



This Agreement is entered into on the.....between the **EASTERN AFRICA GRAIN COUNCIL**, a company established under the Laws of the Republic of Kenya and whose address for the purposes hereof shall be care of [ ] (hereinafter referred to as “EAGC” which expression shall where the context so allows include its successors and assigns) of the first part; and ..... a person or such other legal entity duly authorized to operate a grain house and engage in the business of storing grain under the Laws of the Republic of Kenya and whose warehouse has been duly certified by “EAGC”, and whose address for the purposes hereof is [ ] (hereinafter referred to as the “Warehouse Operator” which expression shall where the context so allows include the Warehouse Operator’s successors and assigns) of the second part

These rules and regulations shall govern the handling receipt, storage and delivery of grain under the EAGC terms and conditions of grain trade and they shall apply to all persons who are engaged in the business of storing grain and who have applied and paid for and received an EAGC certification whether or not any grain is stored by the warehouse and whether or not the warehouse is certified to handle a specific grain or not.

These rules and regulations are subject to change and modifications as the EAGC may from time to time deem necessary and to such exceptions as may be considered just and reasonable in individual cases.

The neuter gender throughout this Agreement shall include all genders and the singular and the plural.

Notwithstanding the rules and regulations below the warehouse shall abide by all health and safety rules and regulations and all environmental rules and regulations as stipulated by the relevant authorities prevailing where the warehouse is situated.

## DEFINITIONS

**Bin** shall mean a bin, tank, interstice, or other container in a warehouse in which bulk grain may be stored.

**Certified warehouse** shall mean a warehouse that has been certified by the EAGC

**Commingled** (grain) shall mean commodity of the same type, variety (if appropriate) and grade deposited by two or more depositors and held together in storage so that any part of the common deposit may be issued in delivery against a warehouse receipt, irrespective of the original depositor.

**Depositor** shall mean a person to whom a Goods Received Note (GRN) for storage of grain has been issued

**EAGC** shall mean Eastern Africa Grain Council

**Grain** shall mean products commonly classified as grain, such as but not limited to maize, wheat, barley, sorghum, paddy and milled rice, sunflower seeds, beans, pulses and lentils, soybeans and such other products as are ordinarily stored in grain warehouses, subject to approval by the EAGC.

**Grader** shall mean a person in the employ of or contracted by the Warehouse Operator to grade the commodity to be deposited or in store according to the methods and grades laid out by the EAGC

**Grades** shall mean standards approved by the EAGC for use in grading or classifying grain or grain products received or stored in warehouses.

**Goods received note (GRN)** shall mean a grain storage receipt giving evidence of a quantity of grain deposited, grade and other information.

**Identity preserved** (grain) shall mean commodity deposited by one depositor and held in storage so that it will remain attributable to that depositor which may or may not be of a recognizable grade but must meet storage criteria.

**Inspector** shall mean any person appointed by the EAGC to inspect all aspects detailed by this contract.

**Key system** shall mean a method for the safe stacking of sacks in a warehouse

**Lot** shall mean the total quantity deposited and registered on one GRN

**Person** shall include individuals, corporations, partnerships and all associations of two (2) or more persons where they have a joint or common interest

**Private warehouse** shall mean a warehouse not bound to accept deposits from the general public.

**Public warehouse** shall mean a warehouse bound to accept deposits from the general public.

**Sampler** shall mean a person in the employ of or contracted by the Warehouse Operator to sample the commodity to be deposited or in store according to the procedures laid out by the EAGC

**Shelf-life** shall mean the period of time that a commodity, following grading, will retain the grade assigned to it as specified by the EAGC

**Station** shall mean two or more warehouse structures which do not exceed 8 kilometers in distance operated by one (1) person.

**Transport** shall mean any type of vehicle that carries freight

**Warehouse** shall mean any building, structure or other protected enclosure used for the purpose of storing grain for a consideration and certified by the EAGC

**Warehouse Operator** shall mean any person who operates a grain warehouse as herein defined.

**Weigher** shall mean a person in the employ of or contracted by the Warehouse Operator to weigh the commodity to be deposited on the weighing devices available at the warehouse

## **1 General**

- 1.1 The warehouse shall only store commodity against a pre-numbered signed undertaking (contract) with the depositor to store such commodity and such undertaking shall list all costs, and conditions.
- 1.2 Immediately upon receipt of the warehouse certificate, the Warehouse Operator shall keep it posted in a conspicuous place where depositors receive their goods received notes or warehouse receipts.
- 1.3 The warehouse or Warehouse Operator shall apply for a certificate for each commodity to be stored under an EAGC certification.
- 1.4 The certified warehouse or the Warehouse Operators shall permit any officer or authorized representative of the EAGC to enter and inspect or examine on any business day, during usual business hours, the grain warehouse's business, mode of conducting the same, facilities, equipment, inventories, property, books, records, accounts, papers and minutes of proceedings held at such grain warehouse. The Warehouse Operator shall provide the necessary assistance required for any examination made in accordance with this provision.
- 1.5 The certified warehouse shall be examined at least twice a year by a representative of the EAGC. Additional examinations may be made at any time, at the discretion of the EAGC.
- 1.6 Failure to maintain certification level or failure to abide by any of this agreements rules and regulations may give cause for suspension or cancellation by the EAGC of the EAGC certification of the warehouse. In the case of such suspension or cancellation of certification, the EAGC may take such action

against the party as it may deem appropriate in the circumstances including but not limited to:

- 1.6.1 posting the name of the warehouse and or the Warehouse Operator and the facts on the EAGC web site,
  - 1.6.2 posting the name of the warehouse and or the Warehouse Operator and the facts on the EAGC notice board,
  - 1.6.3 publishing the name of the warehouse and or the Warehouse Operator and the facts in relevant news papers,
  - 1.6.4 circulating the information among the EAGC members and any other organizations the EAGC has involvement with
- 1.7 Warehouse Operator may but is not obliged to offer two types of storage namely; **Identity Preserved and Commingled Storage**. Identity Preserved Storage means that the commodity deposited will be marked in such a manner that the same commodity can be returned to the depositor upon request. Commingled Storage requires the commodity deposited to meet certain grade standards which shall be clearly posted.
- 1.8 Commingled commodity shall be of the same commodity and of the same grade and variety where applicable. The grades for the commodity shall be as per the EAGC standards and the Warehouse Operator shall clearly post at the point of deposit which grades are being stored.
- 1.9 The Warehouse Operator shall post in a conspicuous place which types of storage it offers along with the rates of storage. Different types of storage may be charged at different rates.
- 1.10 Identity preserved commodity may be of fair average quality but it must meet the minimum moisture levels, health standards established for storage of commodity and must be free of live infestation.

