

CHAPTER 232

PUBLIC LOCAL GRAIN WAREHOUSES

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232.01 LOCAL WAREHOUSES; WHAT ARE. All elevators, flour, cereal and feed mills, malhousers and warehouses in which grain is received, stored, or handled situate at any location other than Minneapolis, St. Paul, and Duluth, shall be public warehouses known as public local grain warehouses and shall be under the supervision, and subject to the inspection, of the commission. *Am 1943-393-1*

All elevators, flour, cereal and feed mills, malhousers, or warehouses located in any of the cities above named receiving grain direct from producers in less than minimum carload lots shall be required to conform to all laws relating to public local grain warehouses.

[1923 c. 114 s. 1; 1937 c. 296 s. 1] (5059)

232.02 WAREHOUSES MUST BE LICENSED. All public local grain warehouses shall be licensed annually by the commission. No license shall be issued until applicant has complied with section 232.13 relating to storage of grain. Application for license must be filed with the commission and the license issued before transacting warehouse business. *Am 1943-395-2*

Every license shall expire at midnight on the thirtieth day of June, the fee shall be \$5.00 for each license issued and a license shall be required for each such warehouse operated. The fees collected under this section shall be paid into the state treasury and credited to the state grain inspection fund. Such license shall be revocable by the commission for cause upon notice and hearing. All licenses, grade rules, and all rules regulating public local grain warehouses shall, upon receipt thereof by the warehouseman, be posted in a protected place in the driveway to his warehouse.

Any person, firm, or corporation, other than a licensed warehouseman, who shall purchase grain from the owner thereof for the purpose of re-sale shall first procure a license therefor from the commission before transacting such business and shall be subject to the same laws, rules, and regulations as may govern public local grain warehousemen in so far as they may apply. Such license shall be renewed annually and shall also expire on June thirtieth. The license fee for each such buyer shall be \$5.00. Before any such license shall be issued the applicant therefor shall file with the commission a bond to the state with a corporate surety, approved by the commission, in a penal sum of not less than \$1,500, conditioned that the applicant will pay upon demand to such owner the purchase price of such grain. Nothing in this chapter shall apply to anyone purchasing seed grain for his own use or to any person who engages in the purchase of grain for his own use or consumption; but the word "use" or the word "consumption," as used herein, shall not be construed to mean or include the sale of such grain at retail or wholesale.

Any public local grain warehouseman or such purchaser of grain operating without first obtaining such license shall be deemed guilty of a misdemeanor; each day of such operation shall constitute a separate offense; for which such public local grain warehouseman, or purchaser of grain, shall forfeit to the state \$50.00 and such operation may be enjoined upon complaint of the commission.

[1923 c. 114 s. 2; 1937 c. 296 s. 2; 1941 c. 432] (5060)

232.03 WAREHOUSES MUST BE KEPT OPEN. All duly licensed local public grain warehouses shall be kept open for business in order to properly serve the public. Upon application and sufficient cause shown the commission may allow

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any such warehouse to close for such length of time as may be stated in the order issued thereon. Nothing in this section contained shall apply to flour, cereal and feed mills and malthouses doing a manufacturing business only.

[1923 c. 114 s. 3] (5061)

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943-241-21/ 232.04 **LICENSES MAY BE REVOKED.** Any person, firm, or corporation operating a public local grain warehouse who shall fail to keep the same open for the transaction of the business for which license has been issued, without first having received written permission from the commission to close, shall be guilty of a misdemeanor and the license issued may be revoked by the commission and no re-issue of license will be made to such warehouseman, or anyone associated or connected with him, for a period not exceeding two years.

In case of loss by fire or other cause of any licensed public local grain warehouse it shall be the duty of the licensee thereof to notify the commission, in writing, immediately, of such loss.

Upon the sale or lease of a public local grain warehouse, a transfer of the license for such warehouse shall be necessary and such transfer of license may be had free of charge by applying to the commission for the same; provided, that the party selling or leasing shall first file with the commission a report of the business done from the preceding first day of June up to the time of such sale or lease, and satisfy the commission that proper provision has been made for the purchase, redelivery, or continuation of storage of such grain as may be outstanding on storage receipts.

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793 [1923 c. 114 s. 4; 1937 c. 296 s. 3] (5062)

232.05 **STATE INSPECTION AND WEIGHING.** The commission, upon proper application for state inspection or weighing of grain by any person interested at any other point than St. Paul, Minneapolis, or Duluth, may furnish such service, if it is deemed expedient; provided, such person first agrees to pay all costs of the service. Rules governing state inspection and weighing at other terminals shall apply at such points.

