UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

CCC-25
Uniform Grain and Rice Storage Agreement
Uniform Grain and Rice Storage Agreement

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UNIFORM GRAIN AND RICE STORAGE AGREEMENT

No. AG _______ -3-CCC- _________

This Uniform Grain and Rice Storage Agreement (Agreement or UGRSA) is for the storage and handling of Commodity Credit Corporation (CCC) - interest grain. This Agreement is entered into between CCC, and

(1) ________________________________ (Warehouse Operator) whose principal place of business is at (2) ________________________________ (location).

PART I - DEFINITION OF TERMS

APPROVED SPACE. Warehouse space approved by CCC for storage of grain under this Agreement.

APPROVED WAREHOUSES. Warehouses that have entered into a UGRSA with CCC.

AUTHORIZED GRAIN EVALUATION PROCEDURES. Procedures for sampling, inspecting and weighing grain developed by the Grain Inspection, Packers and Stockyards Administration (GIPSA), a regulatory agency of the U.S. Department of Agriculture (USDA) authorized to establish the U.S. Grain Standards.

AUTHORIZED REPRESENTATIVES. Individuals authorized by USDA to conduct inspections and/or other regulatory activities at warehouses under the control of the warehouse operator that are subject to this Agreement.

AUTHORIZED WAREHOUSES. Warehouses in compliance with 7 CFR Part 1421 with a CCC code.

CCC. Commodity Credit Corporation, a wholly-owned government corporation within the USDA.

CCC Code. A unique numeric code assigned by Kansas City Commodity Office (KCCO) to warehouse facilities participating in CCC storage activities.

CCC-INTEREST GRAIN. Grain, the title of which is vested in CCC, or grain which is pledged as collateral for a marketing assistance loan (MAL).

CCC LIST OF WAREHOUSES. A list of grain warehouses with a CCC Code. These warehouses may accept delivery of grain pledged as collateral for a MAL.

CCC-OWNED GRAIN. Grain in which title is vested in CCC.

COMMINGLED. The storage or handling of grain deliveries in common, that is intermixed, mingled or blended.

CONVEYANCE. The individual means of transportation (truck, railroad car, unit train, barge, or vessel) used in receiving or shipping grain.

DIRECT TRANSFER. Transferring grain from one transportation conveyance to another for the purpose of obtaining approved weights, official grain inspections, or both.

GRAIN. Wheat, feed grains (barley, corn, oats, grain sorghum), rice, soybeans, other oilseeds (canola, crambe, flax, mustard, rapeseed, safflower, sesame, sunflower), and pulses (chickpeas, dry peas, and lentils), as defined in the United States Standards, as applicable.

HANDLING ONLY. Receiving and loading out grain tendered for shipment rather than storage. All the grain accepted by the warehouse for “handling only” is considered to be commingled and the responsibility of the warehouse is as if handled commingled.

IDENTITY PRESERVED. The storage and handling of grain which is represented by warehouse receipts marked in a manner acceptable to CCC indicating that the grain is stored or handled identity preserved and which grain is stored or handled in such
manner that the actual grain deposited and no other may be delivered to the holders of the warehouse receipts. CCC-interest grain authorized to be stored identity preserved must be stored in specific bins under such supervision and conditions as directed by CCC.

LOADING ORDER. Instructions issued by CCC to the warehouse operator authorizing and directing disposition of CCC-owned grain. Such instructions may include, but are not limited to, the description of the grain, method of delivery, stop storage date, and warehouse receipt number or description.

LOADING OUT. Removing the grain from the warehouse and loading the grain into conveyances.

MILLING YIELD. An estimate of the quantity of whole kernels and total milled rice (whole and broken kernels combined) that are produced in the milling of rough rice to a well-milled degree.

NON-LICENSED WAREHOUSE. Warehouse that operates in a State that does not have an operating warehouse licensing program, or is not licensed by USDA under the United States Warehouse Act (USWA), which is interested in providing storage services for CCC-interest commodities.

