



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-45

DATE: April 01, 2003

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

SUBJECT: Selling Wheat from the Bill Emerson Humanitarian Trust To Purchase U.S. Rice

Background

On March 19 and 20, 2003, Secretary Veneman authorized two separate releases of wheat from the Bill Emerson Humanitarian Trust (BEHT) for use in Title II, Public Law 83-480. The Agency for International Development (AID) has indicated that it will need 200,000 metric tons (MT) (7,348,600 bushels) of wheat from the BEHT to meet its program needs for Africa, particularly Ethiopia and Eritrea. The second release is 200,000 MT (7,348,600 bushels) of wheat from the BEHT to meet immediate program needs for Iraq with another 400,000 MT (14,697,200 bushels) to be made available as needed.

General Provisions

AID has requested that Commodity Credit Corporation (CCC) purchase 25,000 MT of U.S. rice for shipment to Iraq. Accordingly, CCC-owned wheat stocks will be sold and the proceeds used to purchase requested rice. The quantity of CCC-owned wheat to be sold will depend upon the purchase price of the rice, but in no event will CCC sell more than 1.67 million bushels.

CCC is making all classes of CCC-owned wheat stocks available for sale through negotiated sales. CCC-owned wheat inventory information is available at www.fsa.usda.gov/catalogs. CCC will not issue specific wheat listings for the sale. Additionally, CCC-owned wheat in quantities less than 450,000 bushels at one location is not available for sale to third parties, however, storing warehouse operators may elect to purchase CCC-owned wheat from any of their own locations.

Storing Warehouse Operator Provisions

Storing warehouse operators have the exclusive right to purchase CCC-owned wheat from any of their own locations from 9:00 a.m. CT on April 7, 2003 through 4:30 p.m. CT on April 9, 2003. CCC will sell wheat to any interested party beginning at 9:00 a.m. CT on April 10, 2003. CCC will not contact the storing warehouse operator for right of first refusal on any third party bids.

Sales Provisions

All interested parties 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, location (city, county, and State), and instore bid. Lots, regardless of size, must 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 back list. CCC reserves the right to accept or reject any and all bids.

Third parties may not submit bid quantities over 900,000 bushels total and no more than 450,000 bushels may be bid from a single warehouse location. Once CCC sells 450,000 out of a single location, CCC will not sell any more wheat from that location.

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, and
- strongly urged to work with storing warehouse operator to establish premium and discount schedules in cases of quality or location discrepancies.

Any differences must be settled between the buyer and the storing warehouse operator.

When CCC transfers title of instore to a third party, the storing warehouse operator is expected 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.

Title and risk of loss will transfer from CCC to the contractor upon payment for the wheat and warehouse receipts will be mailed within two business days after notification of payment. Failure to pay within five business days of the date of the contract will subject the contractor to interest charges as stated in the CCC Sales List.

CCC will pay storage through the date of the transfer of title but no later than five business days after 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 the UGRSA.

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

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

George W. Aldaya
Director