



United States
Department of
Agriculture

Farm
Service
Agency

Kansas City Commodity Office
Post Office Box 419205
Kansas City, Missouri 64141

Date: May 30, 2007

FAX NO. (816) 926-6381 or (816) 926-6767

PEANUT EXCHANGE NO. 03

The Commodity Credit Corporation (CCC) desires to exchange CCC-owned bulk peanuts with a total warehouse receipt value of \$974,037.45 (based on the loan schedule for 2,704.41 net tons) for commercial peanut butter delivered to various locations.

The successful bidder will receive 100 percent of the loan value of CCC-owned bulk peanuts in exchange for commercial peanut butter produced and packaged in accordance with Commodity Requirements Document PP10, except that the peanut butter may be produced from the 2005-crop and/or 2006-crop of peanuts. The peanut butter shall be in 12/18 ounce containers destined for various locations as indicated on the offer form.

Offers and any modifications or withdrawals of offers must be received in the Kansas City Commodity Office (KCCO) by 10:00 a.m., CDT, June 5, 2007.

CCC will telephone contractor with notice of acceptance by: 11:00 a.m., CDT, June 6, 2007.

All CCC-owned bulk peanuts are included in this exchange. A list of Peanut Storage Agreement (PSA) warehouse names and locations together with the type, quality, quantity and loan value of CCC-owned bulk peanuts is available at http://www.fsa.usda.gov/Internet/FSA_File/peanut_list_p.pdf. KCCO strongly urges prospective contractors to contact the storing warehouse operator to arrive at the terms and conditions applicable for delivery of the peanuts prior to exchanging peanut butter for CCC-owned bulk peanuts. As described in Part 3 (F)(b) of the PSA, the storing warehouse operator must load out the total value of the peanuts represented on the warehouse receipt, calculated by using USDA's Price Table File for the applicable crop year. For the purposes of this invitation, this value will be referred to as the "loan value".

The contractor agrees to accept 100 percent of the loan value of CCC-owned peanuts (\$974,037.45) in exchange for the quantity of peanut butter to be delivered. The contractor must offer to deliver peanut butter for delivery items in their entirety, except that one split peanut butter item will be allowed in order to arrive at the intended bid quantity. In formulating the offer, the offeror should note that CCC-owned bulk peanuts will be received by the contractor instore, at storage locations specified in the CCC-owned bulk peanuts listing. CCC may reject any or all offers.

As applicable, paper warehouse receipts will be mailed to the storing warehouse operator using overnight mail and, for Electronic Warehouse Receipts (EWR), the storing warehouse operator will become the holder upon title transfer. CCC will instruct the storing warehouse operator to cancel the warehouse receipts and hold the peanuts in open storage for the contractor's account. If interested, the contractor may request that the storing warehouse operator issue new warehouse receipts to the contractor.

All costs for transportation/manufacturing/handling of peanut butter from the contractor's plant to the final destination are for the contractor's account.

Any differences between quantity and quality of CCC-owned bulk peanuts received by the contractor are to be settled between the storing warehouse operator and the contractor. CCC will not facilitate this settlement.

Contractor is responsible for paying load out charges, plus any storage charges incurred after CCC transfers title to the CCC-owned bulk peanuts instore. The storage and handling rates contained in the CCC Schedule of Rates (\$8.00 per ton load out, and \$2.71 per ton per month storage) will apply to peanuts until loaded out, provided the transferee, in writing, orders the peanuts loaded out for immediate shipment within 30 days after the date title is transferred. If the transferee does not request, in writing, load out within 30 days after the date title is transferred, the storage and handling rates applicable to the transferee for the peanuts shall not exceed CCC's Schedule of Rates in effect at the time of title transfer until the earlier of: 1) 60 days, or 2) title to the peanuts is transferred by the transferee to another party, or 3) the transferee loads the peanuts out of the warehouse.

CCC will transfer title to the CCC-owned bulk peanuts within 2 business days of contract award for this invitation, and CCC will pay for storage charges through the date title is transferred. The stop storage date for peanuts released to the contractor will be shown on the wire release.

CCC will acknowledge receipt of the peanut butter when the contractor submits Bill of Lading or Proof of Delivery signed by the recipient of the peanut butter. These documents are to be provided to CCC at no additional cost.

Any actual damages suffered by CCC resulting from any failure or refusal of contractor to perform shall be for the account of the contractor. Such actual damages shall include, but not be limited to, the fair market value of peanut butter, as determined by CCC.

The end product delivered must be entirely produced in the United States from commodities and packaging produced in the United States. Produced in the United States means manufactured, processed, mined, harvested, or otherwise prepared for sale or distribution, from components originating in the United States, its territories or possessions, the Commonwealth of Puerto Rico, or the Trust Territories of the Pacific Islands (hereinafter referred to as the United States). Components originating in the United States that have been exported, and subsequently imported back into the United States, will not be considered as having been produced in the United States. The contractor will maintain records evidencing product origin and will make such records available for review by the government.

EVALUATION OF OFFERS

Offers will be evaluated based on the delivery location(s) and the quantity of peanut butter that the contractor is willing to deliver to CCC in exchange for the CCC-owned bulk peanuts. CCC reserves the right to accept the offer most advantageous to the government, which may not necessarily reflect the lowest exchange ratio. In the event two or more offers are equal (same number of trucks, same delivery locations), any award will be made in accordance with the federal acquisition regulation at 48 CFR Part 14.408-6.

SUBMISSION OF OFFERS

CCC reserves the right to refuse to consider an offer if KCCO does not have adequate information to determine the responsibility of offeror, financially or otherwise. First time CCC offerors, for peanut butter contracts, should notify CCC prior to submission of an offer.