OFFICIAL GRAIN INSPECTION. Sampling, testing, grading, and certification of grain by official inspection personnel under the United States Grain Standards Act as amended (USGSA), or the Agricultural Marketing Act of 1946 as amended (AMA), in accordance with methods and procedures prescribed in the regulations and instructions issued pursuant to such Acts by the USDA. The methods and procedures to be used to establish an official grade, official factors, or both for the purpose of this Agreement will be those prescribed in the regulations and instructions issued under such Acts for an “official sample -- lot inspection” or, for rice, “quality lot inspection”.

PERSONS. Individuals as well as corporations, companies, associations, firms, partnerships, societies, and joint stock companies, a State or a political subdivision of a State.

PRODUCER. Any party having an interest or ownership in grain which is eligible for a MAL, or which is eligible to be delivered to a warehouse in settlement of a MAL.

QUALITY. In addition to the grade, all grading factors including special grades, prescribed in the AMA, or the USGSA. Quality also will include dockage, if applicable, moisture, protein content in the case of wheat (hard, durum and soft white wheat), and milling yield.

RECEIVING. Receiving and unloading all of the grain from conveyances and elevating such grain into the warehouse.

RECONCENTRATED GRAIN. CCC-owned grain that, upon request of CCC, has been physically moved from one warehouse to another designated warehouse.

REPRESENTATIVE SAMPLE. A sample of grain drawn by an official grain inspector and representative of the entire quantity of grain being sampled.

SECRETARY. The Secretary of the United States Department of Agriculture.

SUBMITTED SAMPLE. A representative sample of grain drawn by anyone other than an official grain inspector and submitted to an official grain inspector for grading.

UNITED STATES STANDARDS. The quality standards maintained for agricultural products regulated by either the AMA, or the USGSA.

UNITED STATES WAREHOUSE ACT. Federal law 7 U.S.C. 241 et seq under which authority USDA licenses grain warehouses.

WAREHOUSE. A structure or other authorized storage facility, as determined by CCC for the purpose of this agreement, in which any agricultural product may be stored or handled.

WAREHOUSE OPERATOR. A person lawfully engaged in the business of storing or handling agricultural products.

WAREHOUSE RECEIPT. A pre-numbered, negotiable warehouse receipt issued under the authority of the USWA, a State licensing authority, or by an approved CCC warehouse in such format authorized and approved, in advance, by CCC; an electronic warehouse receipt issued by such warehouse and recorded in the central filing system of a provider approved by the Farm Service Agency (FSA) to operate such system; or other such acceptable evidence of title, as determined by CCC.
PART II - GENERAL TERMS

A. Scope

1. Unless otherwise specified in this Agreement, the provisions of this Agreement apply to all CCC-interest grain as of the date of deposit or the date title is transferred to CCC, until such grain is loaded out or title is transferred from CCC to another party (transferee).

2. If CCC transfers title to CCC-owned grain in store, the storage and handling rates applicable to the transferee with respect to such grain shall not exceed CCC’s schedule of rates in effect at the time of title transfer until the earlier of:
   a) 60 calendar days, or
   b) The day the grain is loaded out of the warehouse by any party.

3. Notwithstanding 2 above, if CCC transfers title to CCC-owned grain in store, the storage and handling rates contained in the schedule of rates will apply to such grain until it is loaded out, provided the transferee, in writing, orders the grain loaded out for immediate shipment within 30 calendar days after the date title is transferred by CCC.

B. CCC Not Obligated to Store Grain

This Agreement does not obligate CCC to tender grain for storage or handling. The issuance of loading orders or a request for storage space does not obligate CCC to tender grain for storage. If CCC-owned grain is in store, the storage period will be at the option of CCC.

C. Documents Incorporated by Reference

Incorporated by reference into this Agreement are the following documents, statutes, and regulations:

1. Application for Approval of Warehouse and Supplement;
2. Schedule of Warehouses;
3. Schedule of Rates;
4. Financial Statement and any Supplement;
5. 7 CFR Parts 1403, 1407, 1421, and 1423;
6. Agricultural Marketing Act of 1946;
7. United States Grain Standards Act;
8. Applicable supplements in effect under this Agreement.