## **2 Receiving grain for storage**

- 2.1 Deposits of grain into the warehouse may only be for those commodities for which the warehouse is certified. The Warehouse Operator hereby agrees not to store any other grain commodity than it is certified by the EAGC to store in a certified warehouse without the written permission of the EAGC.
- 2.2 The depositor must give in writing but not limited to the following information;
- a) the commodity being deposited,
  - b) whether the load is one lot or part of a larger lot,
  - c) the depositors name,
  - d) identification details and contact details,
  - e) where possible the depositor should indicate the grade.
- 2.3 If the depositor is not an individual, the depositor must give the following documentation; in the case of a company
- i) a copy of the certificate of corporation,
  - ii) Current company license and details (including official identification details) of the person appointed to release the commodity;
  - iii) in the case of a small scale farmer or trader group a copy of their group:
    - a) a copy of their group registration with the relevant authority, and
    - b) Details (including official identification details) of the person appointed to release the commodity.
- 2.4 The depositor should inform the Warehouse Operator in writing 24 hours before delivery of the commodity for storage.

- 2.5 The depositor should before delivery confirm with the Warehouse Operator that there is storage space available for his commodity and grade.
- 2.6 Unloading of the commodity into storage shall be determined by the time the warehouse received in writing the request to deliver the commodity. The Warehouse Operator shall inform the depositor if the waiting time for discharge is more than 36 hours from having received written notice, and shall inform the depositor of the next available time slot.
- 2.7 Depositors or depositors transporters who have given prior notice to the warehouse shall at all times have priority over depositors or depositors transporters who arrive without having made prior arrangements with the warehouse
- 2.8 When a depositor or a depositor's transporter with written instructions arrives at a warehouse having not informed the Warehouse Operator of their intention to store commodity at the warehouse, the depositor shall be added to the bottom of the list after all that have provide prior notification (even if prior notice transporters have yet to arrive) provided space in the warehouse is still available after all prior commitments have been discharged.
- 2.9 If an opportunity to discharge becomes available due to the fact a prior notice transporter has failed to arrive in time or there was no prior commitment for that time, any available transporter may at the Warehouse Operator's discretion be discharged, the truck that failed to arrive would then be allocated the discharging truck's slot.
- 2.10 Trucks and rail wagons that are on the discharge list shall be off loaded on 'first come first serve' basis on the day of discharge.
- 2.11 While the commodity is still on the transport vehicle, a licensed sampler/grader shall take a preliminary sample of the commodity from as many accessible points of the consignment as possible, using appropriate sampling equipment.
- 2.12 The preliminary sample shall be assessed by a licensed grader to determine the commodity type, variety (if relevant) and grade (unless for identity preserved storage in which case the licensed sampler/grader determine whether the commodity is suitable for storing).
- 2.13 If the preliminary sample appears to conform to the storage conditions then the commodity may be off loaded at the depositors risk into a holding area within the warehouse where detailed sampling, weighing (where a weigh bridge is not in use) and grading shall follow.
- 2.14 If the preliminary sample does not conform to the storage standards the commodity shall be rejected and grounds for such rejection shall be put in writing.
- 2.15 If the consignment of the commodity is offloaded and subsequently found to be unfit for acceptance into the warehouse the costs of any re loading shall be for the depositor if warehouse labour is used for reloading at rates displayed prominently at the warehouse.

### **Weighing**

- 2.16 The depositor is entitled to have an independent reputable inspection company present at sampling, weighing and grading. Such inspection company may take additional samples, or be given samples from those drawn for the warehouse.
- 2.17 Warehouse Operator shall only unload transport into the holding area if there is sufficient space for the commodity to be stored in the manner determined by the depositor. If the Warehouse Operator unloads the transport and then finds there

- is not sufficient space, the costs of reloading the transport and demurrage on the transport shall be for the warehouse's account.
- 2.18 In a warehouse where there is a licensed weighbridge, the transport shall be weighed before off loading and then after off loading. The transport may not leave the yard until both sets of weight have been established. Initial weighbridge ticket must make note of all additional items on the transport – such as tarpaulins etc and ensure that the same are on the transport on the second weighing.
- 2.19 The transport or if disconnected the trailer must fit on the weighbridge. No partial weighing of the transport and or trailer is permitted.
- 2.20 In warehouses where there is no licensed weighbridge each bag must be weighed on the licensed weighing device noted in the inspection process.
- 2.21 In both cases the bags shall be off loaded into a holding area.
- 2.22 The warehouse shall only accept bags that meet the EAGC packaging standards.
- 2.23 Authorized weigher/s shall be present through out the time of weighing and shall sign the weighing certificate.
- 2.24 The pre numbered weighing certificate shall include but not be limited to; gross weight, nett weight (bag weight to be determined by the bag weights laid out by the EAGC), commodity, transporter, depositor name and signature of authorized weigher.
- 2.25 The warehouse shall prominently display cleaning costs. Where the commodity passes through a cleaning machine. Any material removed from the cleaning process shall be bagged and weighed and the nett weight shall be deducted from the deposited quantity in the weighing certificate. The Warehouse Operator shall re bag the cleaned commodity in a manner suitable for storage, handling and transportation of the commodity.
- 2.26 The warehouse shall prominently display cleaning costs. Where the commodity passes through a cleaning machine. The Warehouse Operator shall re bag the cleaned commodity in a manner suitable for storage, handling and transportation of the commodity. After rebagging each bag shall be weighed as per 2.18 the difference between the first weight and the second weight shall be considered to be material removed through cleaning and the second weight shall be the deposited weight and noted on the weighing certificate.
- 2.27 Consignments shall remain in the holding area until weighing and grading has been completed.

