

FACT SHEET

Electronic Warehouse Receipts

EASY TO USE

The eGrainSM System is an electronic warehouse receipt system that is web-based and easy to use. There is no need to download software or worry about application updates.

SECURITY

eGrain, Inc. adheres to strict federal security and confidentiality requirements to maintain its status as a USDA licensed provider. The eGrainSM System is hosted at a secure, restricted facility with multiple power sources and back-up systems with numerous access points to the internet, ensuring the highest protection and loss prevention of warehouse receipt data.

REPORTS

The eGrainSM System is a powerful, web-based central filing system. Users can instantly sort the entire history of EWRs and produce customized reports or import information into accounting software, thus improving accuracy and efficiency for tracking receipts. These reports can also be downloaded into third party applications such as Microsoft® Excel.



KEY BENEFITS

- Eliminate the need to store, file, safeguard and track used and unused paper warehouse receipts
- Eliminate the costs of overnight delivery of warehouse receipts
- Centralize the purchasing, issuance, and monitoring of warehouse receipts issued from all company locations
- Eliminate rejection with built-in “Validation of Grades” which assures EWRs are not issued with incorrect data
- Eliminate trips to the county FSA offices to pay off producer and pick up warehouse receipts
- Easily issue multiple, identical warehouse receipts without repeated data entry

Overview

The paper warehouse receipt system is cumbersome, costly and inefficient. Paper receipts must be accounted for at all times and stored for a period of several years after cancellation. The paper receipt must be physically transferred between the warehouse, grain owners and lien holders to assure the control and protection offered by possession.

Paper receipts have traditionally been used by firms as sources of collateral for loans from banking organizations against grain transactions. Grain firms or trading entities would deposit paper receipts representing grain in store at state or USDA licensed warehouses with banks to cover financing activities. Banks would then hold the paper receipt as collateral against the transaction.

As the industry moves to a paperless environment, the use of paper warehouse receipts is being transitioned to electronic forms.

Electronic warehouse receipts (EWRs) are simply computer records of all of the information which is required to appear on a paper warehouse receipt. EWRs are authorized by federal law and represent title documents which make them legally equivalent in every way to paper warehouse receipts. It is important to note that the same business and regulatory rules that apply to the use of paper receipts, also apply to electronic warehouse receipts. EWRs are widely accepted by banks and lending institutions as well as federal and state regulatory agencies. EWRs are the most efficient way to securely hold grain positions in today's market. Users have instant control of all of their EWRs with the eGrainSM System and there is no concern of loss with electronic warehouse receipts. The eGrainSM System is versatile in its design, so additional commodities can easily be accommodated.



BANKS AND LENDERS

Through the use of EWRs, lenders can eliminate the need to designate a local bank to handle warehouse receipts. The web-based system enables loans to be processed quickly and eliminates the safeguarding of paper receipts. EWRs can also be used very efficiently in inventory financing transactions such as repurchase agreements. In addition, the eGrainSM System improves a lender's collateral position by allowing secure and instant access to the receipts.

WAREHOUSES

Warehouses can eliminate the need to store, file, safeguard, and track used and unused warehouse receipts. EWRs can be purchased instantly on the eGrainSM System and warehouses can centralize their issuance. Furthermore, warehouses can view the history of every EWR issued at anytime.

CONTACT US

Contact eGrain, Inc. to subscribe to the eGrainSM System or to schedule a demo. Further information on all of our services can be found on the web at www.egrain.com or call us toll free at (800) 278-6799.



EWR Uses and Benefits

Electronic warehouse receipts are currently utilized for many purposes, including:

- Collateral for loans from banks and other lending institutions
- Intra-company transactions when relocating grain between warehouses
- Collateral to cover margins and/or to meet financial requirements with futures exchanges
- Ownership transfers through the delivery process at exchanges
- Producer marketing assistance loans with the USDA -FSA
- Ownership transfers between warehouses, processors, ethanol plants and end users

Grain warehouses can use EWRs to instantly transfer the ownership of grain to ethanol plants, grain processors, feed lots and milling operations when prepayment is used by the buyer. In addition, these end users may use EWRs as collateral at lending institutions and boards of trade.

Warehouses can reduce or eliminate demurrage costs on barges or rail cars by instantly surrendering the EWRs for cancellation and moving grain out of the facility.

Company Information

The people of eGrain, Inc. continually strive to improve the efficiency and profitability of the agriculture industry through the use of electronic documents. Located in Springfield, Illinois, eGrain, Inc. was approved by the USDA – Farm Service Agency on June 1, 2005 to establish and maintain a central filing system for the purpose of electronically filing grain and rice warehouse receipts and other United States Warehouse Act (USWA) documents under agreement number 19-12.

The eGrainSM System is a highly secure and powerful web-based central filing system that is easy to use and accessible 24 hours a day, 7 days a week. The eGrainSM System is approved and recommended by the USDA and state officials that make up the Association of Grain Regulatory Officials (AGRO). Furthermore, both federal and state licensed grain warehouses are eligible to utilize EWRs and the eGrainSM System.

The eGrainSM System is innovative in its design and was granted U.S. Patent 7,827,078 for its method and system for managing commodity transactions.

SERVICES AVAILABLE

- [Electronic Warehouse Receipts](#)
- [Electronic Price Later or Credit-Sales Contracts](#)
- [eLicensing for Warehouses](#)
- [Online Data Backup](#)



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