rejection of Loaded Out Peanuts .....	5
H. Payment of Fees.....	6
I. Records and Reports .....	6
J. Financial .....	7
K. Inspections and Examinations.....	7
L. Transportation Requirements.....	8
M. Insurance.....	8
N. Security Plan.....	9
<b>Part 4 CCC's Responsibilities</b>	
A. Storage Period .....	9
B. Payment of Charges .....	10
C. Restrictions on Payments.....	10
<b>Part 5 Settlement</b>	
A. Settlement for Load Out.....	11
B. Commingled.....	11
C. Identity Preserved .....	11
D. Determination of Values .....	11
<b>Part 6 Termination and Effective Date</b>	
A. Termination .....	11
B. Effective Date .....	12

## PEANUT STORAGE AGREEMENT

1. Agreement No. \_\_\_\_\_

**NOTE:** The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is 15 U.S.C. 714 and regulations promulgated thereunder (7 CFR Parts 1421 and 1403). The information will be used to complete the terms of an agreement between the warehouse operator and CCC. Furnishing the requested information is voluntary, however, without it, eligibility to enter into an agreement with CCC cannot be determined. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 1014, 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO: [warehousing@usda.gov](mailto:warehousing@usda.gov) or THE WAREHOUSE AND COMMODITY MANAGEMENT DIVISION, Beacon Facility, PO BOX 419205 STOP 9148, KANSAS CITY, MO 64141-6205**

This Peanut Storage Agreement (Agreement) between the Commodity Credit Corporation (CCC), an agency and instrumentality of the United States within the Department of Agriculture, and (2) \_\_\_\_\_

\_\_\_\_\_, (warehouse operator)  
whose principal place of business, (3) \_\_\_\_\_, is for the  
storage and handling of CCC-owned peanuts or peanuts pledged as collateral for a CCC marketing assistance loan.

Subject to space being available, the warehouse operator offers to store and handle peanuts in the warehouse identified on the Schedule of Warehouses which is owned or operated by the warehouse operator at the rates specified on the Schedule of Rates.

The warehouse operator and CCC agree as follows:

**PART 1. DEFINITION OF TERMS** - For purposes of this Agreement, the following definitions shall apply:

**Approved List - CCC List of Approved Warehouses** - A list of peanut warehouses approved by CCC to store CCC-interest peanuts for which a CCC Peanut Storage Agreement (Agreement) has been executed. Warehouses that have been removed from the CCC List of Approved Warehouses may not accept peanuts to be pledged as collateral for such a loan, nor will additional CCC-owned peanuts be placed in the warehouse until such a warehouse is reinstated to the Approved List.

**Business Day** - A calendar day excluding Saturdays, Sundays, or Federal holidays.

**CCC-Interest Peanuts** - Peanuts in which title is vested in CCC, or peanuts placed in storage by someone other than CCC and pledged to CCC as security for a CCC marketing assistance loan.

**CCC-Loan Peanuts** - Peanuts pledged to CCC as security for a CCC marketing assistance loan.

**CCC-Owned Peanuts** - Peanuts in which title is vested in CCC.

**Commingled** - The storage or handling of bulk peanuts under any circumstance other than identity preserved.

**Conveyance** - The individual means of transportation (truck, railroad car, unit train, barge, or vessel) used in receiving or shipping peanuts.

**Crop Year** - The 12-month period beginning with August 1 of any year and ending with July 31 of the following year, or other period established by CCC.

**Day** - Calendar day.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

**Farmers Stock Peanuts** - Picked and threshed peanuts produced in the United States which have not been shelled, crushed, cleaned, or otherwise changed (except for removal of foreign material, loose shelled kernels and excess moisture) from the form in which customarily marketed by producers.

**Identity Preserved** - The storage and handling of peanuts separate from all other peanuts so the actual peanuts deposited in the warehouse, and no other, may be delivered to the person holding title to such peanuts.

**Loading Order** - Instructions issued by CCC to the warehouse operator authorizing and directing shipment of CCC-owned peanuts. Such instructions may include, but are not limited to, the description of the peanuts, method of delivery, stop storage date, and warehouse receipt number or description.