### **Grading**

- 2.28 In the holding area (after cleaning if cleaning is undertaken) each bag shall be sampled by an authorized sampler/grader, samples shall be taken according to the EAGC sampling rules.
- 2.29 Warehouse samplers and graders shall have copies and be conversant with the EAGC sampling and grading rules.
- 2.30 Warehouse grader shall grade the commodity based on the EAGC grading rules.
- 2.31 After grading the commodity shall immediately be placed into a suitable area within the warehouse.
- 2.32 If the depositor disputes the grade the warehouse grader determines, the depositor shall notify the Warehouse Operator in writing and request that the grain shall be stored as identity preserved commodity at the cost of the depositor, and an independent reputable EAGC approved inspection company acceptable to both the depositor and the Warehouse Operator, at the initial cost of the

- depositor, shall draw samples and grade the commodity. If the inspection company upholds the warehouse, the cost of moving the commodity into identity preserved storage and then if required back into general storage shall be for the account of the depositor. If the inspection company upholds the depositor, the Warehouse Operator shall pay the inspection company costs and if required the costs of moving the commodity into general storage. The independent inspection company results are final.
- 2.33 If the warehouse is unable to place the commodity into identity preserved storage and the depositor still wishes to deposit the commodity, the depositor shall notify the Warehouse Operator in writing and request additional samples shall be taken in accordance with the sampling rules which shall be sealed in a plastic airtight container and properly labeled with the Warehouse Operator and the depositor signing the label and the sample being immediately couriered to the agreed inspection company. The grain shall be stored in the general store according to the grade the warehouse grader indicated. If the independent inspection company after testing the samples upholds the depositor and the grade was higher than the warehouse grader indicated, the Warehouse Operator shall at his cost, replace the same tonnage deposited with tonnage of the grade the independent inspection company graded the commodity.
- 2.34 If in the case of a dispute on grading the warehouse is unable to store the commodity as identity preserved commodity, the depositor may notify the Warehouse Operator in writing and at its own cost remove the commodity to an alternative warehouse where it is possible to store the same as identity preserved commodity and await the results of the inspection company. If the inspection company upholds the depositor, the Warehouse Operator shall pay the inspection company costs and the depositors costs of moving the goods to the alternative warehouse and if required moving the goods back to the warehouse.
- 2.35 If the Warehouse Operator and the depositor cannot agree on an inspection company the depositor shall apply to the EAGC who shall inform the Warehouse Operator and the depositor of the nominated inspection company. The EAGC decision is final.
- 2.36 If the truck load is part of a larger lot a pre numbered grading sheet shall be issued and signed by the grader and attached to the weighing certificate. The original copy of the grading sheet and weighing certificate shall be available to the depositor no later than close of business the following day after the stock was graded.
- 2.37 GRNs shall be issued within one working day from the request of a GRN by the depositor.
- 2.38 If the truck load is part of a larger lot, at the completion of delivery of the entire lot, the depositor may request the Warehouse Operator to combine the GRNs into one GRN. Each individual GRN shall be returned and cancelled, and a combined GRN shall be issued as per 4.10.
- 2.39 Once grading of a lot is completed, the Warehouse Operator shall issue a pre numbered goods received note per grade delivered (unless identity preserved grain) covering the entire lot deposited which shall include but not be limited to; the name of the depositor, his ID number and contact details, the location of the warehouse, the commodity and grade being deposited, commodities shelf life, the gross and net weight of the commodity being deposited, the date of deposit, the name and signature of the authorized grader, and the name and signature of the authorized weigher, (in the case of identity preserved deposits, the identifying

- marks on the bags, and the exact location inside the warehouse where the commodity has been stored)
- 2.40 Copies of all GRNs shall be maintained in numerical sequence as part of the Warehouse Operator's records.
- 2.41 If the consignment of commodity is offloaded from the transport into the holding area and subsequently rejected due to non conformity to commodity type, variety or grade (unless being stored as identity preserved), or the presence of live insect infestation, or other harmful organisms the costs of moving the commodity out of the holding area, and any reloading costs if warehouse labour is used shall be for the account of the depositor, at rates prominently displayed at the warehouse.
- 2.42 If live insects are found to be infesting the consignment of grain then the stock will not be accepted until it has been fumigated and presented to the warehouse accompanied by a valid fumigation certificate from a reputable fumigation company.
- 2.43 If available, the Warehouse Operator may offer a fumigation service to the depositor by moving the whole consignment regardless of the number of bags infested, to an area set aside for fumigation. The consignment shall be placed on pallets, covered by fumigation sheeting without delay to prevent cross infestation to other stock. A reputable fumigator shall be called to undertake the treatment according to acceptable procedures for that commodity, such fumigation shall be paid for by the depositor at rates displayed prominently at the warehouse
- 2.44 If the moisture level of the commodity is found to be higher than that acceptable for storing the commodity (regardless of whether the commodity deposited is FAQ (Fair Average Quality ") and identity preserved) the stock will not be accepted until it is dried down to an acceptable level.
- 2.45 The Warehouse Operator may if available and at the Depositors written request offer a drying service to the depositor at agreed rates in accordance with the rates displayed conspicuously at the warehouse.
- 2.46 If the bags used by the depositor are found unsuitable for storage (not clean, not properly stitched, or unable to handle the wear and tear of handling and further transport) the stock will not be accepted until it has been re bagged.
- 2.47 The Warehouse Operator may if available offer a bagging service to the depositor at rates displayed conspicuously at the warehouse or reject the commodity.
- 2.48 Commodity removed from the warehouse for any reason, shall have to follow the above sampling, weighing and grading procedures when bought back.
- 2.49 For each consignment of commodity for which a goods received note is issued the Warehouse Operator shall retain a reference sample in case there is a dispute in the future as to the quality at intake. A sub sample of approximately 1 kg shall be taken from the composite sample of the commodity. The sample shall be labeled in accordance with the GRN issued and stored by the warehouse keeper in a sealed clean air tight plastic container, or heat sealed strong plastic bag. For commingled stock the sample shall be kept no less than 8 months after the stock is deposited. For identity preserved stock the sample shall be kept no less than two months after the consignment leaves the warehouse.