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793 [R. L. s. 2086] (5062-1)

232.06 **GRAIN TO BE RECEIVED FOR STORAGE; RECEIPT FOR; PENALTIES.** Subdivision 1. **Discrimination prohibited; contract for storage.** Every public local grain warehouseman licensed to store grain shall receive for storage, so far as the capacity of his warehouse will permit, all grain tendered him, without discrimination of any kind; provided such grain is sound and in a warehousable condition and of proper grade for delivery on terminal market contracts. Upon delivery of grain for storage, a legal warehouse storage receipt shall be issued to the owner or his agent, which shall state the place and date when the grain was received, the name of the owner of the grain, the kind and grade of the grain according to the official terms established by the state board of grain appeals or by the secretary of agriculture of the United States, the gross weight, dockage and net weight of the grain as per Minnesota standard weight and in addition thereto such receipt shall contain either on its face or reverse side the following specific warehouse and storage contract:

This grain is received, insured and stored to June 30th, following, unless it is shelled corn, when the date shall be March 31st following delivery, and terms expressed in the body of this receipt shall constitute due notice to the holder thereof of the expiration of the storage period. Excepting therefrom "an agreement for the renewal of such storage," the charges for receiving, insuring, handling and storing for the first 15 days, or part thereof, shall be free. Storage after the first 15 days shall be charged and hereby is fixed in the sum of one-thirtieth of a cent per bushel per day for the balance of the storage period, which shall be collected by the warehouseman upon presentation of the storage receipt for the sale or delivery of the grain represented by such receipt, or the termination of the storage period. It shall be and hereby is made unlawful for any person, firm, association or corporation to charge or collect a greater or lesser amount than the one herein fixed. If grain is cleaned at owner's request, the charge shall be two cents per bushel. This grain has been received and stored with grain of the same lawful grade. Upon the return of this receipt and payment or tender of a delivery charge per bushel of four cents for flax, three cents for wheat and rye and two cents for all other grains, and all other stated lawful charges accrued up to the time of said return of this receipt, the above amount, kind and grade of grain will be delivered within the time pre-

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scribed by law to the person above named or his order either from this warehouse, or if the owner so desires, in quantities not less than a carload in a public bonded warehouse at any terminal point upon the same line of railway within this state where state or federal inspection and weighing is in force, the grade and weight thereof to be determined by state or federal inspection and weighing as provided by law, and such grain to be subject to the usual freight, inspection, weighing and switching charges.

Subdivision 2. Stub record, contents. Attached to the receipt shall be a stub record stating number and date of receipt and the gross weight, dockage and net weight; such stub record to remain in the possession of the warehouseman for inspection by the commission or interested parties. The receipts shall be consecutively numbered and delivered to the owner or his agent. All storage receipts shall state the date of delivery, except where the delivery of a certain lot for storage is not completed, when such receipt shall be dated not later than Saturday of the week of delivery. All special bin receipts and stub records thereof shall have plainly marked thereon the words "Special Bin." Public local grain warehousemen may insert on the receipt the following clause: "If any of the grain embraced in this receipt shall prove to be covered by any chattel mortgage or other lien, or the partial or absolute title prove to be in another than the party to whom this receipt was issued, the same shall, if discovered before the delivery of the grain, be a sufficient reason for a refusal to deliver to the holder of the receipt, or, if discovered after the delivery of the grain such delivery shall be deemed an over-delivery, for which the holder of this receipt to whom such delivery is made, shall be accountable."

Subdivision 3. Void agreements. Any provision or agreement in such receipt not contained in the aforesaid specific warehouse and storage contract shall be void. The failure to issue such receipt, as directed, or the issuance of slips, memoranda, or any other form of receipt embracing a different warehouse or storage contract shall be deemed a misdemeanor, and no such slip, memoranda, or other form of receipt shall be admissible in evidence in any civil action; provided, nothing in this chapter contained shall be construed to require or compel any party or parties operating a flour, cereal or feed mill, or malthouse doing a manufacturing business only to receive, store or purchase at said mill any kind of grain.

Subdivision 4. Liability. Public local grain warehousemen shall be held liable to the owner for the delivery of the kind, grade and net quantity of grain called for by the storage receipts. The term "grain" is held to signify and include the following products: Wheat, corn, oats, rye, barley, flaxseed and speltz.