**Load Out** - Removing the peanuts from the warehouse and loading the peanuts into conveyances.

**Net Weight** - The weight of peanuts after foreign material and excess moisture weight have been deducted.

**Net Worth** - When liabilities are subtracted from allowable assets, it is the balance amount. In determining allowable assets, credit may be given for appraisal of real property less improvements and for the appraisal of insurable property such as buildings, machinery, equipment, and merchandise inventory only to the extent that such property is protected by insurance against loss or damage by fire, lightning, and other risks. Such insurance must be in the form of lawful insurance policies issued by insurance companies authorized to do such business and subject to service of process in the State in which the warehouse is located. Agricultural Marketing Service (AMS) will determine what assets are allowable and under what conditions appraisals may be used.

**Official Inspector** - A Federal or Federal-State inspector authorized or licensed by the Administrator, AMS, USDA.

**Peanut** -Runner Type, Spanish Type, Valencia Type, Virginia Type, or any other peanut type announced by CCC and defined in the Peanut Standards.

**Peanut Standards** - United States Standards for Grades of Peanuts, by applicable type, and Peanut Quality and Handling Standards established by AMS, USDA, as amended.

**Quality** - The grade, including all grading factors, special grades, and sample grade factors as prescribed in the Peanut Standards.

**Receiving Charge** - The payment due for receiving peanuts. Receiving includes such things as weighing, unloading from trucks or wagons, in elevation, cleaning, drying, the initial grading and inspection, fumigation and spraying and other services necessary to place peanuts into storage.

**Representative Sample** - A sample of peanuts drawn by an official inspector and representative of the entire quantity of peanuts being sampled.

**Schedule of Warehouses** - A CCC form showing warehouses approved for storing CCC-interest peanuts.

**Type** - The generally known genetic varieties or types of peanuts (i.e., Runner, Spanish, Valencia, or Virginia), as identified and determined by the Federal or Federal-State Inspection Service.

**Warehouse** - Each peanut warehouse listed on the Schedule of Warehouses.

**Warehouse Receipt** - A receipt, either negotiable or nonnegotiable, issued by the warehouse operator which evidences title to the peanuts received by the warehouse operator for storage in a specified warehouse.

**PART 2. GENERAL TERMS****A. Scope** - This Agreement will apply to all peanuts as of the date:

- (1) CCC deposits such peanuts in the warehouse,
- (2) Title to the peanuts passes to CCC, or
- (3) The peanuts are pledged to CCC as security for a CCC marketing assistance loan.

**B. Terms of Agreement to Prevail** - Applicable Federal laws and regulations and the terms of this Agreement prevail over the written or printed terms of warehouse receipts representing peanuts, the warehouse's tariff or posted rates, and State and local laws or regulations to the extent that such laws or regulations are inconsistent with the Agreement's provisions or the Federal laws and regulations of the United States. Any State law, local law, regulation, or tariff provision which is inconsistent with or imposes additional restrictions on the provisions of Federal law and regulation or this Agreement is of no effect to the extent of such inconsistency or additional restriction.**C. Documents Incorporated by Reference** - This Agreement includes and hereby incorporates by reference the following and amendments thereto:

- (1) Schedule of Warehouses, CCC-25-1,
- (2) Schedule of Rates, CCC-22-2,
- (3) Supplement to Uniform Storage Agreements, CCC-20; and
- (4) 7 CFR parts 1421, 1407, and 1403.