### **3 Out-turn guarantee**

- 3.1 For commingled grain, upon presentation of a GRN, and upon payment or tender of all advances and legal charges, deliver to the lawful owner of the GRN the grain of the grade and quantity named in the GRN
- 3.2 For Identity preserved grain, upon presentation of a GRN, and upon payment or tender of all advances and legal charges, deliver to the lawful owner of the GRN the identical grain named in the GRN.

### **4 Issuing Goods Received Notes**

- 4.1 The EAGC shall prescribe the form of GRNs to be used in EAGC certified warehouses and no other character or form of GRN shall be issued except those authorized. Warehouse Operators shall procure GRN form, in lots of fifty (50) forms, by submitting their order along with the warehouse certification number, to the EAGC accompanied by a cheque or money order for the cost of the GRN forms, payable to the EAGC.
- 4.2 A Warehouse Operator shall only issue GRN upon actual delivery of grain into storage, and the Warehouse Operator shall issue a GRN for all consignments delivered and accepted for storage.
- 4.3 The GRN must be issued from the warehouse of storage. When several warehouses are operated by one Warehouse Operator, each warehouse shall be numbered. This numerical designation shall be on all GRNs. When all GRNs of any one book have been issued, a new book shall be substituted for it. No GRN shall be issued from a book pertaining to one warehouse for commodities stored in another warehouse.
- 4.4 The minimum tonnage for a lot for which a GRN shall be issued is five (5) metric tons. There is no upper limit (other than warehouse capacity) on the tonnage of a lot/GRN.
- 4.5 The Warehouse Operator shall not issue more than one GRN for the same lot of grain, except where partial GRNs are desired. The total of the aggregate GRNs of a particular lot shall be no greater than the total of the original lot unless additional grain is deposited.
- 4.6 GRNs for each warehouse shall be issued in numerical sequence and executed in at least quadruplicate. The first (original) to the depositor, the second (copy) to be retained by the warehouse, the third (copy) to the EAGC and the fourth (copy) to be retained in the GRN book and **not** to be removed there from.
- 4.7 The EAGC copy of the GRN shall be delivered by reputable courier or authorized personnel to the premises of the EAGC within seven (7) calendar days from the date of receipts.
- 4.8 If the issuer of the GRN omits any information from a GRN for which a blank space is provided, he shall indicate by an 'X' in such space that the information was intentionally omitted. However, this requirement shall not be interpreted as encouraging or approving the omission of any requisite information.
- 4.9 Each Warehouse Operator shall file with the EAGC the name and specimen signature of each person authorized to sign GRNs for the Warehouse Operator. Any changes or additions to such authorization shall be immediately brought to the attention of the EAGC by the Warehouse Operator.

- 4.10 Should the depositor desire to consolidate several receipts into one, the Warehouse Operator may issue a new consolidated receipt, but only after the original GRNs have been returned to the Warehouse Operator and cancelled. A consolidated receipt shall be issued upon the same terms, subject to the same conditions, and shall have a clear statement referencing the original GRNs, the date of deposit for a consolidated receipt shall be the date of the earliest deposit.
- 4.11 A Warehouse Operator or his employee shall not issue, cause to be issued, or assist in issuing GRNs for grain that has not been delivered to a warehouse or not under their control as otherwise provided in these rules and regulations. The issuer of such a GRN and the receiver of such GRN shall be subject to all penalties provided for under these rules, as well as the Kenyan laws on fraudulent acts.

## **5 Lost receipts**

- 5.1 In the case of lost or destroyed GRNs, a new GRN upon the same terms, subject to the same conditions, and bearing on its face the number and date of the GRN in instead of which it is issued and a plain and conspicuous statement that it is a duplicate receipt issued in replacement of a lost or destroyed GRN, may be issued upon compliance with this regulation.
- 5.2 Before issuing a new or duplicate GRN the Warehouse Operator shall require the depositor or other person applying therefore to make and file with him an affidavit showing that the applicant is lawfully entitled to the possession of the original GRN , that he has not negotiated or assigned it, how the original GRN was lost or destroyed, and if lost that diligent effort has been made to find the GRN without success.
- 5.3 Upon receipt of such an affidavit, the Warehouse Operator shall send copies thereof to the EAGC.
- 5.4 The original affidavit shall be retained by the Warehouse Operator for not less than 2 years after the duplicate receipt is cancelled.
- 5.5 If at a later date the original lost GRN is found it shall be immediately returned to the Warehouse Operator.

## **6 Storing grain**

- 6.1 If the warehouse wishes to store items other than grain in the certified warehouse, the Warehouse Operator must contact the EAGC and inform the EAGC how much space shall be utilized storing alternative products, whether provision has been made for dividing the area if it is not going to be completely utilized, and an indication of how long the storage will not be available, the Warehouse Operator shall notify the EAGC when the space becomes available again.
- 6.2 If the Warehouse Operator wishes to store grain that they are not certified to handle for the EAGC in a space certified by the EAGC for alternative grain, the warehouse shall immediately inform the EAGC, and the EAGC shall inform the warehouse or Warehouse Operator of the EAGC conditions for storing that commodity, and the Warehouse Operator shall abide by those conditions regardless of whether or they may have received EAGC certification to store that commodity to safeguard any other commodity stored under the EAGC certification. The warehouse shall immediately apply to be certified for that grain

