



United States  
Department of  
Agriculture

Farm  
Service  
Agency

Kansas City Commodity Office  
Post Office Box 419205  
Kansas City, Missouri 64141

Date: May 7, 2007

FAX NO. (816) 926-6381 or (816) 926-6767

PEANUT EXCHANGE NO. 02

**NOTE: THIS EXCHANGE MAY PRECLUDE THE ISSUANCE OF A QUARTERLY SOLICITATION**

The Commodity Credit Corporation (CCC) desires to exchange CCC-owned bulk peanuts as follows:

CCC seeks 4,871,880 pounds of commercial peanut butter produced and packaged in accordance with Commodity Requirements Document PP10. The peanut butter will be in 12/18 ounce containers destined for various locations as indicated on the attached.

Offers and any modifications or withdrawals of offers must be received in the Kansas City Commodity Office (KCCO) by 12:00 noon, CDT, May 15, 2007.

CCC will telephone contractor with notice of acceptance by: 11:00 a.m., CDT, May 18, 2007.

All CCC-owned bulk peanuts are available for exchange. A list of Peanut Storage Agreement (PSA) warehouse names and locations together with the type, quality, quantity and loan value of CCC-owned bulk peanuts are available at [http://www.fsa.usda.gov/Internet/FSA\\_File/peanut\\_list\\_p.pdf](http://www.fsa.usda.gov/Internet/FSA_File/peanut_list_p.pdf). KCCO strongly urges prospective contractors to contact the storing warehouse operator to arrive at the terms and conditions applicable for delivery of the peanuts prior to exchanging peanut butter for CCC-owned bulk peanuts. As described in Part 3 (F)(b) of the PSA, the storing warehouse operator must load out the total value of the peanuts represented on the warehouse receipt, calculated by using USDA's Price Table File for the applicable crop year. For the purposes of this invitation, this value will be referred to as the "loan value".

The contractor will bid for CCC-owned bulk peanuts listed on the CCC-owned bulk peanuts listing, designating a specific loan value of bulk peanuts in exchange for the quantity of peanut butter that will be delivered for the applicable item number on the attached Offer Form. In formulating the offer, the offeror should note that CCC-owned bulk peanuts will be received by the contractor instore, at storage locations specified in the CCC-owned bulk peanuts listing.

Offers must be made on a delivery item number basis (in its entirety) and not contingent on the acceptance of another offer. CCC may accept or reject any or all offers.

All costs for transportation/manufacturing/handling of peanut butter from the contractor's plant to the final destination are for the contractor's account.

As applicable, paper warehouse receipts will be mailed to the storing warehouse operator using overnight mail and, for Electronic Warehouse Receipts (EWR), the storing warehouse operator will become the holder upon title transfer. CCC will instruct the storing warehouse operator to cancel the warehouse receipts and hold the peanuts in open storage for the contractor's account. If interested, the contractor may request that the storing warehouse operator issue new warehouse receipts to the contractor.

Any differences between quantity and quality of CCC-owned bulk peanuts received by the contractor are to be settled between the storing warehouse operator and the contractor. CCC will not facilitate this settlement.

Contractor is responsible for paying load out charges, plus any storage charges incurred after CCC transfers title to the CCC-owned bulk peanuts instore. The storage and handling rates contained in the CCC Schedule of Rates (\$8.00 per ton load out, and \$2.71 per ton per month storage) will apply to peanuts until loaded out, provided the transferee, in writing, orders the peanuts loaded out for immediate shipment within 30 days after the date title is transferred. If the transferee does not request, in writing, load out within 30 days after the date title is transferred, the storage and handling rates applicable to the transferee for the peanuts shall not exceed CCC's Schedule of Rates in effect at the time of title transfer until the earlier of: 1) 60 days, or 2) title to the peanuts is transferred by the transferee to another party, or 3) the transferee loads the peanuts out of the warehouse.

CCC will transfer title to the CCC-owned bulk peanuts within 2 business days of contract award for this invitation, and CCC will pay for storage charges through the date title is transferred. The stop storage date on peanuts released to the contractor will be shown on the wire release.

CCC will acknowledge receipt of the peanut butter when the contractor submits Bill of Lading or Proof of Delivery signed by the recipient of the peanut butter. These documents are to be provided to CCC at no additional cost.