**D. Applicability**

- (1) If CCC transfers title to CCC-owned peanuts in store, such peanuts will cease to be covered by the terms of this Agreement as of 11:59 p.m. local time at the warehouse location on the day title and risk of loss is transferred to the transferee, except that any prepaid charges for service not performed prior to the transfer of title will inure to the benefit of the transferee. Except as provided in Paragraph D (2), the rights and obligations of the parties for peanuts so transferred and charges for storage and other services furnished thereafter are subject to the terms and conditions of the warehouse receipts and published tariff rates and applicable Federal or State laws and regulations or subject to further agreement between the warehouse operator and the transferee unless otherwise specifically provided herein. The transfer of title does not affect the rights and obligations between the warehouse operator and CCC for any matter arising prior to the transfer.
- (2) If CCC transfers title to CCC-owned peanuts in store, the storage and handling rates contained in the Schedule of Rates will apply to the peanuts until loaded out, provided the transferee, in writing, orders the peanuts loaded out for immediate shipment within 30 days after the date title is transferred. If the transferee does not request, in writing, load out within 30 days after the date title is transferred, the storage and handling rates applicable to the transferee for the peanuts shall not exceed CCC's Schedule of Rates in effect at the time of title transfer until the earlier of:
  - (a) 60 days, or
  - (b) title to the peanuts is transferred by the transferee to another party, or
  - (c) the transferee loads the peanuts out of the warehouse.
- (3) Peanuts redeemed from the CCC marketing assistance loan program are not subject to the terms and conditions of this Agreement unless otherwise specifically provided herein. The rights and obligations of the parties for such peanuts are subject to the terms and conditions of the warehouse receipts and published tariff rates and applicable Federal or State laws and regulations or subject to further agreement between the warehouse operator and the owner of the peanuts.

**PART 3. WAREHOUSE OPERATOR'S RESPONSIBILITIES****A. Basis on Which the Peanuts are Stored or Transferred**

- (1) CCC-interest peanuts will be stored bulk and may be commingled, unless CCC and the warehouse operator agree, in writing, to store the peanuts in another manner.
- (2) The warehouse operator will store CCC-interest peanuts only at a warehouse listed on the Schedule of Warehouses, unless CCC and the warehouse operator agree, in writing, to store the peanuts at another location.

**B. Determination of Type, Quality and Weight**

- (1) Unless otherwise directed by CCC, the quantity of CCC-interest peanuts accepted by the warehouse operator and loaded out by the warehouse operator at CCC's request must be based on use of warehouse operator's scale.
- (2) Unless otherwise directed by CCC, the warehouse operator shall determine the type and quality of CCC-interest peanuts based on official peanut inspections. Warehouse operators shall pay the Federal or Federal-State inspection service for such inspections.
- (3) When directed by CCC, CCC will pay the inspection cost on CCC-owned peanuts.
- (4) Either the owner of the peanuts or the warehouse operator may call for an appeal inspection. The appeal inspection certificate will prevail. The party requesting the inspection, or the appeal will pay the cost of the inspection certificate.

**C. Obligation to Maintain Stocks and Value**

- (1) The warehouse operator must, at all times, maintain at the warehouse listed on the Schedule of Warehouses a quantity of peanuts equivalent to the aggregate quantity on all outstanding warehouse receipts.
- (2) For commingled peanuts, the warehouse operator must maintain a quantity of peanuts equal to the obligated value, which is the total loan value represented on the warehouse receipts calculated using USDA's Price Table File for the applicable crop year.
- (3) For identity preserved peanuts, the warehouse operator must, at all times, maintain the identical peanuts in the warehouse listed on the Schedule of Warehouses and recorded on the warehouse receipts.

**D. Condition of Warehouse and Peanuts**

- (1) The warehouse operator must maintain the warehouse in a sound, clean condition and take all reasonable steps to promptly detect any deterioration, insect infestation, rodent damage, fungus, or any other condition which may adversely affect the condition of the peanuts.
- (2) The warehouse operator must notify CCC when any of the conditions in (1) of this section are detected and confirm such notification in writing. Pending receipt of instructions from CCC, the warehouse operator must take all reasonable steps necessary to protect and preserve the affected peanuts.
- (3) In the event of any loss or damage to the peanuts or the warehouse, the warehouse operator will immediately notify CCC and all other parties having an interest in the peanuts stored in the warehouse as documented in the warehouse operator's records.
- (4) The warehouse operator will be liable for all losses or damage to peanuts resulting from the warehouse operator's negligence or failure to perform promptly and properly the warehouse operator's obligations under this Agreement and failure to exercise such care in regard to the peanuts as a reasonable and prudent warehouse operator would exercise under like circumstances.