- by the EAGC provided that until the warehouse receives such certification it may not issue EAGC GRNs.
- 6.3 The Warehouse Operator shall maintain stored grain inventories of sufficient quantities, qualities and grade to meet at all times his storage obligations.
  - 6.4 Grain evidenced by outstanding and un-cancelled GRNs shall be maintained in the specific warehouse facility shown on the GRN issued when the grain was originally deposited. For the purpose of this regulation each separate warehouse facility must maintain such an inventory for GRNs issued by it at that location; thus the operation of two or more warehouses as a station shall not allow one warehouse facility to hold GRN grain on behalf of another facility even though they constitute a single station. (Not clear!)
  - 6.5 The Warehouse Operator shall not remove any identity preserved goods from the warehouse or part thereof and transfer the goods to another location without first contacting the depositor and requesting the GRN to be return so the new location can be marked on the GRN. If the depositor fails to contact the Warehouse Operator within 7 working days, the Warehouse Operator may inform the EAGC, move the consignment and make suitable records informing the EAGC of the GRN numbers and the new location of the identity preserved commodity.
  - 6.6 In the case of an emergency, identity preserved goods may be moved immediately, and the Warehouse Operator shall maintain records of the new location, and inform the EAGC of the circumstances which warranted the movement of the commodity, and of the relevant GRNs references and the new location where the commodity represented by the GRNs has been moved to and shall maintain intact the identity of each consignment.
  - 6.7 The Warehouse Operator shall not mix lots of different grades of grain stored or received for storage except when the identity of the grain to be stored is to be preserved or when a Depositor surrenders GRNs covering two or more lots and requests the Warehouse Operator to deliver the amount of grain represented by the cancelled GRNs in such a manner as they will become one lot.
  - 6.8 All grain handling areas and systems, drying and or cleaning facilities shall be cleaned and any remaining grain removed and disposed of after grain operations.
  - 6.9 Commodity shall be stored on pallets
  - 6.10 Bag stacks shall be constructed securely using a key system.
  - 6.11 There shall be a minimum of one (1) meter distance between bag stacks and walls and any pillars in the store.
  - 6.12 There shall be a minimum of one point five (1.5) meter distance between bag stacks.
  - 6.13 There shall be a minimum of one point five (1.5) meters between the top of the stack and any roof supports.
  - 6.14 The height of the bag stacks per commodity shall be determined by the EAGC and adhered to by the Warehouse Operator.
  - 6.15 Bag stacks shall not lean and shall be maintained in an orderly manner so that there is easy access to the stored commodity to permit inspection, sampling, counting, identification and fumigation.
  - 6.16 Bag stacks and grain bins shall be identified by means of clearly discernable numbers securely affixed to them.
  - 6.17 Each bag stack or bin shall have a prominently displayed stock record card. The card shall record but not be limited to;
    - 6.17.1 The commodity type, variety if relevant, and grade

- 6.17.2 The date on which any stock additions or removals are made
- 6.17.3 The weight of all additions or removals, with a running tally to show total stock and number of bags or bulk weight
- 6.17.4 All details of pest management actions that have been taken
- 6.18 Rodent traps should be baited on a daily basis.

## **7 Inventory checking**

- 7.1 The Warehouse Operator shall perform periodic spot checks to ensure that the location of the commodity is as reflected on the stock records
- 7.2 The Warehouse Operator shall perform periodic inventories
- 7.3 The Warehouse Operator shall perform periodic spot checks to verify the quantity and condition of the commodity indicated on the stock record

## **8 Pest control**

- 8.1 All stored grain shall be fumigated regularly (as determined by the EAGC per commodity) regardless of whether infestation is found or not and full details of such fumigation shall be noted on the stock record cards
- 8.2 Grain stocks found upon inspection to be infested by live insects or other vermin shall be fumigated in a timely manner to minimize damage to the stock, but no later than five (5) working days after infestation was discovered.
- 8.3 The spraying of the warehouse and the fumigation shall only be undertaken with insecticides approved for use in the country where the warehouse is situated.
- 8.4 All fumigation treatments shall be done by a fumigator approved of by the EAGC.
- 8.5 In case of bagged grain the fumigator shall use good quality sheets held in place by sand snakes.
- 8.6 The pest control costs of stocks already accepted into the warehouse shall be included in the storage charge levied on all depositors and displayed at the warehouse
- 8.7 The Warehouse Operator may (but is not obliged to) offer fumigation services to those depositors whose grain is found to be infested at the time it is presented to the warehouse and is rejected on the grounds of the presence of live infestation. Such commodity shall be immediately moved to the areas set aside for fumigation. The fumigation shall be according to recognized procedures and in accordance with 8.3. The rates for such fumigation shall be paid for by the depositor at rates clearly displayed at the warehouse.

## **9 Duties of the Warehouse Operator**

- 9.1 Each grain warehouse shall employ, during all regular business hours, a grain weigher and a grain sampler and or grain grader who shall be responsible for the accuracy of weights and grades noted on all warehouse receipts or GRN.
- 9.2 The conditions of the store shall be inspected daily. Inspections shall include but not be limited to checking the store structures for water entry (leakages) or the presences of rodents, birds, insects or other pests and checking bag for damages.
- 9.3 Warehouse Operator shall check all stacks for live infestation no less than twice a week.
- 9.4 All EAGC certified grain storage facilities shall be maintained in such a manner as to be suitable for proper and safe storage of grain. Safe and adequate means