D. Terms of Agreement to Prevail

Applicable Federal laws, regulations of the United States and the terms of this Agreement prevail over the written or printed terms of warehouse receipts representing grain, the warehouse operator’s tariff or posted rates, and State and local laws or regulations to the extent that such laws or regulations are inconsistent with the provisions of this Agreement or the laws and regulations of the United States. Any State law, local law, regulation, or tariff provision which is not consistent 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.

E. Basic Standards

Each warehouse operator and each warehouse owned or operated by such warehouse operator for which CCC approval is sought for the storage or handling of CCC-interest commodities shall meet the following standards:

1. The warehouse operator shall:
   a) be an individual, partnership, corporation, association, or other legal entity engaged in the business of storing or handling
for hire, or both, the applicable commodity. The warehouse operator, if a corporation, shall be authorized by its charter to engage in such business;

b) have a current and valid license for the kind of storage operation for which the warehouse operator seeks approval if such a license is required by State or local laws or regulations;

c) have a work force and handling equipment available to complete load out within 60 business days of that quantity of grain for which the warehouse is or may be approved under the UGRSA, or make other arrangements as necessary to meet these requirements; and

d) have satisfactorily corrected upon request by CCC, any deficiencies noted by the authorized representative in a corrective action request or form WA-125, Memorandum of Adjustments, in the performance of any storage contract or agreement with CCC.

2. Warehouse operator, officials, and each of its supervisory employees shall:

a) have a satisfactory record of integrity, judgment, and performance; and

b) be neither suspended nor debarred under applicable Federal suspension and debarment regulations.

3. The warehouse shall:

a) be of sound construction, in good state of repair, and adequately equipped to receive, handle, store, preserve, and deliver the applicable commodity;

b) be under the control of the warehouse operator at all times;

c) not be subject to greater than normal risk of fire, flood, or other hazards; and

d) have available at the warehouse adequate and operable firefighting equipment for the type of warehouse and applicable stored commodity.

PART III - WAREHOUSE OPERATOR’S RESPONSIBILITIES

A. Grain Accepted for Storage

1. All grain accepted for storage must be stored in licensed or approved space. CCC-interest grain will be considered to be stored commingled unless:

a) CCC and the warehouse operator agree in writing that such grain is to be stored identity preserved; or

b) CCC-interest grain is transferred to identity preserved storage at the request of the warehouse operator in accordance with the terms of this Agreement.

2. For MAL purposes or when grain is acquired in store by CCC, or as the result of an inbound loading order delivery, outbound loading order under delivery, cancellation or partial cancellation, the warehouse operator must:

a) issue negotiable warehouse receipts on such grain in accordance with CCC’s instructions, in all instances no later than 30 calendar days after receiving such instructions from CCC. At a minimum, the negotiable warehouse receipts must show all grading factors, moisture, dockage, wheat (hard, durum, and soft white) protein content, and milling yields for rice. In addition, the quality of the grain represented by the warehouse receipt must at all times be suitable for interstate commerce; and

b) upon request, furnish to CCC all weight, inspection, and protein inspection certificates, if applicable, representing the grain.

3. The warehouse operator must furnish, on receiving grain deliveries for “handling only” or “direct transfer,” documents in such form as CCC may prescribe.

4. The warehouse operator is required to notify KCCO by telephone immediately upon discovery and prior to the issuance of a warehouse receipt of all U.S. No. 3 on account of damage, U.S. No. 4, 5, (or 6 for rice) or U.S. sample grade grain:
a) delivered by producers for the account of CCC; or

b) that is received from another warehouse for the account of CCC.

5. For CCC-owned grain, if drying is authorized by CCC, CCC agrees that inventories will be reduced by one and three-tenths percent (1.3%) for each one percent (1%) of moisture removed. Payment for such drying will be made at a rate agreed to between CCC and the warehouse operator, except that no payment will be made nor inventory reduced for drying which is necessitated by causes within the control of and due to the fault or negligence of the warehouse operator.