- (5) If loss of or damage to the peanuts occurs for which the warehouse operator is not liable, CCC will pay the warehouse operator for labor services performed at the rate specified in the Schedule of Rates and reimburse the warehouse operator for other reasonable costs incurred in performing those services which are not included among the protective and preservative services ordinarily performed by the warehouse operator for other depositors without additional charge.

#### **E. Receipts and Certificates**

- (1) The warehouse operator, on receipt of peanuts accepted for storage under this Agreement or when peanuts are acquired by CCC in store, must furnish to CCC a warehouse receipt acceptable to CCC representing such peanuts. If electronic warehouse receipts are applicable, such receipts must be filed with a provider having a Provider Agreement with the AMS.
- (2) If requested by CCC, the warehouse operator also will furnish, on such form as CCC may prescribe and in accordance with CCC's instructions, a supplemental certificate identified to each such warehouse receipt.
- (3) Peanut Standards and inspection methods in effect at the time the peanuts were received into the warehouse will govern the delivery, load out, and settlement for such peanuts. If any changes are made, CCC will determine methods to adjust the settlement of such peanuts. Settlement may include monetary adjustments to compensate the warehouse operator or CCC for such changes. Such adjustments will apply to all warehouse receipts, issued prior to the effective date of the applicable change, that represent CCC-owned peanuts instore or CCC marketing assistance loan peanuts that subsequently are forfeited to CCC. The adjustments made by CCC will apply to all purchases and exchanges of CCC-owned peanuts in the warehouse affected by such changes. CCC will notify affected warehouse operators of its settlement factors in writing. Any warehouse operator who does not agree to such adjustment may, within sixty (60) days of notification, request that the peanuts affected by the adjustment be loaded out as soon as practicable, in the normal course of business, under the previous Peanut Standards, method, or interpretation.

#### **F. Load Out Requirements**

- (1) When CCC orders peanuts loaded out, the warehouse operator must:
  - (a) Load out such peanuts as directed by CCC. The shipping instructions issued by CCC will allow the warehouse operator at least seven (7) calendar days from the date of issuance of such instructions to begin load out and will provide for load out capability at a rate not to exceed that specified in the Schedule of Rates. Shipments may be loaded out under the supervision of a CCC representative, as provided in the shipping instructions.
  - (b) Load out, or transfer instore, the total loan value of the peanuts represented on the warehouse receipt, calculated by using USDA's Price Table File for the applicable crop year.
- (2) If for any reason peanut shipments cannot be made as instructed, promptly notify CCC as soon as it is apparent the shipping schedule cannot be met. Failure of the warehouse operator to ship in accordance with such instructions will cause serious and substantial damage to CCC because of its urgent need for prompt delivery. If the warehouse operator fails to ship in accordance with such instructions, the warehouse operator shall pay to CCC, as compensation and not as a penalty, liquidated damages at the rate of \$0.10 per net ton per day, in addition to loss of daily storage payment. The parties mutually agree that in view of the difficulty of determining exact damages which would be incurred by CCC, the liquidated damages specified are a reasonable estimate of the damages which would be suffered by CCC as a result of the warehouse operator's failure to meet the shipping schedule. If delays were caused by reasons beyond the control and without the fault of the warehouse operator, the warehouse operator shall promptly furnish documentary evidence of the cause(s) which resulted in late shipment. If CCC determines that such causes were beyond the warehouse operator's control, liquidated damages will not be assessed.

#### **G. Rejection of Loaded Out Peanuts**

- (1) CCC may reject peanuts that do not meet the loading order specifications as stated on the shipping instructions issued by CCC.

- (2) The warehouse operator:
  - (a) Will not receive credit for loading peanuts rejected by CCC.
  - (b) Must arrange for the disposition of the rejected peanuts in accordance with applicable Federal and State regulations.
  - (c) Must either replace rejected peanuts with peanuts that meet the loading order specifications or pay CCC a settlement amount determined in accordance with Part 5 of this Agreement, for like peanuts not replaced.
- (3) CCC may accept peanuts that are subject to rejection if it is determined by CCC to be in CCC's best interest.

#### **H. Payment of Fees**

As set forth in (1) through (5) of this paragraph, each warehouse operator who is not licensed under the U. S. Warehouse Act (USWA) for peanuts must pay fees to CCC.