- of entry and exit to the various storage bins and compartments of the warehouse shall be provided and maintained by the Warehouse Operator. Walkways and equipment shall be kept free of grain and other foreign matter. Storage facilities failing to meet these standards will be brought to the attention of the Warehouse Operator. It shall be the responsibility of the Warehouse Operator to immediately make the necessary corrections to bring the storage facility into compliance.
- 9.5 All EAGC certified warehouses shall be maintained in a manner that ensures the level of certification granted is not revoked during a certification period.
- 9.6 The Warehouse Operator shall not mix lots of different grades of grain stored in stacks, or mix different grains except when grain is being stored as identity preserved.
- 9.7 The Warehouse Operator shall keep each certified warehouse acceptably clean at all times, free from rubbish, accumulation of dust and grain, or material that would increase fire hazards or interfere with the proper handling and storage of grain.
- 9.8 The warehouse shall be kept open for the purposes of receiving grain for storage and delivery out of storage every business day, except those warehouses that are open only for certain periods (e.g. harvest time).
- 9.9 The Warehouse Operator shall post in a conspicuous place in his office and warehouse a notice stating the days of the week and the hours of each business day that he will remain open. Warehouses which are open only for certain periods shall have posted the name, address and telephone number of a responsible contact while they remain closed.
- 9.10 The Warehouse Operator shall display in a conspicuous place the schedule of storage rates which shall include any fumigation cost.
- 9.11 The Warehouse operator may change their schedule of rates once a year between 1<sup>st</sup> – 15<sup>th</sup> July. Before making any changes in the schedule of rates, the Warehouse Operator shall submit to the EAGC in writing the proposed changes. Changes in the schedule of rates shall come into effect on the 15<sup>th</sup> August and shall post in a conspicuous place close to the operating schedule of rates at least 30 days in advance of such change.
- 9.12 The Warehouse Operator shall keep all grain in his warehouse 'in condition' by whatever means so deemed necessary to prevent the quality of such grain from deteriorating. When an operator discovers or is advised that grain in storage in his warehouse is out of condition, he shall immediately comply with the requirements of regulation 10.
- 9.13 The Warehouse Operator shall immediately give written notice to the EAGC upon the occurrence of any of the following;
- 9.13.1 Loss or damage to stored grain or certified storage facilities
  - 9.13.2 The death or legal incapacity of an individual or any member of a partnership operating a certified warehouse
  - 9.13.3 Change of ownership of a certified warehouse, including a change in the members of a partnership, firm or association
  - 9.13.4 Change in shareholders or the relative amount of stock held by stockholders where the certified operator is a corporation with twenty (20) or fewer share holders
  - 9.13.5 Change in name under which a certified warehouse is operated
  - 9.13.6 Any major structural change to a bin or storage facility licensed for storage

- 9.13.7 The termination of a lease on a certified warehouse the destruction or removal of storage facilities, or the leasing of such a facility to any other person.
- 9.14 Upon the change of management, cessation of operations, change of partners in a partnership, change of corporate structure of a corporation, or sale, the EAGC may suspend or withdraw a warehouse certification. It is the duty of the Warehouse Operator to inform the EAGC of such change, and if directed by the EAGC, to deliver his certificate along with a statement of all deposits and the setting forth the arrangements made with depositors for final disposition of the grain in storage and for fulfilling the obligations of the retiring Warehouse Operator.
- 9.15 When there is a change of management or cessation of operations, the EAGC, when deemed appropriate, may cause an audit and examination to be made. The cost of such audit or examination shall be charged to the Warehouse Operator.
- 9.16 If certification is evoked for any reason the EAGC shall endeavor to notify depositors whether directly or through the media that the warehouse no longer is certified by the EAGC.

## **10 Out of Condition Grain**

- 10.1 The Warehouse Operator is responsible for the condition of the commodities stored in the warehouse. The sampling, grading, and maximum lengths of storage along with the first in first out policy are all to ensure that grain does not go out of condition.
- 10.2 If the Warehouse Operator finds that stored grain in the warehouse facility is going out of condition or is out of condition the Warehouse Operator shall immediately request an independent EAGC certified grain inspector to examine the commodity in question. The EAGC shall appoint an inspector within 1 working day from notification who shall be immediately available to inspect the commodity in the warehouse. The costs of such inspection are for the Warehouse Operator's account
- 10.3 If the grain inspector or Warehouse Operator finds such commodity to becoming out of condition and he is of the opinion that with conditioning (fumigation, re drying etc) the commodity can be brought back into condition, the Warehouse Operator shall immediately after inspection, to the extent to which the warehouse has suitable equipment, or upon giving notice to the EAGC of another warehouse so equipped to the extent that his warehouse is not equipped with suitable equipment transfer the commodity, subject the commodity to such conditioning.
- 10.4 Such re conditioned commodity shall then be re graded.
- 10.5 If the grain inspector shall determine that the further deterioration of any commodity cannot be prevented by re conditioning, or after treatment in accordance with rule 10.3 of this regulation, it is still out of condition for the grade stored, the Warehouse Operator shall immediately buy in grain of the same grade as the out of condition grain was, to replace the out of condition grain, and shall remove and dispose of the out of condition grain.
- 10.6 If the grain is found to not be fit for human consumption then the Warehouse Operator must destroy the commodity as per regulations laid out by the relevant authority of the country.
- 10.7 All costs incurred when grain is out of condition or is treated to prevent it going out of condition shall be born by the Warehouse Operator.

## **11 Records and reporting**

- 11.1 The Warehouse Operator shall maintain at each certified warehouse facility current and complete records with respect to all agricultural commodities delivered to, withdrawn from, and received, stored, or processed by, the Warehouse Operator for each such certified warehouse facility. Records shall be filed numerically and shall include but not be limited to the following;
- 11.1.1 A perpetual inventory showing the total quantity of each kind and grade of grain received in and loaded out and the quantity of each kind and grade of grain remaining in the warehouse and the total storage obligations for each kind and grade of grain. This record shall be kept current as of the close of each business day, provided that if no transaction takes place during the business day a record showing the actual status as to quantity and storage obligations as of the close of the preceding business day during which recordable transaction occurred shall be deemed to be current.
  - 11.1.2 A rail and or transport register (including truck or rail registration markings and the truck drivers identification details etc)
  - 11.1.3 Pre numbered goods received notes which shall include the name, complete address and contact number of the owner or owners of stored grain.
  - 11.1.4 Pre numbered scale tickets which shall include the name, complete address and contact number of the owner or owners of stored grain.
  - 11.1.5 Pre numbered storage contracts
  - 11.1.6 A current copy of the periodic insurance report submitted to the insurer
- 11.2 On or before the tenth (10<sup>th</sup>) day of each month, the Warehouse Operator shall send to the EAGC copies of the following;
- 11.2.1 The perpetual inventory for the last business day of the preceding month
  - 11.2.2 The monthly report to the Warehouse Operator insurance company
  - 11.2.3 A periodic statement in a format prescribed by the EAGC, which may include but is not limited to a schedule of all GRNs issued or cancelled by the Warehouse Operator, prepared as of close of business at the end of that period. If required, a statement must be filed for a calendar month regardless of whether or not the Warehouse Operator has commodities in storage.
- 11.3 All records shall be kept for not less than five (5) years after the close of the period for which such record was required.

