

Opinion No. 158.**Warehousemen—Storage—Grain—
Elevators.**

HELD: Although storage contract terminates June 30 each year, elevator may sell only so much wheat as may be necessary to pay storage charges, balance to continue in storage.

April 13, 1933.

You have submitted the following question: "I have a storage ticket issued in 1932 and I do not present the same on June 30th, 1933 for cancellation but I do present it in October, 1933. Upon what basis would the elevator company settle with me for the balance of the grain after they had sold sufficient to pay the storage charges up to June 30th, 1933? In other words, does June 30th mark the date for sale of all grain and is the elevator company expected to set aside the amount belonging to me for delivery upon surrender of the original storage ticket?"

Section 3588, R. C. M. 1921, as amended by Chapter 35, Laws of 1933, reads, in part:

"All storage contracts on grain in store in public local grain warehouses, as evidenced by a warehouse receipt shall terminate on June 30, of each year.

"Storage on any or all 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 the 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 ex-

piration of the storage contract, as prescribed in this Act, the warehouseman shall upon the expiration of the storage contract sell so much of such stored grain at the local market price on the close of business on said day as is sufficient to pay the accrued storage charges and shall thereupon issue new storage tickets for the balance of the grain to the owner thereof upon surrender by him of the original storage receipts. Provided, further, that it shall be the duty of the warehouseman on the first day of June of each year to notice all storage ticket holders at their last known address of the provisions of this Act."

It is my opinion, in view of the wording of the above act, that the elevator company in the circumstances above mentioned would have no authority to sell more than "so much" of such grain stored as may be necessary to pay the storage charges up to June 30 of each year, the date of the termination of the contract as provided in the act above quoted, and that the balance of the grain should continue in storage and new tickets made and issued therefor when the original storage tickets have been surrendered. Notice should be mailed to the storage ticket holders in accordance with the proviso above quoted.