



**United States
Department of
Agriculture**

Farm and Foreign
Agricultural Services

Farm Service
Agency

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

Notice to the Industry - BCD5

Date: May 4, 2001

To: Warehouse Operators Approved Under the Processed Commodities Storage Agreement (PCSA), as amended, for Sugar Storage

Subject: Storage Payments for CCC-Owned Sugar

Background

USDA continues to explore various disposal options for the CCC-owned inventory. Commencing in June 2001, Commodity Credit Corporation (CCC) will, at the option of the storing sugar processor, make the monthly storage payments on CCC-owned sugar in kind. The following information is being provided to address potential questions.

Invoice Changes as of June 1, 2001 (i.e. May storage charges)

- Warehouse operators will have the option to select either the traditional monetary payment via electronic fund transfer or a sugar payment in kind.
- The invoices will contain an option to select a dollar payment or pound equivalent payment.
- Failure to select an option will result in a monetary payment.
- Market prices used in determining the dollar equivalent amount of sugar will be determined by CCC.
- Sugar taken in payment will be released basis bulk, instore.
- Only CCC-owned sugar recorded at the warehouse listed on the invoice will be released under the payment in kind option.
- The stop storage date for sugar released instore will be the earlier of either the date of release or the 15th day of the month.

Contacts

Please direct inquiries as follows:

- pertaining to inventory, to Lowell Sims (816) 823-1141
- invoice charges, to David Kirkland (816) 823-1144
- regarding this letter, to Lance Simson (816) 823-3202.

/s/ George Aldaya

George Aldaya
Director
Kansas City Commodity Office

Disposal Date: May 4, 2002