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Chapter 17

Elevators And Warehouses

Application

1700.00 Application For Regularity. The owner or operator of any warehouse or elevator who desires to have such facility declared regular for the delivery of grain under the rules and regulations of the KCBT may make application to the Secretary for Declaration of Regularity. Such application shall be made on a form prescribed by the KCBT and shall be accompanied with a description of the facility, including its capacity, strength, and receiving and loading facilities. The application shall also be accompanied by a financial statement certified by an independent certified public accountant as of the end of the fiscal year most recently preceding the date of application. All applications shall be referred to the Elevator, Warehouse, Weight and Inspection Committee and the Finance Committee to determine compliance with the requirements of this Chapter. Such warehouses or elevators shall be declared regular by a resolution of the Board of Directors adopted by not less than eight (8) affirmative ballot votes.

Conditions

1705.00 Board Of Directors Prescribe. The Board of Directors by regulation may prescribe the conditions on which warehouses and warehousemen may become regular. In conformity with the provisions of Section 5a(7) of the Commodity Exchange Act, as amended, the Board of Directors, in the case of federally licensed warehouses and warehousemen, may impose only such reasonable requirements as to location, accessibility, and suitability as may be imposed on other regular warehouses and warehousemen.

1705.01 Effective Date of Regularity. For applications for regularity pertaining to a warehouse(s) that is not currently regular, the effective date of regularity shall be as follows:

- a. If the application for regularity is approved by the Board of Directors at a meeting held during a delivery month, the effective date shall be the first business day of the calendar month immediately following the month of Board approval.
- b. If the application for regularity is approved by the Board at a meeting held during a month that is not a delivery month:
 1. And the calendar month immediately following the month of Board approval is not a delivery month, the effective date shall be the business day following Board approval.
 2. And the calendar month immediately following the month of Board approval is a delivery month, the effective date shall be the business day following the last delivery day of such delivery month.

For applications for regularity pertaining to a warehouse(s) that is currently regular (regularity has not expired or been withdrawn, suspended or revoked prior to Board consideration of the new regularity application), and the application is for approval of a new operator of such warehouse(s), the effective date of regularity shall be the business day following Board approval.

1706.00 Conditions of Regularity. No warehouse or elevator shall be made regular unless it conforms to the requirements set forth in Rules 1706.01 through 1706.07.

1706.01 Licensed. The warehouse or elevator must be licensed as a public warehouse under the laws of the State of Missouri or Kansas, or under the United States Warehouse Act.

1706.02 Capacity. The warehouse or elevator must have a storage capacity of not less than 100,000 bushels.

1706.03 Facilities. The warehouse or elevator must be equipped with bulk receiving and loading facilities adequate for the prompt dispatch of business.

1706.04 Railway Connections. The warehouse or elevator must be so situated that it is connected by railroad tracks with one (1) or more railway lines within the switching district as described in railroad tariffs of the city in which the elevator is located.

1706.05 Financial Standing. The individual, firm, or corporation operating the warehouse or elevator seeking to be declared regular, shall be of unquestioned good financial standing and credit. Such individual, firm, or corporation shall have and maintain a minimum net worth as may be fixed from time to time by the Board of Directors, provided that the same is uniform in principle as to all individuals, firms, or corporations. The Finance Committee shall have full authority to determine at any time whether such net worth, financial standing, and credit exists and is being maintained.

1706.06 Compliance. The individual, firm, or corporation operating the warehouse or elevator seeking to be declared regular must comply with the rules and regulations of the KCBT and be a member thereof.

1706.07 Load-Out Capacity. The warehouse or elevator must be equipped to load covered hopper rail cars. The warehouse or elevator shall file with the Secretary a statement, stating in bushels, the eight (8) hour load-out capacity of the facility for a five (5) day work week. This load-out capacity must at least meet the minimum load-out required for deliveries on warehouse receipts. (See Rule 1218.00). Further, the warehouse or elevator shall notify the Secretary of any change in such load-out capacity.

1706.08 Notification, Change of Status. The member individual, firm or corporation operating a regular warehouse shall notify the Exchange in writing no later than 4:30 p.m. local time on the business day following the date when such member becomes aware of any requirement of regularity pursuant to the rules and regulations of the KCBT that is no longer being met. Such requirements include, but are not limited to, membership requirements under Chapter 2 and financial and suitability requirements under Chapter 17. Failure to notify the Exchange shall be deemed an act detrimental to the best interests of the Exchange and subject to disciplinary action under Chapter 14 of the KCBT rules and regulations.

1706.09 Revocation, Expiration or Withdrawal of Regularity. Any regular warehouse may have their regularity revoked by the Board if it does not or cannot comply with the conditions of regularity set forth in this Chapter or in Chapter 5 of these rules. Should the Board revoke the regularity of any warehouse, notice of such shall be posted.

Annual Renewal

1708.00 Regularity; Renew Annually. Each Declaration of Regularity shall expire each year on the 30th day of May. Application for renewal of such declaration must be filed in the Office of the Secretary at least thirty (30) days prior to such expiration and shall be processed in the same manner as the original application.

Requirements Of Regularity

1710.00 Bond. All regular warehouses or elevators shall file with the Secretary a copy of the bond(s), filed with and approved by the applicable licensing authority. All such bonds shall provide that the surety thereon shall notify the KCBT, without right of exoneration, by thirty (30) days' prior written notice of any change, expiration, termination, or cancellation thereof, together with a copy of any change made. Additional bonds may be required by the Board of Directors in such amount, and containing such conditions or provisions, as it may fix and determine.

