

[7-307.

(a) In order to cover losses sustained by any person storing leaf tobacco in the warehouse, the Secretary shall arrange for appropriate insurance covering any loss by fire, and providing for extended coverage, and coverage for loss by water if it is obtainable at reasonable cost. Coverage shall be available by proper endorsement for the benefit of any person storing leaf tobacco as his interests may appear.

(b) The owner of the tobacco shall pay the charge for his insurance coverage upon removal of the tobacco from the warehouse.

(c) No insurance may be provided and no charge made where the owner makes a written waiver of insurance coverage when the leaf tobacco is placed in the warehouse.

(d) No claims for damages against the warehouse for unsound or damaged tobacco shall be allowed or paid except for damages caused by fire or water, if insurance coverage is available and carried.]

[7-308.

(a) The Secretary shall inspect all tobacco in the warehouse as soon as possible, without favor, affection, or partiality to anyone having lots requiring inspection.

(b) The Secretary shall sell any scrap tobacco accruing in the warehouse for the highest price available.]

[7-309.

(a) The Secretary may fix and establish grades for leaf tobacco. The grades shall follow the grades established by the United States Department of Agriculture to the extent possible.

(b) The Secretary may grade all leaf tobacco sold or offered for sale in the warehouse, whether or not the tobacco is stored in the warehouse or in private warehouses. For this purpose, the Secretary may enter private warehouses where tobacco is stored during regular business hours.

(c) The tobacco shall be graded as soon as the hogshead is uncased and the sample taken.

(d) The tobacco of any grower or shipper may not be graded if the grower, shipper, or their agents submits a written statement that he does not wish his tobacco to be graded when the tobacco is placed in the warehouse or shipped to the selling agency.]