B. Warehouse Determination of Quantity and Quality for Grain

1. Kind, class, grade, quantity, and quality of all CCC-interest grain accepted by the warehouse operator will be determined at no cost to CCC:
   a) by use of the warehouse operator’s scales for quantity determination of producer deliveries;
   b) by the use of the AMA or the USGSA and through the use of authorized grain evaluation procedures for quality. This provision does not require an official inspection, except if requested by CCC or the producer. However, upon request, the warehouse operator is required to take split samples of the grain and provide one part of the sample to the producer;
   c) by agreement between the receiving warehouse operator and CCC for reconcentrated grain; and
   d) by agreement between the producer and the warehouse operator for protein content of wheat (hard, durum, and soft white) for all CCC-interest grain delivered by the producer. However, if the producer or CCC requests a protein test, the protein content will be officially determined for the account of the requesting party on the basis of a submitted sample which the requesting party and the warehouse operator agree is representative. For all other CCC-interest grain, protein will be determined by agreement between the warehouse operator and CCC.

2. All official grain inspections obtained under this Agreement are subject to appeal. CCC, the warehouse operator, or the producer may appeal official inspection results. If the appeal provides a result in favor of the party requesting the appeal, the cost of the appeal will be paid by the party adversely affected by the appeal result. Otherwise, the party requesting the appeal does so at its own expense. All appeal results will be the basis for settlement.

C. Obligation to Maintain Stocks

1. Warehouse operators must, at their expense, maintain at all times in approved space, a quantity of grain of the same kind, class, subclass for white club wheat, grade, and at least representative of the quality, equivalent to all storage obligations to all depositors. An amount of grain equaling that owned by CCC must be stored in the warehouse represented by the CCC warehouse code shown on the warehouse receipt unless CCC authorizes, in writing, such grain to be stored at another location.

2. For identity preserved grain, the warehouse operator must maintain at all times, the identical lot of grain as defined in the warehouse records as per express agreement of depositor for CCC-interest grain.

D. Loading Out and Delivery Requirements

1. If CCC issues loading orders for CCC-owned grain to be shipped, the warehouse operator must deliver the grain in accordance with such loading orders. The loadout must be completed by the shipment completion date shown on the loading order, or CCC must be notified immediately and other arrangements satisfactory to CCC must be made.

2. If the warehouse operator fails to load out grain in accordance with loading orders and the terms of this Agreement, the warehouse operator agrees to allow CCC to remove equivalent grain representative of grain called for by the loading order. Any additional costs incurred by CCC to recover such grain will be paid by the warehouse operator.

3. If CCC issues loading orders for CCC-owned grain, the warehouse operator must load out grain of the same quantity, kind, and class and of a grade and quality fairly representative of the grain represented by each warehouse receipt issued by CCC for shipment.

4. Loadout may commence in accordance with the loading order instructions upon warehouse operator's receipt of such order with a listing of warehouse receipts as provided by CCC.
5. If CCC issues loading orders for CCC-owned grain to be shipped that indicate a balance warehouse receipt is to be issued, such receipt is to be issued within 30 calendar days in accordance with CCC’s instructions.

E. Rejection

1. CCC may reject grain delivered against its loading instructions if:
   a) the grain delivered does not meet the requirements specified in the CCC loading order or this Agreement, or if the grain is infested or adulterated according to GIPSA or Food and Drug Administration (FDA) definitions;
   b) the grain is in violation of Federal health and safety standards; or
   c) notwithstanding the moisture content of CCC-interest grain accepted by the warehouse operator for storage, the average moisture content of grain which is shipped exceeds fourteen percent (14%) for corn, or thirteen percent (13%) for grain sorghum and soybeans. This does not apply to grain accepted only for handling and/or transfer.

2. CCC may accept grain that is subject to rejection if it is determined by CCC to be in the best interest of CCC.

3. The warehouse operator will not be given credit for loading grain rejected by CCC. The shipping warehouse operator must arrange for the disposition of the rejected grain and must replace any rejected grain with grain that meets the requirements of the loading order. However, CCC may:
   a) enter into an agreement with the shipping warehouse operator under which CCC will sell the grain and the net proceeds of the sale will be applied to the settlement of the loading order; or
   b) accept the grain if the warehouse operator and CCC can agree to a discount schedule.