Subdivision 5. Purchases, how made. All public local grain warehousemen shall purchase grain in conformity with the official grades of grain established from time to time by the state board of grain appeals or by the secretary of agriculture of the United States, except as otherwise provided in rules and regulations applicable thereto adopted by state or federal officials pursuant to law. They shall post in a conspicuous place in their warehouse the official grades so established and also any change that may be made from time to time.

Subdivision 6. Receipt, when not issued. No public local grain warehouseman shall issue a receipt for grain not actually received into his warehouse.

Subdivision 7. Punishment for violations. Any person, firm, association, or corporation, or any officer or agent of any person, firm, association, or corporation, who shall violate the provisions of this section shall be guilty of a misdemeanor; and, upon conviction, punished by a fine of not less than \$50.00, or by imprisonment in the county jail for not less than 30 days. The commission shall have the power and it shall be its duty whenever it finds, after a hearing, that the provisions of this chapter have been violated by any person holding a license to conduct a public local grain warehouse in this state, to revoke and annul such license; and, in such case, no new license shall be granted to the person whose license is so revoked, nor to anyone either directly or indirectly engaged with him in the business for the period of one year, except that the commission is authorized and empowered to permit, upon application made, licensed public local grain warehousemen to execute and perform agreements with the secretary of agriculture representing the several agencies of the United States department of agriculture, notwithstanding that such agreements may provide rates for handling and storing grain contrary to those prescribed by the statutes of Minnesota.

[1923 c. 114 s. 5; 1927 c. 200 s. 1; 1937 c. 296 s. 4; 1941 c. 431] (5063)

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7 232.07 FORM OF STORAGE RECEIPT. There may be printed on such storage receipt a receipt to be executed by the owner in case the grain represented thereby is purchased by such warehouseman. The warehouseman shall record such purchase as to the total amount paid and the amount paid per bushel on the stub record of his storage receipt book. Such receipt shall be in substantially the following language and form:

Received from.....dollars net in full payment for the grain represented by this storage receipt. Gross price per bushel.....storage per bushel..... net price per bushel..... All blank spaces in this receipt were filled in before the same was signed by me, and I hereby certify that I am the owner of the grain for which this receipt was issued and that there are no liens, chattel mortgages or other claims against the grain represented by this receipt.

Signed.....

Owner.

Dated.....19.....

Nothing in this section contained shall be construed to affect in any manner the conditions of the storage contract specified in section 232.06 of this chapter.

[1923 c. 114 s. 6] (5064)

43-112 232.08 GRAIN DELIVERED ON SURRENDER OF RECEIPT. On the return and surrender of any receipt and payment of all lawful charges, the grain represented thereby shall be immediately deliverable to the owner, or his order, and shall not be subject to any further charge for storage after demand for delivery shall have been made and proper facilities for receiving or shipping the same have been provided.

If not delivered within 24 hours after such demand and proper facilities have been provided, the warehouseman shall be liable to the owner in damages not exceeding one cent a bushel for each day's delay, unless he shall deliver to different owners in the order demanded as rapidly as it can be done by ordinary diligence. The owner of the receipt shall order the car in which the grain covered by his receipt is to be transported, and the grain shall be delivered immediately when the car so ordered is in proper condition for loading and placed at the warehouse.

If any dispute or disagreement arises between the party receiving and the party delivering the grain at any public local grain warehouse in this state as to the proper grade or dockage, or both, of any grain, an average sample of at least three quarts of the grain in dispute may be taken by either or both of the parties interested. The samples shall be certified to by both the owner and warehouseman as being true samples of the grain in dispute on the day upon which the grain is delivered. Such samples shall be forwarded in a suitable sack by parcel-post or express, prepaid, with the name and address of both parties, to the chief inspector of grain at St. Paul or Minneapolis, who will, upon request, examine the grain and adjudge what grade or dockage, or both, the samples of grain are entitled to under the inspection rules in his judgment and opinion. If the grain in question is damp, or otherwise out of condition, a pint of such samples placed in an airtight container shall be forwarded with such samples.

9 [1923 c. 114 s. 7] (5065)

232.09 WAREHOUSEMAN SHALL KEEP RECORD. Every public local grain warehouseman shall keep in proper books a record of all grain received, stored, or shipped stating the weight, grade, dockage for dirt or other cause, and the name of the owner.