## **12 Shipping grain from the warehouse**

- 12.1 The holder of a GRN for grain in a warehouse shall in writing request the grain to be delivered to him or to his transporter. The GRN holder must surrender the GRN properly endorsed.
- 12.2 Before the Warehouse Operator releases the grain represented by the relevant GRNs all storage charges and any other charges incurred and stipulated in the contract must be paid to the Warehouse Operator in full.
- 12.3 The grain must be delivered in the quantity and grade as designated on the GRN.

- 12.4 When grain is delivered from storage or sold to the Warehouse Operator where stored, GRNs must be cancelled, CANCELLED and date shall be so marked across the face of the GRN.
- 12.5 Grain shall not be loaded unless the GRN has been returned to the Warehouse Operator.
- 12.6 Unless the depositor is present when the commodity is loaded, the Warehouse Operator must receive in writing instructions to load the transport at least 24 hours before the arrival of the transport, these instructions shall include but shall not be limited to; name of depositor and a copy of the depositor's ID, GRN number, transport registration markings, if applicable truck driver's name and ID number and the approximate gross / nett weight to be loaded.
- 12.7 Loading of commodity onto the transport shall be determined by the time the warehouse received in writing the request to release the commodity. The Warehouse Operator shall inform the depositor if the waiting time for loading is more than 36 hours from having received written notice, and shall inform the depositor of the next available time slot.
- 12.8 Depositors or depositors transporters who have given prior notice to the warehouse shall at all times have priority over depositors or depositors transporters who arrive without having made prior arrangements with the warehouse
- 12.9 When a depositor or a depositor's transporter with written instructions arrives at a warehouse having not informed the Warehouse Operator of their intention to load commodity at the warehouse, the depositor shall be added to the bottom of the list after all that have provided prior notification.
- 12.10 If an opportunity to load becomes available due to the fact a prior notice transporter has failed to arrive in time or there was no prior commitment for that time, any available transporter may at the Warehouse Operator's discretion be loaded, the truck that failed to arrive would then be allocated the loading truck's slot.
- 12.11 Trucks and rail wagons that are on the loading list shall be off loaded on a 'first come first serve' basis on the day of loading.
- 12.12 No transport will be loaded without providing suitable written instructions.
- 12.13 The Warehouse Operator shall have a certified sampler and or grader take a sample from each lot or truckload of grain (which ever is smaller) so delivered and shall grade it or have it graded by a certified grader.
- 12.14 Unless otherwise requested the Warehouse Operator shall not mix lots when delivering commodity on to the trucks or rail trucks.
- 12.15 Where the GRN applies to identity preserved commodity the Warehouse Operator shall deliver the exact grain deposited and indicated in the GRN.
- 12.16 If only a portion of the commodity represented by a GRN is delivered a new GRN shall be issued covering the balance or undelivered portion of the commodity upon the same terms, subject to the same conditions, with the original date of deposit and a plain and conspicuous statement that it represents grain which was previously covered by the original GRN and quoting the number thereof.
- 12.17 The holder of several GRN's for the same quality commodity may request the warehouse to consolidate them into one GRN, the original GRNs must be returned, cancelled and then a new GRN issued for the total quantity, the date of deposit shall be the date of earliest GRN along with a plain and conspicuous statement that it represents grain which was previously covered by the original GRNs and quoting the numbers thereof

- 12.18 GRNs voided by the Warehouse Operator for any reason shall be so marked, signed and dated, all copies of voided GRNs shall be held in the same manner and the same period as are cancelled GRNs.

### **13 Insurance**

- 13.1 Applicants receiving certification of a warehouse shall, as a condition to the granting thereof, file or have on file a current and effective certificate of insurance evidencing a current and effective policy of insurance issued by an insurance company authorized to do business in the country where the warehouse is located insuring in the name of the applicant all commodities which are or may be in such warehouse for their full market value against fire, inherent explosion, lightning, flood etc., theft and including theft from the warehouse staff.
- 13.2 The Warehouse Operator shall at all times keep such insurance cover note posted in a conspicuous place where depositors receive their GRNs.
- 13.3 In the event that the commodity stored in the warehouse is either destroyed by acts of god, or lost through theft, the Warehouse Operator shall immediately inform the EAGC and all depositors affected.
- 13.4 The Warehouse Operator shall upon demand by the depositor, and upon being presented with the GRN, or other evidence of ownership, make settlement, after deducting the Warehouse Operator charges and advance, at the market value of the commodity based on the value at the average price for the commodity of the same grade and quality on the date of the loss at the location of the warehouse. In the event such settlement is not made within sixty (60) days from the date of such demand, the depositor shall have the right to seek recovery from the insurance company.
- 13.5 In the event of a dispute regarding a) the date of loss b) the market value of the commodity, the parties to such dispute shall submit the issue or issues in dispute to the EAGC who shall resolve such dispute under the conditions of the EAGC Resolution of Simple Dispute Rules or the EAGC Arbitration Rules.
- 13.6 The Warehouse Operator may not cancel the approved insurance without the prior written approval of the EAGC and the EAGC's approval of substitute insurance. An insurance company may only cancel insurance required by these regulations after the expiration of sixty – five (65) days from the date the surety shall have been mailed to the EAGC by registered post or reputable courier informing the EAGC of notice of intent to cancel such insurance. Upon receipt of such notice the EAGC shall promptly notify the affected Warehouse Operator.
- 13.7 Notwithstanding any other provisions in these regulations the certification of a warehouse or Warehouse Operator shall be automatically be suspended for failure to;
- 13.7.1 provide new evidence of insurance within the thirty (30) day period as provided in these regulations
- 13.7.2 maintain at all times the insurance as provided in these regulations
- 13.8 Suspension shall continue as long as any such failure exists.
- 13.9 Not later than fifteen (15) days prior to the date upon which the insurance cancellation becomes effective, the Warehouse Operator shall give written notice to the EAGC that he has obtained acceptable new insurance coverage which will become effective and is to be in full force and effect on and after the date upon which the existing insurance is to be cancelled.
- 13.10 Warehouse Operator shall at all times ensure that all conditions of the insurance policy are complied with.