4. For grain rejected by CCC and not replaced, the discount to be deducted from the settlement base price will be the difference between the net sales price and the market base price on the date of rejection at the location of the rejected grain sale.

5. The parties agree that the administrative costs to CCC associated with the rejection of grain are significant but are not predictable for all cases at the time the parties enter into this Agreement. Therefore, the warehouse operator agrees to pay CCC the amount of ten (10) cents per bushel (17.86 cents per cwt.) as liquidated damages. It is mutually agreed that such damages are a reasonable estimate of the probable actual damages for the rejection of grain.

F. Warehousing Practices

The warehouse operator will not:

1. Add or mix water, foreign material or dockage into any grain, except as may be expressly permitted by Federal law.

2. Enter into any agreements with producers limiting their right to redeem CCC-interest grain. CCC will not pay for any charges on grain during any part of the contract year in which the producer’s right to redeem MAL grain has been limited by the warehouse operator.

3. Load any grain into a conveyance that is not clean.

The warehouse operator will comply with all Federal laws and regulations (FDA or Occupational Safety and Health Administration (OSHA) for example) applicable to warehouse practices.

G. Insurance

1. The warehouse operator must insure and continue to insure in the name of the warehouse, at the warehouse's expense, and for its full market value, all CCC-loan grain against loss or damage by fire, lightning, windstorm, cyclone, or tornado or inherent explosion (except for rupture or bursting due to expansion or swelling of the contents of any building or structure of the warehouse caused by or resulting from water, and rupture or bursting of any building or structure of the warehouse caused by expansion or contraction of any part thereof due to changes in temperature).

2. Without limiting the warehouse operator’s liability under this section, the warehouse operator may carry a standard form of insurance policy specifically covering the grain inventory and approved for a grain warehouse in the State in which the warehouse is located with a deductible provision on contents of not to exceed $10,000 for each occurrence.
H. Notification of Loss

In the event of any loss or damage to the grain or the warehouse facilities, the warehouse operator must inform CCC no later than the next business day after such loss or damage occurs and must take all reasonable steps to protect the grain from further loss.

I. Examinations

1. CCC reserves the right to have its authorized representative examine any or all warehouse facilities, records or inventory without prior notice at any time. Upon request, the warehouse operator must provide access to records, and any assistance necessary to perform the examination. If any special requirements or equipment are needed to perform an examination, the warehouse operator must notify CCC of such requirements. The warehouse operator must take reasonable steps to reduce or remove risks or hazards that could affect an examination. The examination will be stopped if the warehouse or its equipment (e.g. ladders, catwalks, lifts or elevators) is not safe for the examiner to conduct or continue the examination of the warehouse.

2. Warehouse examinations under this Agreement are only intended for the use and to protect the interests of CCC and are not for the protection of any other party, including the warehouse operator. CCC does not guarantee the results of its examinations to the warehouse operator or any other party.

3. The warehouse operator must, at the time of the examination, notify the warehouse examiner if any bin has been fumigated, and if the fumigant is still active, and must post in a conspicuous location on the storage structure fumigated, the date of fumigation and type of fumigant used.

J. Security Plan

The Warehouse Operator must:

1. Have a warehouse security plan that includes measures to protect grain handled and stored under this Agreement.

2. Conduct a facility risk 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 grain is not subject to tampering;
   c) action to be taken in the event of a national emergency; and
   d) contact information for local law enforcement authorities.

K. Merger of Locations under a Single CCC Code

Warehouses with multiple locations under a single CCC code must execute and agree to terms stated in Form KC-385 or its successor.

L. Application, Inspection, and Annual Agreement fees

As required in 7 CFR 1423.12, each warehouse operator not licensed under the USWA shall pay to CCC a fee or fees, including an application fee, inspection fee, and an annual agreement fee for each warehouse approved by CCC or for which approval is sought. These fees may be waived at the discretion of the Secretary.

M. Records

Records required by the licensing authority will be acceptable to CCC.

