



United States
Department of
Agriculture

Farm and Foreign
Agricultural Services

Farm Service
Agency

Kansas City
Commodity Office
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MAR 12 2004

NOTICE

TO: All Warehouse Operators Approved to Store Commodity Credit Corporation (CCC)-Owned Commodities Under the Processed Commodities Storage Agreement

SUBJECT: Mold and Infestation and Rejection of CCC-Owned Products

This Notice reminds all warehouse operators of their responsibility to maintain the condition of the CCC-owned commodities, especially with regard to mold and infestation. Warehouse operators must be aware that mold and infestation problems increase when changes in the weather occur, and that mold may cause products such as Nonfat Dry Milk (NDM) to deteriorate. Accordingly, warehouse operators that are storing CCC-owned products are responsible for taking all necessary measures to prevent mold growth and infestation.

You are encouraged to review the guidelines in Paragraph 15 (A through F) of the Warehouse Operator's Handbook concerning mold and infestation, and to ensure that you are following good warehousing practices in order to maintain the integrity of CCC-owned commodities.

It is important that warehouse operators establish a procedure to check the floors, floor pallets, space between upper and lower boards of floor pallets, and lower bags, so that if moisture condenses, immediate action can be taken to avoid mold growth. Discretion should be used with vent fans, especially if the outside humidity is much higher than the inside humidity. Circulate dry outside air through the warehouse when outside humidity levels are low. Inspect warehouse and the NDM every day.

Warehouse operators are cautioned that, depending on various physical factors such as temperatures, humidity, dew point, etc., proper corrective measures in one situation may be detrimental in another. Warehouse operators are responsible for determining the specific action that should be taken in each situation, and are accountable to CCC for losses from mold contamination of CCC-owned commodities if caused by negligence and/or inaction by the warehouse operator.

Any CCC-owned commodity determined to have mold or to be contaminated by infestation will be rejected as warehouse damage. If this occurs, an examiner will prepare a WA-570, Inventory Adjustment Notice, and a claim (based on the current market value of the product) will be established against the warehouse operator. Any package with the product exposed will be rejected to the warehouse operator for disposal in accordance with Form CCC-29, Processed Commodities Storage Agreement, Section VI.

The warehouse operator should immediately notify the Kansas City Commodity Office if any type of mold, infestation, moisture or other problem is detected with CCC-owned commodities, by contacting Roger Stiles at 816-926-2609 or Barbara Williams at 816-926-3299.



George W. Aldaya
Director