- (1) The application and inspection fee for peanuts shall be that announced by AMS for USWA licensed warehouse operators. Warehouse operators without an existing Agreement must pay an application and inspection fee for each warehouse for which CCC approval is sought before CCC conducts the original warehouse examination. Warehouse operators with an existing Agreement and who desire to change the storage capacity subject to such Agreement, must pay an application and inspection fee for each change before inspection and approval by CCC.
- (2) Unless a waiver is in effect, a warehouse operator must pay an annual Agreement fee which shall be the USWA annual user fee announced by AMS for warehouse operators holding a CCC Agreement to store peanuts before CCC will execute the initial Agreement. The fee will be prorated based either upon the total number of months for which the Agreement is to be effective, or the applicable Agreement's renewal date.
- (3) When a warehouse operator requests that CCC examine the warehouse for the warehouse operator's sole benefit, the warehouse operator shall pay CCC an examination fee equal to one and one-half times the amount of the applicable annual Agreement fee in (2) of this paragraph for the examination.
- (4) When a warehouse operator defaults in carrying out the terms of this Agreement, and CCC determines a reexamination is necessary to ensure Agreement violations have been corrected, the warehouse operator shall pay an examination fee equal to the inspection fee in (1) of this paragraph before CCC will schedule the examination.
- (5) CCC may waive any portion of the fees in (1) and (3) of this paragraph when CCC determines that no examination will be performed by CCC or acceptable examination results are made available to CCC by the regulatory licensing authority.

#### **I. Records and Reports**

The warehouse operator must:

- (1) Maintain current and complete records at all times for all peanuts stored, handled, or under the control of the warehouse operator.
- (2) Unless otherwise authorized by CCC, retain such records as required in Section 12 of the Supplement to Uniform Storage Agreements.
- (3) Provide CCC with access to records on-site, unless otherwise agreed to in writing by CCC.
- (4) Furnish CCC requested reports related to receiving, storing, and delivering peanuts and the financial operations and condition of the warehouse.

- (5) Immediately notify CCC in writing of any change in ownership or operation of the warehouse or of any change in the nature or capacity of the warehouse.

#### **J. Financial**

- (1) Financial statements must be submitted to the Warehouse and Commodity Management Division: Attn Financial Review, P.O. Box 419205, Mail Stop 8758, Kansas City, Missouri 64141-6205, within 90 days after the close of the warehouse's fiscal or calendar year. Only one financial statement is required for a chain of warehouses owned or operated by a single business entity. If approved by CCC, the financial statement requirements in the Standards for Approval of Warehouses for Grain and Similarly Handled Commodities, 7 CFR 1421, may be provided by one of the following:
  - (a) A parent company of a wholly-owned subsidiary when the warehouse operator's financial position is separately identified on all applicable consolidated statements; or
  - (b) A guaranty agreement from:
    - (i) A parent company submitted on behalf of a wholly-owned subsidiary, or
    - (ii) An entity with substantial interest in the warehouse operator when applicable financial statements are prepared at the audit level.
- (2) The warehouse operator must have the required financial statements reviewed or audited by a certified public accountant or an independent public accountant as approved by CCC. Audits by independent certified public accountants and independent public accountants must be made in accordance with standards established by the American Institute of Certified Public Accountants. The accountant's certification, assurances, opinion, comments, and notes on this statement must be furnished along with the financial statements. The notes of the financial statements must include a detailed list of company-owned inventories including unpaid peanuts.
- (3) In lieu of a review or audited level financial statement noted in (2) above, a warehouse operator may submit a compilation report of the financial statement which is prepared by a peanut commission firm or a management firm if such firm has been authorized by CCC to provide a compilation report of financial statements for warehouse operators.
- (4) Approved warehouse operators shall have a minimum net worth of \$50,000.
- (5) Warehouse operators shall have a calculated net worth equal to the warehouse operator's maximum storage capacity at all locations covered by the Agreement times \$25.00 per ton. If this calculated net worth requirement exceeds \$50,000, the warehouse operator may satisfy any deficiency in net worth between the \$50,000 minimum requirement and such calculated net worth requirement by furnishing bonds, irrevocable letters of credit, or other acceptable substitute security.