[1923 c. 114 s. 8] (5066)

43-112 232.10 STANDARD WEIGHTS TO BE USED. No person purchasing, selling, or storing grain in any public local grain warehouse in this state, as the same is now or may be hereafter defined by law, shall use any other measure for such grain than the standard bushel, and no other number of pounds shall be used or called a bushel than the number of pounds provided by law as the standard weight of the kind of grain in question. During the months of October and November not exceeding 80 pounds and during the months of December and January not exceeding 72 pounds may be so used as the standard bushel of new ear corn.

[1923 c. 114 s. 9] (5067)

43-112 232.11 POOLING PROHIBITED. It shall be unlawful for any person, firm, or corporation engaged in the buying, selling, or handling of grain in any public local grain warehouse in this state, or for the local agent in charge of such warehouse,

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or any other agent of the person, firm, or corporation operating the same, to enter into any contract, agreement, combination, or understanding with any other person, firm, or corporation, owning or operating any other public local grain warehouse, at any railway station, their agent or agents, whereby the amount of grain to be received or handled by the warehouses at such station shall be equalized or pooled between the warehouses, or whereby the profits or earnings derived from the warehouses shall be divided or pooled, or apportioned in any manner, or whereby the price to be paid for any kind of grain at such station shall be fixed or in any manner affected, and each day of the continuance of any such agreement, contract, or understanding shall constitute a separate offense.

[1923 c. 114 s. 10] (5068)

Am 1943-34-i-13

232.12 REPORTS TO BE FILED. Every warehouseman shall, on or before the tenth day of June each year, render to the commission on blanks or forms prepared by it an itemized and verified report of all business transacted by him as a public local grain warehouseman during the year beginning June 1st of the preceding year and ending May 31st of the current year.

Such report shall state the gross bushels of all grain of various kinds in his warehouse at the beginning of the year, the net bushels and dockage of all grain received, the net bushels and dockage of all grain shipped or delivered from such warehouse and the gross bushels of all grain remaining in the warehouse at the end of the year, and particularly specify and account for any overage or shortage in any kind of grain accruing during the year; flour, cereal and feed mills and malt-houses doing a manufacturing business only shall be only required to render a report showing gross bushels of all grain on hand at the beginning of the year, net bushels and dockage of grain received, and gross bushels milled, as well as gross bushels on hand at the end of the year.

All public local grain warehousemen engaged in the handling or sale of any other commodity than grain shall keep an entirely separate account of their grain business and under no circumstances shall their grain account and other accounts be mixed.

The commission may also require special reports from such warehouseman at such times as the commission may deem expedient.

No license shall be re-issued to any public local grain warehouseman who fails to make the annual report as required herein.

The commission may cause every such warehouse and the business thereof and the mode of conducting the same to be inspected by one or more of its members or by its authorized agent when deemed proper, and the property, books, records, accounts, papers, and proceedings of every such warehouseman shall at all times during business hours be subject to such inspection. The expense incurred by the commission in carrying out the provisions of this section shall be paid out of the state grain inspection fund.

[1923 c. 114 s. 12; 1937 c. 296 s. 5] (5070)

Am 1943-345-14

232.13 WAREHOUSEMAN TO BE LICENSED. All public local grain warehousemen, before receiving any grain in any public local grain warehouse, shall first apply to and secure from the commission a grain storage license for such warehouse. A license fee of \$5.00 shall be paid to the commission for each license issued and deposited in the state treasury and credited to the grain inspection fund. All such licenses shall expire at midnight on the thirtieth day of June following their issuance. Before any such license is issued to any warehouseman such warehouseman shall file with the commission a bond in such sum as the commission may prescribe, which sum shall not be less than \$1,500. Such bonds shall be filed annually and cover the period of the license. Such bonds shall run to the State of Minnesota and be for the benefit of all persons storing grain in such warehouse. They shall be conditioned upon the faithful performance by the public local grain warehouseman of all of the provisions of law relating to the storage of grain by such warehouseman and the rules and regulations of the commission relative thereto. The commission is authorized to require such increases in the amount of such bonds from time to time as it may deem necessary for the protection of the storage receipt holders. The surety on such bonds must be a surety company holding a certificate of the insurance commissioner authorizing it to execute the same. The commission may accept a bond executed by personal sureties, in lieu of a surety company, whenever such bond has attached to it the justification provided for in section 218.34 and an affidavit of the president of a bank in the county in which such local warehouse is

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situated, who is not interested in such warehouse, stating that such justification is true and correct.