1. The warehouse operator must maintain current and complete records at all times with respect to all grain stored, handled, or under the control of the warehouse operator. Access to these records must be available for examination purposes. The required records must include, but are not limited to, a Daily Position Record which, as of the close of each business day during which any activity or transactions occurred with respect to approved space, shows the following:
a) the total quantity of grain received, loaded out, and all adjustments which are made, by kind and class, including subclass for white club wheat, and the quantity of each kind and class of grain remaining in the warehouse. Upward adjustments are not permitted on the basis of any examination or audit performed under this Agreement; and

b) the total storage obligations for each kind and class of grain. These obligations must be identified by quantity of grain on outstanding warehouse receipts, quantity of grain owned by others not on warehouse receipts, quantity of grain owned by the warehouse (all paid and all unpaid company-owned grain).

2. Warehouse records may be kept by warehouse code or warehouse license. However, the warehouse operator must maintain CCC-owned grain in the warehouse represented by CCC’s warehouse code as shown on warehouse receipts.

3. If computerized, the Daily Position Record must be printed out and maintained, for each day during which activity or transactions occurred, or converted to an unchangeable format and stored electronically.

4. The warehouse must use only prenumbered warehouse receipts and scale tickets.

5. If electronic records are kept, the warehouse operator must:
   a) conduct daily backups of electronic records. Backups must include a copy of the software application;
   b) maintain copies of the backup files in an off-site secure location;
   c) have contingency operating plans for disruption in warehouse operator’s computer system. Contingency operating plans must include disaster recovery capabilities. Recovery plans must be tested periodically.

6. The warehouse operator must retain the records required by this Agreement and the supporting documents for a period of not less than 6 years, unless otherwise authorized in writing by CCC.

7. The warehouse operator must furnish to CCC any records requested by CCC regarding the warehouse, its financial condition, the operation of the warehouse facilities, or the condition of its grain inventory. These records are only for the use of CCC. Records provided for examination use will be kept confidential and are not for public release.

N. Financial Requirements

1. Financial Standards.

   The Warehouse Operator agrees:

   a) to have and maintain (each of the following):

      (1) a net worth which is the greater of $100,000 or an amount which is computed by multiplying the maximum storage capacity of the warehouse (the total quantity of the commodity which the warehouse operator desires to store and which the warehouse can accommodate when stored in the customary manner) under the approved UGRSA based on the formula “rate times capacity” in units shown in the following table:
If this calculated net worth requirement exceeds $100,000, the warehouse operator may satisfy any deficiency in net worth between the $100,000 minimum requirement and such calculated net worth requirement by furnishing bonds, irrevocable letters of credit, or other substitute security acceptable to CCC. No bond is required in States with indemnification funds or standards above the minimum standards for net worth. A deficiency bond is required for State licenses with lower net worth requirements.

(2) total allowable current assets equal to or exceeding total current liabilities or evidence acceptable to CCC that funds will be and will remain available to meet current obligations.

b) to have adequate insurance for depreciable fixed assets and inventory claimed as an asset or value on their financial statement.

2. Financial Reporting

The Warehouse Operator agrees:

a) to provide annually within 90 calendar days after the close of the warehouse’s fiscal or calendar year, or more frequently if required, current financial statements from the Warehouse Operator’s records prepared according to generally accepted accounting principles addressed to the Kansas City Commodity Office, Stop 8758, P.O. Box 419205, Kansas City, Missouri 64141-6205.

b) the required financial statements will include, but not be limited to (each of the following):

(1) a balance sheet;
(2) a statement of income (profit and loss);
(3) a statement of retained earnings;
(4) a statement of cash flows; and
(5) notes to the financial statement.

c) authorized representatives for the warehouse operator will certify under penalty of perjury that the statements, as prepared, accurately reflect the financial condition of the warehouse as of the date designated, and fairly represent the results of operations for the period designated.

d) they will have the required financial statements reviewed or audited by a certified public accountant or an independent public accountant. Reviews and audits by independent certified public accountants and independent public accountants are to 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 are to include a detailed list of company-owned inventories,
including unpaid grain.

e) reviews and audits without a physical measurement of inventory and its resultant qualified opinion may subject the
warehouse operator to an inventory measurement by USDA personnel and the assessment of fees for travel and time to
compensate USDA for the cost of conducting such measurement.

f) if any financial statement is restated, recalculated or republished, the warehouse operator shall notify CCC immediately.