#### **K. Inspections and Examinations**

- (1) The warehouse operator must:
  - (a) Permit CCC to examine any or all warehouse facilities, records, or inventory without prior notice at any time,
  - (b) Upon request, provide any assistance necessary to perform the examination,
  - (c) Notify CCC in writing if any special requirements or equipment are needed to perform an examination, and
  - (d) Take reasonable steps to reduce or remove risks or hazards that could affect an examination. The examination will be stopped and the warehouse removed from the Approved List if the warehouse or its equipment (e.g. ladders, catwalks, lifts or elevators) is not safe to conduct or continue the examination of the warehouse.

- (2) Examinations and inspections will not relieve the warehouse operator of any responsibilities or requirements under the terms of this Agreement or under any law or regulation applicable to the warehouse operator.
- (3) Warehouse examinations under this Agreement are only intended for the use of CCC and are not for the protection of any other party, including the warehouse operator.
- (4) CCC does not guarantee the results of its examinations to the warehouse operator or any other party. However, for the purposes of this Agreement, the findings of these examinations will be accepted by CCC.

#### **L. Transportation Requirements**

The warehouse operator must observe the carrier's lawful tariffs, rules, regulations, and loading and unloading requirements.

- (1) When CCC requests the warehouse operator to accept for delivery or to load out CCC-interest peanuts, the warehouse operator will:
  - (a) Indemnify CCC against losses in weight due to the warehouse operator's error in weighing or failure to remove all the peanuts from the transportation conveyance on unloading.
  - (b) Indemnify CCC against minimum weight penalties (except where losses in weight were incurred due to circumstances beyond the warehouse operator's control), detention, and demurrage (including storage in transportation equipment).
  - (c) Assume all rail switching charges (inbound or outbound) which are recoverable, or which are not absorbed by the carrier. The warehouse operator will not be liable for rail switching charges (inbound or outbound) which occur as the result of erroneous routing instructions by CCC.
  - (d) Request authorization in writing from CCC for prepayment of freight.
  - (e) Be liable for any deviation from original shipping instructions and all excess freight charges resulting from routing at variance with instructions issued by CCC.
  - (f) Be liable for all weighing and return freight charges related to rail cars that are weighed and returned by the railroad(s) to the warehouse operator as overloaded.
- (2) If the warehouse operator knows, anticipates, or reasonably should have known that demurrage charges may be incurred, the warehouse operator must immediately notify CCC and confirm such notification in writing. The warehouse operator will pay all appropriate demurrage charges. CCC will reimburse the warehouse operator for all appropriate demurrage charges paid by the warehouse operator if the demurrage is incurred due to circumstances beyond the warehouse operator's control, unless the warehouse operator fails to notify CCC as provided in this section.

#### **LI. Insurance**

Without in any way limiting the warehouse operator's obligation under other provisions of this Agreement or under the provisions of State laws and regulations under which the warehouse is operated:

- (1) For peanuts pledged as security for a CCC marketing assistance loan:
  - (a) The warehouse operator must have and maintain insurance in the warehouse operator's name, at the warehouse operator's expense, and for the full market value, such peanuts against loss or damage by sprinkler malfunction, fire, lightning, windstorm, cyclone, tornado, or inherent explosion.