Only one bond need be given for any line of elevators, mills, or warehouses owned, controlled, or operated by one individual, firm, or corporation.

Every such bond shall specify the location of each public local grain warehouse intended to be covered thereby and, at all times, be in a sufficient sum to protect the holders of outstanding storage receipts.

Any warehouseman who shall violate the provisions of this section shall forfeit to the state for each violation the sum of \$50.00, and such violation shall be cause for revocation of license.

[1923 c. 214 s. 13; 1937 c. 296 s. 6] (5071)

4/23/31
232.14 TERMINATION OF LICENSES. All storage contracts on grain in store at public local grain warehouses shall terminate on June 30th of each year, except storage contracts on shelled corn, which shall terminate on March 31st of each year. Storage on any or all such grain may be terminated by the owner at any time before the date mentioned herein by the payment or tender of all legal charges and the surrender of the storage receipt together with a demand for delivery of such grain, or notice to warehouseman to sell the same. In the absence of a demand for delivery, order to sell, or mutual agreement for the renewal of the storage contract, entered into prior to the expiration of the storage contract, as prescribed in this chapter, the warehouseman shall, upon the expiration of the storage contract, sell such stored grain at the local market price on the close of business on that day, deduct from the proceeds thereof all legal accrued charges, and pay the balance of such proceeds to the owner upon surrender of the storage receipt.

[1923 c. 114 s. 14; 1927 c. 296 s. 7] (5072)

4/23/31
232.15 STORAGE RECEIPT MAY BE RENEWED. Upon the payment of all legal accrued charges and the return of the storage receipt, the public local grain warehouseman and the storage receipt holder may by mutual consent enter into an agreement for the renewal of such storage. When such renewal is mutually agreed to, the warehouseman shall issue a new storage receipt to the owner and cancel the former receipt by endorsing thereon the words "Canceled by the issuance of storage receipt No....." inserting the number of the new storage receipt thereafter. The canceled storage receipt shall be signed by the warehouseman, his agent or manager, and the holder.

[1923 c. 114 s. 15] (5073)

4/23/31
232.16 DISCRIMINATION PROHIBITED. No public local grain warehouseman licensed by the commission to store grain shall discriminate in the charges made or the services rendered to the owners of stored grain nor shall he discriminate in the receiving of grain offered for storage.

[1923 c. 114 s. 16] (5074)

4/23/31
232.17 GRAIN DELIVERED CONSIDERED SOLD; UNLESS. All grain delivered to public local grain warehousemen shall be considered sold at the time of delivery unless arrangements shall have been made with such warehouseman prior to or at the time of delivery to apply the same on contract, for shipment or consignment, or for storage.

[1923 c. 114 s. 17] (5075)

4/23/31
232.18 MUST ISSUE SCALE TICKETS. Every public local grain warehouseman, upon receiving grain into his warehouse, shall issue for each load of grain so received a uniform scale ticket. Such tickets shall be bound in books of convenient size, consecutively numbered and provisions made in the books for at least one carbon copy of each ticket. One carbon copy of each ticket shall not be detached from the book and shall remain in the possession of the warehouseman as a permanent record. The original ticket shall be delivered to the person from whom grain is received upon receipt of each load of such grain. Such tickets shall have printed across the face "This is a memorandum, non-negotiable, possession of which does not signify that settlement has or has not been consummated." These tickets shall state specifically whether the grain is received on contract, for storage, or for shipment on consignment, or sold. If the grain is received on contract or sold, the price shall be indicated on the ticket. All such tickets shall be signed by the warehouseman or his agent or manager.

[1923 c. 114 s. 18] (5076)

4/23/31
232.19 PENALTIES FOR VIOLATIONS. Any person, firm, or corporation, or any officer or agent of any person, firm, or corporation who shall violate the provi-

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sions of section 232.11 shall be guilty of a misdemeanor; and, upon conviction, punished by a fine of not less than \$50.00, or more than \$100.00, and by imprisonment in the county jail for not less than 30 days, or more than three months. The commission shall have the power, and it shall be their duty, whenever it finds, after a hearing, that the provisions of this chapter have been violated by any person holding a license to conduct a public local grain warehouse in this state to revoke and annul such license; and, in such case, no new license shall be granted to the person whose license is so revoked nor to anyone either directly or indirectly engaged with him in the business for the period of one year.

[1923 c. 114 s. 11] (5069)