



United States  
Department of  
Agriculture

WLED-04  
BCD-53

Farm and Foreign  
Agricultural  
Services

## NOTICE TO THE TRADE

Farm Service  
Agency

DATE: July 01, 2003

Kansas City  
Commodity Office  
P.O. Box 419205  
Kansas City,  
Missouri  
64141-6205

TO: Current and Prospective Providers, Users and Interested Parties

SUBJECT: United States Warehouse Act (USWA) Electronic Provider Agreements and Addenda

### Background

In November of 2000, Congress enacted the Grain Standards and Warehouse Improvement Act of 2000 (the Act). The Act authorized the Secretary of Agriculture to issue regulations governing "electronic systems under which electronic receipts may be issued and transferred and other electronic documents relating to the shipment, payment, and financing of the sale of agricultural products may be issued or transferred." This expanded the electronic warehouse receipt (EWR) function that was previously limited to cotton only, to include all agricultural products and unlimited documents.

The United States Department of Agriculture (USDA) issued new regulations for the Act that:

- **establishes** two Provider Agreements, one for EWRs and electronic USWA documents and one for other electronic business documents,
- **institutes** Provider Agreement Addenda for each applicable agricultural product,
- **increases** the net worth requirement for Providers of EWRs;
- **establishes** requirements for Providers of other electronic business documents; and
- **includes** the fee schedule as an appendix of each Provider Agreement.

Authorized Provider:

An authorized Provider under the Act is a "designated representative" of the Secretary of Agriculture that:

- **exercises** due diligence in preventing the assimilation, conveyance or presentation of unauthorized, erroneous or misleading information through their authorized central filing system (CFS); and
- **serves** as custodian of CFS records and data on behalf of, and under the exclusive control of FSA.

Purpose and General Changes:

Attached are copies of the new USWA - WA-460 - Provider Agreement to Electronically File and Maintain Warehouse Receipts and United States Warehouse Act Documents, @WA-490 - Agreement to Electronically File and Maintain Other Electronic Documents (Agreements) and Addenda as authorized by the Act and its regulations. These Agreements and Addenda replace all previously signed agreements with USDA regarding EWRs and electronic documents. The Act makes all previously executed provider agreements, addenda and any preexisting provider tariffs, releases, participant or warehouse user agreements, document profiles, legal descriptors, and terms and conditions invalid under its new provisions. Current Providers must sign and execute a new Agreement and applicable Addenda to retain their authority for EWRs. It is important for FSA to implement the new EWR Provider Agreement by July 15, 2003.

Basic Agreements and Specific Addenda:

- WA-460 "Agreement to Electronically File and Maintain Warehouse Receipts and United States Warehouse Act Documents."
- Specific WA-460 Addenda for each applicable agricultural product provide:
  - **Authority** to maintain an electronic CFS that records and stores issuance, transfer and cancellation data of EWRs for warehouse stored agricultural products, and
  - **Authority** to maintain an electronic CFS that records and stores issuance, transfer and disposition data of electronic documents for agricultural products stored in USWA-licensed warehouses.
- WA-490 "Agreement to Electronically File and Maintain Other Electronic Documents"
  - Specific WA-490 Addenda for each applicable agricultural product provide:

O **Authority** to maintain an electronic CFS that records and stores issuance, transfer and disposition data of other electronic documents for agricultural products regardless of storage or under whose authority they issue the document; and

O **Authority** to maintain an electronic CFS that records and stores issuance, transfer and disposition data of other electronic documents relating to the shipment, payment, and financing of the sale of agricultural products regardless of storage or under whose authority they issue the document.

Effective Dates/Implementation/Fees:

These final Agreements and Addenda have a June 1, 2003, version date. All previously executed agreements and documents authorizing EWRs expire at the close of business July 14, 2003. The new Agreement and Addenda authorizing EWRs will become effective at the start of business July 15, 2003.

The Farm Service Agency (FSA) will not charge current authorized Providers an application fee. Current authorized Providers who have paid this year's annual fee will receive full credit and must pay only the remaining balance of their new annual fees stated in the applicable Agreement or Addenda. During the transitional period, FSA will work with current and prospective Providers in meeting new annual fees, increased insurance, financial, net worth and operational requirements.

The Provider's new customer-user operational documents and legal instruments must be completed and executed before accepting any EWR for the 2003 crop year, but not later than the start of business August 15, 2003.

All future Agreement(s) and applicable Addenda executed and submitted by a current or new Provider will be effective upon the date of execution by USWA's representative.

Action:

Current and prospective Providers should review and choose the applicable Agreement and Addenda that best serves the intended needs and offerings of their end-users and customers. Upon making a selection, the Provider should execute the applicable Agreement(s) and Addenda by authorized signature and return documents and applicable fees to FSA as soon as possible. **Current EWR providers must return their applicable signed and executed Agreement(s) and Addenda with applicable fees to USWA's representative by close of business July 14, 2003. Failure to execute and submit a new Agreement(s) and applicable Addenda will prohibit a current Provider from legally accepting or storing EWRs or related electronic documents in their CFS.**

Additionally, current and prospective Providers must provide FSA a copy of their new tariff, releases, participant or warehouse user agreements, profiles, legal descriptors, and terms and conditions with their customers-users that fully comply with all provisions of the Act, its regulations, Agreement(s) and Addenda.

FSA requests and appreciates everyone's cooperation in making this transition as seamless and timely as possible.

Copies of the Act, Regulations, Agreements and Addenda are available at FSA's website: <http://www.fsa.usda.gov/daco/uswa.htm>

If any problems are encountered accessing these documents, please contact Donna Walker at [dmwalker@kcc.usda.gov](mailto:dmwalker@kcc.usda.gov) or send an e-mail to [webteam@fsa.usda.gov](mailto:webteam@fsa.usda.gov) or call 1-800-255-2434.

For questions regarding these changes, please contact Terry Chapman, Chief, Licensing Branch, Kansas City Commodity Office at (816) 926-6474 or electronically: [tlchapman@kcc.usda.gov](mailto:tlchapman@kcc.usda.gov) .

**RETURN EXECUTED AGREEMENTS, ADDENDA AND APPLICABLE USER FEES TO:**

Regular and Express Mail:

Bert Farrish  
Deputy Administrator for  
Commodity Operations  
Farm Service Agency-USDA  
Stop: 0550-Room 3080-S  
1400 Independence Ave., S.W.  
Washington, D.C. 20250-0550

/s/

George W. Aldaya  
Director

Attachments