- (b) If the warehouse operator insures against other hazards to the peanuts not specified herein, such insurance will be at the warehouse operator's expense and inure to the benefit of the holders of warehouse receipts or other documents evidencing ownership of or beneficial interest in the peanuts so insured.
- (2) For CCC-owned peanuts:
  - (a) The warehouse operator is not obligated to insure such peanuts against loss or damage resulting from sprinkler malfunction, fire, lightning, windstorm, cyclone, tornado, inherent explosion, nuclear incident, nuclear reaction, nuclear radiation, radioactive contamination, flood, strike, riot, acts of terrorism, war, public enemy, or acts of God.
  - (b) If the warehouse operator insures such peanuts against hazards or for a period of time for which insurance is not required by the terms of this Agreement, such insurance will inure to the benefit of CCC.
- (3) Without in any way limiting the warehouse operator's liability under this section, the warehouse operator may carry a standard form of insurance policy approved for peanut warehouses in the State in which the warehouse is located. Arrangements between the warehouse operator and insurers concerning deductibles are acceptable as long as any loss is covered in full by the insurer.
- (4) Notwithstanding any other provisions of this Agreement, the warehouse operator, in the absence of negligence or failure to provide appropriate warehousing services, will not be liable to CCC for loss or damage:
  - (a) Caused by sprinkler malfunction, fire, lightning, windstorm, cyclone, tornado, and inherent explosion to CCC-owned peanuts on which insurance is not carried; and
  - (b) To any of the peanuts from floods or other acts of God against which insurance is not required by this section, and from nuclear incident, nuclear reaction, nuclear radiation, radioactive contamination, strike, riot, acts of terrorism, war, public enemy, or other similar hazards against which insurance is not required by this section.

#### **N. Security Plan**

The warehouse operator must:

- (1) Have a security plan that includes measures to protect peanuts handled and stored under this Agreement.
- (2) Conduct a facility vulnerability assessment and establish procedures that address:
  - (a) General security of the physical structures and grounds of the warehouse,
  - (b) Shipping and receiving procedures to ensure that peanuts are not subject to tampering,
  - (c) Action to be taken in the event of a national emergency, and
  - (d) Contact information for local security authorities.

### **PART 4. CCC'S RESPONSIBILITIES**

#### **A. Storage Period**

- (1) Nothing in this Agreement obligates CCC to tender peanuts to the warehouse operator for storage or handling.
- (2) The issuance of loading orders or a request for storage space does not obligate CCC to tender peanuts for storage.
- (3) If CCC-owned peanuts are in store, the storage period will be at the option of CCC.

**B. Payment of Charges**

- (1) Unless otherwise provided, receiving, storing, or other charges payable by CCC pursuant to this Agreement will be at the rates stated in the Schedule of Rates in effect when the services are performed.
- (2) Storage charges for the account of CCC begin for CCC-owned peanuts:
  - (a) If in store at the time this Agreement becomes effective, then on the date this Agreement is executed by CCC;
  - (b) If delivered to the warehouse on or after the effective date of this Agreement, then on the date of movement of such peanuts into the warehouse; and
  - (c) If acquired by CCC in store, then on the day immediately following the date through which storage charges have been previously paid.
- (3) Storage charges will cease to accrue for the account of CCC for CCC-owned peanuts when:
  - (a) CCC orders peanuts to be delivered, on the date the bill of lading is receipted for by the carrier, or on the final shipment date specified in the shipping instructions as issued or amended in writing by CCC, whichever is earlier, or
  - (b) Peanuts are sold or transferred to another party by CCC, in store, on the date specified by CCC.
- (4) Storage charges payable for a fractional part of the:
  - (a) First calendar month during which the peanuts are in storage in the warehouse will be prorated to the same extent as the days in storage relates to the full calendar month. Storage charges payable thereafter, except for the final partial calendar month, will be at the full monthly storage rate.
  - (b) Final calendar month during which the peanuts are in storage in the warehouse will be prorated to the same extent as the days in storage relate to the full calendar month and will be paid after receipt and entry into CCC's accounting records of the applicable bill of lading or other delivery documents acceptable to CCC.
- (5) Payment will be made quarterly by CCC for peanuts recorded in CCC's inventory after presentation by the warehouse operator of a properly certified invoice in such manner and form as may be prescribed by CCC. The first payment after receipt of the peanuts will include any amount due from CCC for handling charges. The warehouse operator must promptly reimburse CCC for any overpayment made by CCC.

**C. Restrictions on Payments**

- (1) CCC will not pay for any service (including overtime, Sunday, and holiday labor service) not specifically authorized by this Agreement or in writing by CCC. Services not specifically authorized by this Agreement will be performed only after CCC determines that such services are required and should be performed.
- (2) CCC will not be liable for any charges which are for the account of previous or subsequent owners of peanuts nor will CCC be liable for handling charges on peanuts acquired by CCC in store.
- (3) Nothing in this Agreement authorizes or requires payment for services already paid for by CCC or any other party.
- (4) If any of the peanuts are lost or rejected back to the warehouse operator, all storage charges for the account of CCC for those peanuts will cease as of the date of loss or rejection back to the warehouse operator.
- (5) No charges of any kind will be payable for peanuts disposed of contrary to the terms of this Agreement and the instructions of CCC, and any such charges already paid by CCC will be immediately refunded by the warehouse operator.