1711.00 Insurance. All regular warehouses or elevators shall file with the Secretary copies of insurance policies covering all insurance filed with and approved by the applicable licensing authority. All such policies shall provide that the insurer shall notify the KCBT, without right of exoneration, by thirty (30) days' prior written notice of any change, expiration, termination, or cancellation thereof, together with a copy of any change made. If the policy requires periodical reports on stocks of grain on hand, certified copies of such reports shall be filed with the Secretary.

1712.00 Weigh-Up Or Measure-Up Requirements. All operators of warehouses or elevators regular under the KCBT rules must weigh-up or measure-up their facilities when requested by the Board of Directors.

1713.00 Records And Reports. Operators of elevators or warehouses regular under these rules shall make such reports, keep such records, and permit such warehouse visitation as the Commodity Futures Trading Commission may prescribe under Section 5a(3) of the Commodity Exchange Act, as amended. Such books and records shall be kept for a period of three (3) years from the date thereof, or for a longer period if the Commission shall so direct, and such books, records, and warehouses shall be open at all times to inspection by any representative of the Commission or United States Department of Justice. The owner or operator of each regular warehouse or elevator shall file with the Secretary a copy of all reports filed with the Commission as to kind, grade, and amount of grain contained in such elevator or warehouse, and shall supply, under oath, such other information as may be required by the Board of Directors.

Charges

1715.00 Elevator Charges; Delivery Grain. The Board of Directors may by resolution, from time to time establish and revise fees for regular elevators relating to grain delivered in satisfaction of futures contracts, including an elevation fee, a load-out fee, and an insurance and storage fee; provided that the effective date of such fees must be at least thirty (30) days after enactment to permit notice to the members.

Resolutions

RES 17-1700.00-1 Regular Elevators

As of January 24, 2012, the following elevators are regular for delivery under the rules of The Board of Trade of Kansas City, Missouri, Inc.

2011 ELEVATORS DECLARED REGULAR FOR DELIVERY

<u>Operator</u>	<u>Elevator & Railroad</u>	<u>Storage Capacity</u>
Kansas City		
ADM Grain Company	Milwaukee (KCS)	1,304,000
ADM Grain Company	Wolcott (UP)	2,526,000
Bartlett Grain Company, LP	River Rail (UP)	10,083,000
Bartlett Grain Company, LP	KCT #1 (BNSF)	4,307,000
Bartlett Grain Company, LP	Fairfax (UP)	10,039,000
Cargill, Inc.	Chouteau (BNSF)	927,000
Cargill, Inc.	Katy (UP)	4,332,000
Storage Capacity - Kansas City		33,518,000
Hutchinson		
ADM Grain Company	Elevator A (UP)	3,058,000
ADM Grain Company	Elevator B (BNSF & UP)	1,869,000
ADM Grain Company	Elevator I (BNSF)	5,823,000
ADM Grain Company	Elevator J (BNSF & UP)	18,307,000
Cargill, Inc.	Hutchinson (BNSF & UP)	4,394,000
Cargill, Inc.	Hutchinson W (UP)	4,448,000
Storage Capacity - Hutchinson		37,899,000
Salina/Abilene		
ADM Grain Company	Salina A(UP)	3,482,000
Cargill, Inc.	Salina (K&O)	31,669,000
Gavilon Grain, LLC	Abilene (BNSF & UP)	1,392,000
The Scoular Company	Salina (UP)	11,077,000
Storage Capacity - Salina/Abilene		47,620,000
Wichita		
Bartlett Grain Company, LP	Wichita (BNSF)	8,470,000
Gavilon Grain, LLC	Wichita (K&O)	30,542,000
Horizon Milling, LLC	Wichita (BNSF & UP)	5,842,000
Storage Capacity - Wichita		44,854,000
TOTAL STORAGE CAPACITY		<u>163,891,000</u>

Resolutions

RES 17-1706.05-1 Elevators and Warehouses; Financial Standing

Minimum Net Worth Requirement

RESOLVED, that a minimum net worth of fifteen cents (15¢) per bushel upon the aggregate storage capacity at all locations in the United States be established and maintained by elevators regular for delivery (October 26, 1965).

RES 17-1711.00-1 Elevators and Warehouses; Insurance

Insurance Certificate in Lieu of Policy

RESOLVED, that firms may submit a certificate of insurance in lieu of submitting an insurance policy; provided that the certificate is issued by the insurance company, that there is a certificate for each location covered, that such certificate indicates the amount of coverage, the policy expiration date, the number of the policy, and includes the standard Kansas City thirty (30) day notification clause to the KCBT in the event of change or termination as required by Rule 1711.00 (February 28, 1974).

RES 17-1715.00-1 Elevators and Warehouses; Elevator Charges, Delivery Grain

Load-Out Fee

Under the authority of Rule 1715.00, the maximum load-out fee for regular elevators on grain delivered on futures contracts is established at eight cents (8¢) per bushel.

RES 17-1715.00-2 Elevators and Warehouses; Elevator Charges, Delivery Grain Storage & Insurance

Under the authority of Rule 1715.00, effective September 1, 2011 the maximum storage and insurance charge for regular elevators on grain delivered on futures contracts is established at \$.00197 per bushel per day from December 1 to June 30, and \$.00296 per bushel per day from July 1 to November 30.