Bids shall be submitted by facsimile. Facsimile Numbers are 816-926-6381 or 816-926-6767. Facsimile bids shall be addressed to contracting officer, Kansas City Commodity Office, Attn: Domestic Procurement Division Bid Box. For facsimile submission assistance, contact KC Administrative Office Communications Center at 816-823-1012.

The time recorded by the facsimile as offeror's transmission time will be used to determine the time of receipt by CCC. OFFERORS ARE RESPONSIBLE FOR THE TIMELY RECEIPT OF OFFERS AND ANY AMENDED OFFERS. No offers, modifications, or withdrawals will be accepted by telephone.

Further information may be obtained by contacting:

Kansas City Commodity Office
Domestic Procurement Division
6501 Beacon Drive, Stop 8718
Kansas City, Missouri 64133
Cheryl Davis - Telephone (816) 926-3377

/s/ Patricia Jennings
Contracting Officer
Enclosure

PEANUT EXCHANGE NO. 3 OFFER FORM

IN ACCORDANCE WITH PEANUT EXCHANGE 3, DATED, MAY 30, 2007, THE UNDERSIGNED OFFERS THE FOLLOWING:

SELLER CERTIFIES THAT THE PEANUT BUTTER TO BE DELIVERED WAS OR WILL BE MANUFACTURED IN THE UNITED STATES.

FIRM NAME _____

ADDRESS _____

PLANT LOCATION _____

CONTACT NAME _____

PHONE NO. _____ FAX NO. _____

PART ONE - CCC DELIVERIES INSTORE TO OFFEROR:

LOCATION Bainbridge, GA 72092
(City) (State) (PSA Warehouse Code)

TONS 1,413.26 **LOAN VALUE** \$518,261.04

LOCATION Portales, NM 72349
(City) (State) (PSA Warehouse Code)

TONS 791.46 **LOAN VALUE** \$280,456.75

LOCATION Brownfield, TX 72229
(City) (State) (PSA Warehouse Code)

TONS 499.69 **LOAN VALUE** \$175,319.66

TOTAL TONS **TOTAL**
FOR EXCHANGE 2,704.41 **VALUE** \$974,037.45

PART TWO - CCC RECEIVES FROM OFFEROR

TOTAL QUANTITY OF 12/18 OUNCE PEANUT BUTTER TO BE DELIVERED

ITEM NUMBER	DELIVERY CITY	DELIVERY STATE	QUANTITY OF POUNDS REQUESTED	DELIVERY PERIOD	NUMBER OF POUNDS OFFERED
1	SALT LAKE CITY	UT	38,880	10/15/2007	
2	CHARLESTON	WV	38,880	10/15/2007	
3	HELENA	MT	38,880	10/31/2007	
4	LOUISVILLE	KY	34,020	10/31/2007	
4	MAYFIELD	KY	4,860	10/31/2007	
5	LEXINGTON	KY	34,020	11/15/2007	
5	MAYFIELD	KY	4,860	11/15/2007	
6	MODESTO	CA	38,880	11/15/2007	
7	LOS ANGELES	CA	38,880	10/15/2007	
8	SAN DIEGO	CA	38,880	10/15/2007	
9	GARDEN GROVE	CA	38,880	10/15/2007	
10	GARDEN GROVE	CA	38,880	11/15/2007	
11	CENTRAL ISLIP	NY	38,880	11/30/2007	
12	MEMPHIS	TN	38,880	10/15/2007	
13	SYRACUSE	NY	38,880	10/31/2007	
14	SYRACUSE	NY	38,880	10/31/2007	
15	SYRACUSE	NY	38,880	11/30/2007	
16	SYRACUSE	NY	38,880	10/30/2007	
17	SYRACUSE	NY	38,880	12/31/2007	
18	SYRACUSE	NY	38,880	12/31/2007	
19	SYRACUSE	NY	38,880	12/31/2007	
20	SYRACUSE	NY	38,880	12/31/2007	
21	SYRACUSE	NY	38,880	12/31/2007	
22	SYRACUSE	NY	38,880	12/31/2007	
23	SYRACUSE	NY	38,880	12/31/2007	
24	CARTHAGE	MO	38,880	12/31/2007	

ITEM NUMBER	DELIVERY CITY	DELIVERY STATE	QUANTITY OF POUNDS REQUESTED	DELIVERY PERIOD	NUMBER OF POUNDS OFFERED
25	CARTHAGE	MO	38,880	12/31/2007	
26	CARTHAGE	MO	38,880	12/31/2007	
27	KANSAS CITY	MO	38,880	12/31/2007	
28	KANSAS CITY	MO	38,880	12/31/2007	
29	SYRACUSE	MO	38,880	11/30/2007	
30	SYRACUSE	MO	38,880	12/15/2007	
31	CARTHAGE	MO	38,880	10/15/2007	
32	CARTHAGE	MO	38,880	10/15/2007	
33	CARTHAGE	MO	38,880	10/30/2007	
34	CARTHAGE	MO	38,880	10/31/2007	
35	CARTHAGE	MO	38,880	11/15/2007	
36	CARTHAGE	MO	38,880	11/15/2007	

**TOTAL POUNDS
OFFERED**

SIGNATURE _____

TITLE _____

The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR, Chapter 14, 1496, Subchapter B and C. The information will be used to assess Bulk Grain Procurement Offers. Furnishing the requested information is required to be a responsive offer. Failure to furnish the requested information will result in a nonresponsive offer. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. Federal agencies may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U. S. Department of Agriculture, Clearance Officer, OIRM (OMB No. 0560-0177), Stop 7630, Washington, D.C. 20250-7630.

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.