



DATE: September 3, 2002

TO: All Warehouse Operators Approved Under the Uniform Grain and Rice Storage Agreement (UGRSA)

SUBJECT: Releasing Additional Wheat from the Bill Emerson Humanitarian Trust

Background

On August 28, 2002, Secretary Veneman authorized an additional release of up to 300,000 metric tons (MT) (approximately 11.0 million bushels) of wheat from the Bill Emerson Humanitarian Trust (BEHT) in administering Title II, of Public Law 83-480. The Agency for International Development (AID) indicates it will need commodities other than wheat to meet its program needs. Accordingly, Commodity Credit Corporation (CCC)-owned wheat stocks will be sold and the proceeds used to purchase commodities requested by AID. The quantity of CCC-owned wheat stocks to be sold will depend on the amount of revenue generated, but in no event will CCC sell more than the authorized release of 300,000 MT (approximately 11.0 million bushels).

CCC is making all CCC-owned wheat available for sale through negotiated sales. All wheat stocks that grade U.S. No.1 or U.S. No. 2 will be considered BEHT stocks. CCC-owned wheat inventory information is available at www.fsa.usda.gov/catalogs CCC will not issue a specific wheat listing for the sale.

Storing Warehouse Operator Provisions

Storing warehouse operators have the exclusive right to purchase stocks stored in their warehouse through 4:30 p.m. CDT on September 11, 2002. CCC will sell wheat to any interested party beginning at 9:00 a.m. CDT on September 12, 2002. CCC will not contact the storing warehouse operator for first right of refusal beginning September 12, 2002.

General Requirements

Parties interested in buying wheat must submit a bid by calling the Kansas City Commodity Office (KCCO) at 816-926-3816. The bidder needs to supply the following information: Lot number(s), warehouse code, county, location and bid. The bidder may submit flat or basis prices when offering to purchase wheat. All lots regardless of size should be bid on in their entirety. Partial lot bids will be rejected. KCCO will only allow interested parties to be listed once on the call list.

Bidding Provisions Applicable To Interested Parties

Beginning September 12, 2002, the following bid provisions will apply to all interested parties.

The maximum a bidder may submit, until CCC either accepts or rejects the bids, is:

- 9 bids;
- Three separate warehouse locations;
- Total bid quantity for all locations of 1,350,000 bushels.

For an individual warehouse location:

- Bids must be submitted in, at a minimum, increments of 100,000 bushels, except in those cases where warehouses are storing less than 100,000 bushels;
- Bids must not exceed 150,000 bushels, except where a lot quantity exceeds 150,000, then the entire lot must be included in the bid; and
- Up to three bids may be submitted at a time, total quantity for any warehouse location may not exceed 450,000 bushels.

If submitting multiple bids, the last incremental bid may be less than 100,000 bushels. New bids may be submitted after CCC has taken action on their previous bids.

Other Information

CCC reserves the right to accept or reject any and all bids.

When CCC sells 450,000 bushels out of a single warehouse location, no additional sales will take place at that location for 2 business days, including the date of the sale.

Prior to submitting a bid, interested parties are advised to check with the storing warehouse operator regarding applicable loadout rates, loadout scheduling, quality, and location of the wheat. Interested parties are strongly urged to establish with the storing warehouse operator, prior to submitting a bid, the premium and discount schedules in cases of quality or location discrepancies. Any differences are to be settled between the buyer and the storing warehouse operator.

If CCC transfers title to the wheat instore to a third party, the storing warehouse operator is expected to load out for the third party the number of bushels per day specified in the Uniform Grain and Rice Storage Agreement, including unit train load out rates applicable to CCC.

This notice expires at the completion of sales as described in paragraph one.

Any questions regarding this notice should be directed to KCCO at (816) 926-3816.

George W. Aldaya
Director