Any actual damages suffered by CCC resulting from any failure or refusal of contractor to perform shall be for the account of the contractor. Such actual damages shall include, but not be limited to, the fair market value of peanut butter, as determined by CCC.

The end product delivered must be entirely produced in the United States from commodities and packaging produced in the United States. Produced in the United States means manufactured, processed, mined, harvested, or otherwise prepared for sale or distribution, from components originating in the United States, its territories or possessions, the Commonwealth of Puerto Rico, or the Trust Territories of the Pacific Islands (hereinafter referred to as the United States). Components originating in the United States that have been exported, and subsequently imported back into the United States, will not be considered as having been produced in the United States. The contractor will maintain records evidencing product origin and will make such records available for review by the government.

#### EVALUATION OF OFFERS

Offers will be evaluated based on the loan value of the CCC-owned peanuts to be acquired by the offeror in this exchange, in relation to the pounds of peanut butter to be delivered under the applicable item number on the attached Offer Form, as determined by CCC. CCC reserves the right to accept offers most advantageous to the government, which may not necessarily reflect the lowest exchange ratio.

#### SUBMISSION OF OFFERS

CCC reserves the right to refuse to consider an offer if KCCO does not have adequate information to determine the responsibility of offeror, financially or otherwise. First time CCC offerors, for peanut butter contracts, should notify CCC prior to submission of an offer.

Bids shall be submitted by regular mail, express mail, facsimile, or hand delivered. Bids shall be addressed to the contracting officer indicated below, Attn: Domestic Procurement Division Bid Box. Facsimile Numbers are 816-926-6381 or 816-926-6767. Facsimile bids shall be addressed to contracting officer, Kansas City Commodity Office, Attn: Domestic Procurement Division Bid Box. For facsimile

submission assistance, contact KC Administrative Office Communications Center at 816-823-1012.

For express mail:  
USDA-Farm Service Agency  
Beacon Facility Mail Stop 8748  
9420 Troost Ave.  
Kansas City, MO 64131-3055

Retain one copy of the submitted offer form for your use. The following statement must be plainly marked on the outside of the envelope:

"Do Not Open Until 12:00 noon, CDT, May 15, 2007, Peanut Exchange No. 2,"

If overnight/express service is utilized, the above statement must be printed clearly on the outer express envelope, not the mailing label. Additional blank copies of the original offer form may be obtained from the KCCO or duplication of the attached offer form is permitted.

The time recorded by the facsimile as offeror's transmission time will be used to determine the time of receipt by CCC. OFFERORS ARE RESPONSIBLE FOR THE TIMELY RECEIPT OF OFFERS AND ANY AMENDED OFFERS. No offers, modifications, or withdrawals will be accepted by telephone.

Further information may be obtained by contacting:

Kansas City Commodity Office  
Domestic Procurement Division  
6501 Beacon Drive, Stop 8718  
Kansas City, Missouri 64133  
Cheryl Davis - Telephone (816) 926-3377

/s/ Nancy J.Heintzelman  
Contracting Officer  
Enclosure

PEANUT EXCHANGE NO. 02

IN ACCORDANCE WITH PEANUT EXCHANGE NO. 2, DATED, May 7, 2007, THE UNDERSIGNED OFFERS THE FOLLOWING:

SELLER CERTIFIES THAT THE PEANUT BUTTER TO BE DELIVERED WAS OR WILL BE MANUFACTURED IN THE UNITED STATES.

FIRM NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

PLANT LOCATION \_\_\_\_\_

CONTACT NAME \_\_\_\_\_

PHONE NO. \_\_\_\_\_ FAX NO. \_\_\_\_\_

SIGNATURE 1/ \_\_\_\_\_

TITLE \_\_\_\_\_

The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR, Chapter 14, 1496, Subchapter B and C. The information will be used to assess Bulk Grain Procurement Offers. Furnishing the requested information is required to be a responsive offer. Failure to furnish the requested information will result in a nonresponsive offer. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.

Federal agencies may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U. S. Department of Agriculture, Clearance Officer, OIRM (OMB No. 0560-0177), Stop 7630, Washington, D.C. 20250-7630.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.