## **14 Fire protection**

- 14.1 The Warehouse Operator shall maintain all fire fighting equipment and provide on request relevant maintenance records for such equipment noted in the inspection which shall be up to date. The maintenance records for all equipment shall remain current at all times.
- 14.2 All fire fighting equipment will be conspicuously marked and readily accessible.
- 14.3 Personnel shall be instructed on the use of the fire equipment available and the procedures to follow in case of a fire breaking out. These procedures shall be in writing and available for inspection and should be conspicuously displayed where personnel congregate.
- 14.4 Fire assembly points shall be clearly marked and easily accessible.

## **15 Safety**

- 15.1 All combustible, flammable and poisonous materials should be stored in a separate building not adjacent to the main certified warehouse.
- 15.2 No smoking and no trespassing signs both in English, and the common local language should be prominently displayed.
- 15.3 Safety methods should be strictly enforced in handling and storing materials and in house keeping practices
- 15.4 Personnel should be trained in accident procedure protocols, such protocols should also be in writing and available for inspection.

## **16 Security**

- 16.1 The Warehouse Operator shall at all times maintain security of the warehouse facility based at the level noted during the EAGC inspection.
- 16.2 The Warehouse Operator shall check daily that all external lighting and electrical fences are in working order and all other security features are intact.
- 16.3 The Warehouse Operator shall restrict access to the stored grain to authorized staff only.
- 16.4 The public should only have access to the main offices.

## **17 Personnel**

- 17.1 Personnel shall be qualified to perform their assigned functions.
- 17.2 All procedures (both admin and procedural) shall be in writing, available to members of staff and available for inspection.
- 17.3 The Warehouse Operator shall only employ trained samplers, weighers and graders.
- 17.4 The Warehouse Operator shall at all times maintain a current record of the authorized samplers, weighers and graders at their warehouse with the EAGC.
- 17.5 The Warehouse Operator shall immediately inform the EAGC in writing of any change in authorized samplers, weighers and graders including all details of any new sampler's, weigher's or grader's qualifications. EAGC may at their discretion inform the Warehouse Operator that the new member of staff is not acceptable to the EAGC, and in this case the EAGC may insist on a change.
- 17.6 Before employing a new authorized sampler, weigher or grader the Warehouse Operator may contact the EAGC to check that the EAGC has not black listed such weigher, sampler or grader.

- 17.7 The Warehouse Operator shall keep all sampler's, weigher's and grader's certificates and records up to date.
- 17.8 Graders shall attend EAGC recognized refresher courses not less than every 12 consecutive months.
- 17.9 Administration personnel shall have received training in correct preparation of forms, reports, and other clerical procedures and will be checked to ensure the correct procedures are still being used.

## **18 Supervision**

- 18.1 Warehouse procedures shall be supervised by trained Warehouse Operators at all times.
- 18.2 Warehouse supervisors, checkers, material handling equipment operators and other personnel shall be adequately trained for their particular job/s.

## **19 General procedures**

- 19.1 The Warehouse Operator shall no less than bi weekly monitor the infrastructure of the warehouse and ensure such infrastructure is in a sound state of maintenance.
- 19.2 The Warehouse Operator shall maintain the areas surrounding the warehouse including cutting of any grass, removing stagnant water, destroying rodent burrows, and maintaining access to the warehouse.
- 19.3 The Warehouse Operator shall not store any equipment, pallets, vehicles etc closer than 10 feet from the warehouse building.
- 19.4 The Warehouse Operator shall weekly check, clean and repair any handling equipment, drying equipment, cleaning equipment and bagging equipment involved in the storing of grain.
- 19.5 The Warehouse Operator shall sweep the floors of the warehouse daily, all sweepings collected shall be removed from the premises and destroyed immediately.
- 19.6 Unused pallets should be stacked neatly and kept dry and in good condition.

## **20 Equipment maintenance**

- 20.1 The Warehouse Operator is responsible to keep all equipment used in the handling of grain in working order
- 20.2 The Warehouse Operator shall run a regular maintenance program for such equipment, and shall keep records of such maintenance up to date and available for inspection.
- 20.3 In the case of a break down of vital grain handling equipment the Warehouse Operator shall immediately inform the EAGC and any depositor who has informed the warehouse that they will be delivering or removing grain from the warehouse, such notice shall indicate the problem and the estimated time the warehouse shall be operating such equipment again.
- 20.4 The Warehouse Operator shall ensure that all government regulations with regards to weighing devices are observed at all times.
- 20.5 The Warehouse Operator shall ensure that all grading equipment is at all times in working order.

**21 Warehouse maintenance**

- 21.1 The Warehouse Operator is responsible for properly maintaining the warehouse infrastructure at all times.
- 21.2 The Warehouse Operator shall (or shall ensure) that proper maintenance is carried out which shall include but not be limited to;
  - 21.2.1 Repairing cracks or crevices in walls or floors
  - 21.2.2 Capping any openings at the top of concrete block walls
  - 21.2.3 Cleaning inside walls
  - 21.2.4 Filling any holes greater than ¼ inch in size beneath doors or dock plates
  - 21.2.5 Adjusting door tracks or dock springs
  - 21.2.6 Replacing burnt out bulbs
  - 21.2.7 Replacing or clearing gutters or down spouts
  - 21.2.8 Repairing outside access surfaces.