



United States
Department of
Agriculture

September 22, 2005

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EOD-171
WLED-10

Farm and Foreign
Agricultural Services

NOTICE TO THE TRADE

Farm Service
Agency

To: All Interested Parties

Kansas City
Commodity Office
P.O. Box 419205
Kansas City,
Missouri
64141-6205

Subject: Grain Transportation and Storage Incentives

Background

On September 20, 2005, the Department of Agriculture (USDA) announced additional steps to further reduce stress on the grain transportation system caused by Hurricane Katrina. These industry-focused actions include assisting with the movement of barges of damaged corn from New Orleans; providing incentives for alternative storage of grain; and encouraging alternative shipping patterns to relieve pressure.

Purpose. This notice to the trade provides additional information regarding the transportation and storage incentives.

Barge Movements of Damaged Corn. CCC has entered into agreements with operators to assist in moving heavily damaged corn out of the New Orleans area for storage and processing in order to free up barges. CCC has not and will not take title to the corn or place restrictions on ultimate disposition. This was done to accelerate barge availability to areas under harvest pressure.

CCC will consider additional proposals for similar movements that meet certain criteria related to the Hurricane Katrina. Transportation assistance is only available to relocate barges and facilitate barge availability. Information included in the proposal should include number of barges(quantity of corn), for which the company is seeking transportation assistance, the current location, and proposed location, where the barges would be destined and the amount per ton of assistance requested.

Alternative Grain Storage. CCC has entered into agreements with operators to store bulk grain in alternative storage to facilitate producers' delivery of newly harvested commodities. CCC is focused on providing storage incentives for proposals that will contribute the most to easing harvest storage congestion and contribute to facilitating transportation.

CCC will consider additional proposals for similar storage situations. Information included in the proposal should include the location, a description and the capacity of the alternative storage; information on the severity of the storage congestion in the geographical area; and the amount of storage incentive requested.

Transportation Differential. CCC will issue an invitation during the week of September 26 inviting bids on the movement of bulk grain and oilseeds through specific geographic locations such as the Great Lakes or East Coast areas. The bids will be analyzed and awarded to grain movements with the lowest cost through locations other than the Central Gulf.

Proposal Submission. Interested parties should submit proposals for barge movements of damaged corn from New Orleans or alternative grain storage to:

Contract Reconciliation Division
ATTN: Rick Mashek
P.O. Box 419205
Stop 8758
Kansas City, MO. 64133-4676

Please contact Rick Mashek, (816) 823-1134 for additional information.

/s/

George W. Aldaya
Director