3. Accepting Other Financial Statements.

The warehouse operator may meet the financial and reporting requirements of Part III, subject to CCC approval, with (any of
the following):

a) consolidated financial statements of parent companies that separately identify the financial position of the warehouse
operator as a subsidiary;

b) guaranty agreement from parent company submitted on behalf of a wholly-owned subsidiary who submits a financial
statement which meets the requirements; or

c) guaranty agreements accompanied by audit-level financial statements meeting the requirements of an entity or entities
with substantial interest in the warehouse operator.

4. Special Cases – Assets.

Subject to such terms and conditions as CCC may prescribe and for the purposes of determining allowable net assets, appraisals
of the value of fixed assets in excess of the book value claimed in the financial statement submitted by the warehouse operator
to conform to the requirements may be allowed if each of the following conditions is met:

a) the assessment is prepared by independent certified appraisers and according to established appraisal criteria acceptable
to CCC; and

b) the assets are fully insured against casualty loss. The warehouse operator must provide written notice to CCC not less
than 30 calendar days before the insurer(s) intends to cancel insurance coverage.

PART IV - CCC RESPONSIBILITIES

A. Payment of Charges

1. CCC will make quarterly storage payments based on CCC-prepared invoices. CCC procedures for submitting warehouse
invoices for charges or services may be obtained from KCCO.

2. All claims for payment must be submitted to CCC within 12 months from the date charges were incurred, unless otherwise
agreed to by the warehouse operator and CCC in writing. CCC is not obligated to pay claims not timely submitted.

3. Storage payments.

a) Storage payments will be calculated from the day after which CCC either deposited grain in the warehouse or the day
after CCC obtained title to grain in store.

b) Storage charges will stop on the day:

(1) specified by CCC in loading orders issued to the warehouse operator;

(2) CCC transfers title to the grain in store to another party; or

(3) CCC determines the grain was lost, destroyed, removed without authority, or deteriorated to such a point that it is no
longer representative of the kind, grade, or quality required by the warehouse receipts in the possession of CCC.

c) CCC will not pay any charges for:
(1) services not rendered, services prepaid by any party, or services that are not authorized by this Agreement;

(2) services on grain the warehouse operator fails or refuses to deliver; and/or

(3) storage on grain beyond the 30 calendar day period for which CCC has not received a warehouse receipt within 30 calendar days of its request. Such request will state that storage will stop on the 31st calendar day after such letter is issued. Storage for such grain will resume on the date the warehouse receipt is received by CCC.

B. Notification of Rejected Grain

CCC will immediately notify the shipping warehouse operator of rejected grain shipments.

C. Request for an Official Inspection

CCC may at any time request an official inspection of CCC-owned grain and, unless otherwise provided for in this Agreement, the costs of such an inspection will be borne by CCC.

PART V - SETTLEMENT FOR LOADING OUT

A. Settlement for Grain

Settlement will be made by CCC for differences in value between the grain loaded out of the warehouse and the value of the grain contained on the loading order in accordance with this part.

B. Warehouse Quality Differences

1. Except in the case of unit train shipments, quality differences will be settled on a warehouse receipt basis.

2. CCC will pay the warehouse operator for the value of overdeliveries in quality or milling yield (including differences in the protein value of wheat in accordance with Part V, B. 4).

3. The warehouse operator will pay CCC for the value of underdeliveries in quality or milling yield (including differences in the protein value of wheat in accordance with Part V, B. 4).

4. Settlement for protein content of wheat (hard, durum, and soft white) will not be made on a loading order that does not call for delivery of protein. If a loading order calls for both protein and non-protein wheat, settlement for protein differences will be made on a warehouse receipt basis.

C. Determination of Values

Values for settlement purposes will be based on cash prices, as determined by CCC, current for the location from which the grain was shipped as of the date of loading settlement.

