



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 TRADE

BCD-31

DATE: November 18, 2002

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

SUBJECT: Sale of Warehouse Receipted Commodity Credit Corporation (CCC)-Owned Wheat

Background

Currently, CCC owns approximately 81.6 million bushels of wheat. Of this total, 74.1 million bushels are designated as Bill Emerson Humanitarian Trust (BEHT) stocks, and the remaining 7.5 million bushels are free stocks that are available for sale.

CCC will continue to maintain the required quantity of wheat in inventory to meet BEHT obligations. The remaining 7.5 million bushels will be sold. Because there are no specific wheat bushels designated as BEHT stocks, CCC will make all its wheat available for sale through negotiated sales, and sales will continue in the manner described below until all free stocks are sold. CCC will not issue a specific wheat catalog for the sale. Information on CCC-owned wheat inventory is available at www.fsa.usda.gov/catalogs

Storing Warehouse Operator Provisions

Storing warehouse operators have the exclusive right to purchase wheat stocks stored in their warehouse beginning 9:00 a.m. CST on November 25 through 4:30 p.m. CST on November 29, 2002. Beginning at 9:00 a.m. CST on December 2, CCC will sell wheat to any interested party and will not contact the storing warehouse operator for first right of refusal.

General Requirements

Parties interested in buying wheat must submit bids 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 a company to be listed once on the call list.

Bidding Provisions Applicable to Interested Third Parties

Beginning December 2, 2002, the following bid provisions will apply to all interested third parties.

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

- Three separate warehouse locations;
- Total bid quantities for the three warehouse locations of not more than 1.35 million bushels.

For each individual warehouse location:

- Total quantity may not exceed 450,000 bushels. Once CCC sells an aggregate of 450,000 bushels out of a single location, no additional sales will take place at that location for two business days, including the date of the sale;
- Bids must be submitted on entire lots. Partial lot bids will be rejected.

New bids may be submitted after CCC has taken action on previous submissions.

Other Information

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

Prior to submitting a bid, interested parties are advised to check with the storing warehouse operator regarding applicable loadout rates, scheduling, quality, and location of grain. Prior to submitting a bid, interested parties are strongly urged to work with the storing warehouse operator to establish 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 grain 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 UGRSA, including unit train load out rates applicable to CCC.

CCC will pay storage through the date of the transfer of title but no later than five business days after the date of sale. Storing warehouse operators are obligated to maintain the CCC storage and load out rates after CCC transfers title in accordance with Part 2 of UGRSA.

The buyer must remit payment to CCC at the following address within five business days after the date of contract to:

Kansas City Finance Office
Attn: DMD/DCAB
P.O. Box 419205
Kansas City, MO 64141-6205
(Include the contract number on payment)

Contacts

Any questions regarding this Notice should be directed to KCCO, Bulk Commodities Division, Merchandising Branch at 816-926-3816.

/s/ George Aldaya

George Aldaya
Director