**PART 5. SETTLEMENT****A. Settlement for Load Out**

Except as otherwise provided in this Agreement, settlement will be made by CCC for differences in value between peanuts loaded out by the warehouse operator and the peanuts ordered shipped by CCC. Except to the extent that liability is limited by other provisions of this Agreement, the warehouse operator is liable as an insurer and must indemnify CCC in the manner and to the extent provided in this Part for any failure to deliver peanuts meeting the requirements in Part 3 of this Agreement.

**B. Commingled**

For commingled peanuts, the warehouse operator must, upon demand, pay CCC for the value of shortages in quantity and deficiencies in quality determined in accordance with Paragraph D of peanuts:

- (1) Ordered loaded out by CCC which are not shipped by the warehouse operator;
- (2) Shipped by the warehouse operator which are rejected by CCC; and
- (3) Shipped with quality deficiencies and accepted by CCC.

**C. Identity Preserved**

For identity preserved peanuts shipped by CCC, the warehouse operator must, upon demand, pay CCC for the value of shortages in quantity and deficiencies in quality of such peanuts which result from the warehouse operator's failure to exercise due care, provide appropriate warehousing services, or comply with the directions of CCC and the provisions of this Agreement. If the identity preserved peanuts are commingled with other peanuts or if the identical peanuts received by the warehouse operator are not delivered, the warehouse operator's liability will be settled in accordance with the provision of Paragraph B above.

**D. Determination of Values**

For settlement purposes, the value of shortages in quantity and deficiencies in quality on the settlement date shall be paid by the warehouse operator to CCC for the peanuts represented by the shortage or deficiency determined according to Part 3, Paragraph (F)(1)(b).

**PART 6. TERMINATION AND EFFECTIVE DATE****A. Termination**

In addition to the grounds specified in other provisions of this Agreement, this Agreement may be terminated as follows:

- (1) Either party may terminate this Agreement without cause for any and all warehouses subject to this Agreement. Written notice of termination must be given to the other party at least 30 days prior to the date the termination is to be effective. Termination under this Part will not of itself give rise to any damages under this Agreement but will not relieve the warehouse of liability imposed by this Agreement.
- (2) CCC may terminate this Agreement immediately if the warehouse operator has violated the terms of this Agreement.
- (3) After termination of this Agreement, all provisions applicable to the storage, load out, and settlement of peanuts in this Agreement remain in effect pending removal and/or acceptance by CCC of some other disposition of the peanuts.

- (4) Notwithstanding any other provision of this Agreement relating to disputes, the warehouse operator may request that the Director, Warehouse and Commodity Management Division, review any Contracting Officer's determination which proposes termination of this Agreement. If the Director should agree to review the Contracting Officer's proposal, the Director will become the Contracting Officer with regard to this matter. Once the issue or issues which are the subject of the warehouse operator's request for the Director review are resolved, upon the Director's direction, the original Contracting Officer may resume as the Contracting Officer for this Agreement.

### B. Effective Date

This Agreement will become effective upon the date signed by CCC, and will, as of such date, supersede any existing Agreement and any amendments between the warehouse operator and CCC. This Agreement will remain in effect until July 1 thereafter and will be renewed automatically for one year on each July 1 after the effective date.

<b>4. WAREHOUSE OPERATOR:</b>		<b>5. COMMODITY CREDIT CORPORATION:</b>	
4A. _____ <div style="text-align: center;"><i>(COMPANY NAME)</i></div>		5A. By _____ <div style="text-align: center;"><i>(CONTRACTING OFFICER)</i></div>	
4B. By _____ <div style="text-align: center;"><i>(SIGNATURE)</i></div>		5B. Effective Date _____	
4C. Title _____			