PART VI - REMOVAL - UNAUTHORIZED SALE OF GRAIN - TERMINATION - EFFECTIVE DATE

A. Change from Approved to Removed Status on the CCC List of Warehouses

CCC may change the warehouse status from approved to removed on the CCC List of Warehouses under this Agreement for:

1. any material breach of this Agreement;

2. failure to pay any amount due to CCC;

3. proposed suspension or debarment, or debarment of the warehouse operator or warehouse under applicable Federal suspension and debarment regulations; or

4. suspension, termination, or removal of a USWA license or State license by the licensing authority.

B. Unauthorized Sale of Grain and Replacement of Non-company-owned Grain
Warehouse operators are not entitled to unjust enrichment from the sale of CCC-interest grain. Such actions may be subject to prosecution. If CCC determines that a warehouse operator has received profits from the sale and replacement of grain not owned by the warehouse, the warehouse operator must pay CCC a pro rata share of those profits attributed to the amount of CCC-interest grain in store. The amount of this profit will be determined by using a first-out first-in basis. The profit will be calculated by comparing the price at which the CCC-interest grain was sold versus the price of the replacement grain based on CCC’s pro-rata share. Any losses incurred by the warehouse operator due to the sale and replacement of grain not owned by the warehouse is for the account of the warehouse operator and will not be offset against profits to be paid to CCC.

C. Termination

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

   a) Either party may terminate this Agreement without cause with respect to any and all warehouses subject to this Agreement. Written notice of termination must be given to the other party at least 30 calendar days prior to the date the termination is to be effective. Termination under this section will not give rise to any damages under this Agreement;

   b) CCC may terminate this Agreement immediately if the warehouse operator has violated the terms of this Agreement;

2. After termination of this Agreement, all provisions applicable to the storage, loading out, and settlement of grain in this Agreement remain in effect pending removal of CCC-interest grain; and

3. Notwithstanding any other provision of this Agreement relating to disputes, the warehouse operator may request that CCC review any determination which proposes termination of this Agreement. If CCC should agree to review the determination, the Secretary or designee will make the determination with regard to this matter. Once the issue or issues which are the subject of the warehouse operator’s request for the Secretary’s review are resolved, upon the Secretary’s direction, the original authority may resume for this Agreement.

D. 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 the first of April thereafter and will be renewed automatically for one year on each April 1 after the effective date.

By signing below, I (the warehouse operator) indicate my intent to enter into a Uniform Grain and Rice Storage Agreement (UGRSA) (dated June 7, 2011) with the Commodity Credit Corporation. If the UGRSA is approved by CCC, I also agree to comply with all provisions in the UGRSA, applicable statutes and regulations. I understand that failure to comply with the provisions of the UGRSA, or applicable statutes or regulations may result in the termination of the UGRSA by CCC. I also understand that signing this document does not affect my eligibility, or any determination of eligibility under the UGRSA, and only indicates my intent to enter into a UGRSA.

<table>
<thead>
<tr>
<th>3A. WAREHOUSE OPERATOR:</th>
<th>4. COMMODITY CREDIT CORPORATION:</th>
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<tr>
<td></td>
<td>4A. By: ________________________</td>
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<tr>
<td></td>
<td>(Company Name)</td>
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<tr>
<td>3B. By: __________________</td>
<td>4B. Effective Date: ____________</td>
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<td>3C. Title: __________________</td>
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<tr>
<td>3D. BUSINESS TELEPHONE NO. WITH AREA CODE OF PERSON RESPONSIBLE FOR RATES OFFERED</td>
<td>4B. Effective Date: ____________</td>
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<td>AREA CODE: ()</td>
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NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1423, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Farm Security and Rural Investment Act of 2002 (Pub. L. 107–171). The information will be used to determine eligibility for a warehouse operator to enter into an agreement with CCC concerning the storage and handling of CCC-interest commodities. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for a warehouse operator to enter into an agreement with CCC concerning the storage and handling of CCC-interest commodities.

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. RETURN THIS COMPLETED FORM TO THE KANSAS CITY COMMODITY OFFICE, Mail Stop 8748, P.O. BOX 419205, KANSAS CITY, MO 64141-6205

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