



**United States  
Department of  
Agriculture**

**Notice to the Trade**

**BCD-43**

Farm and Foreign  
Agricultural Services

Farm Service  
Agency

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

**DATE:** March 21, 2003

**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 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.

Accordingly, Commodity Credit Corporation (CCC)-owned wheat stocks will either be sold and the proceeds used to purchase requested commodities, including rice or wheat, or swapped for wheat FOB vessel. CCC will determine the appropriate release process and time frames based upon the program needs and time constraints.

**BEHT Wheat Release Targets**

The quantity of wheat to be drawn out of the BEHT will be limited to the authorized release of 800,000 MT (approximately 29,394,400 bushels). As of March 1, 2003, the BEHT was maintained at 2,016,700 MT (74.1 million bushels) of the following wheat classes.

<b>Class</b>	<b>Quantity MT / Bu. (Mil.)</b>	<b>BEHT Percentage</b>
Hard Red Winter (HRW)	1,134,910 41.7	56.3%
Hard Red Spring (HRS)	155,132 5.7	7.6%
Durum (DUM)	2,721 .1	0.1%
Soft White (SWW)	713,061 26.2	35.4%
Hard White (HWW)	8,165 .3	0.4%

CCC objectives for the release of up to 800,000 MT (29,394,400 bushels) are as follows:

- \$ 70% HRW or up to 560,000 MT (20,576,080 bushels),
- \$ 25% SWW or up to 200,000 MT (7,348,600 bushels), and
- \$ 5% HRS or up to 40,000 MT (1,469,720 bushels).

After the completion of the release transactions and assuming the entire quantities are used, the BEHT will have approximately 1,216,700 MT (44.7 million bushels) of wheat.

### **BEHT Release Processes**

Based upon the requested commodity and shipping time frames, CCC will either sell wheat and use the proceeds to purchase the requested commodities, including rice or wheat, or swap wheat for wheat plus cash, delivery FOB vessel. The Kansas City Commodity Office (KCCO) will issue invitations for the swap transactions and Notices to the Trade to announce the wheat sales. Each invitation or Notice to the Trade will provide further details of the transactions. As program requirements are determined, CCC may adjust the sales or swap procedures as necessary to address requested commodities, time frames, and potential market impacts.

CCC anticipates that in order to meet the program commitments, all CCC-owned wheat will be made available. All wheat stocks that grade U.S. No. 2 or better will be considered BEHT stocks. CCC-owned wheat inventory information is available at [www.fsa.usda.gov/catalogs](http://www.fsa.usda.gov/catalogs).

### BEHT Release Schedule

The tentative preliminary schedule for both releases is as follows:

Time Frame	Quantity	Requested Commodity	Type	Country
Week of Mar. 24	50,000 MT	HRW Wheat	Swap	Iraq
Week of Mar. 31	50,000 MT	HRW Wheat	Swap	Africa
	25,000 MT	Rice	Buy/Sell	Iraq
Week of Apr. 7	50,000 MT	HRW Wheat	Swap	Iraq
	25,000 MT	Rice	Buy/Sell	Iraq

**The schedules for these two releases may encompass a 6-month time frame.**

### BEHT Sales Process

KCCO will issue a Notice to the Trade announcing sales to correspond to AID purchase orders. Quantities and classes of wheat will be allocated based upon the commodity requested for food aid.

Storing warehouse operators will have a 3-day window to purchase CCC-owned stocks before sales are opened to all interested parties.

After the storing warehouse operators' 3-day window, CCC will accept bids from all interested parties. CCC will complete third party sales without prior notification to storing warehouse operator. Bid quantities can not exceed 900,000 bushels and no more than 450,000 bushels may be bid from a single warehouse location. When CCC sells 450,000 out of a single location, no additional sales will take place from that location under that specific Notice to the Trade. CCC-owned wheat in quantities less than 450,000 bushels at one location will not be made available under any initial sales to third parties.

During the sales time frames announced in the Notices to the Trade, CCC-691 sales of wheat grading U.S. No. 2 or better (sales of forfeited wheat to storing warehouses immediately after forfeiture) will count towards release transactions.

## **SWAP Process**

Swap invitations may be issued when wheat is the requested commodity and the time frames for providing the wheat are constrained. Swaps will be bushel for bushel plus cash. The swap invitations will identify needed quantity, wheat class, bidding and shipping time frames, port locations, and classes of CCC-owned wheat available for swap.

The swap invitation will specify the following bid procedures:

- Require the bidder to use at least 50% of the swap invitation quantity of CCC-owned wheat stored in any of its own facilities, if such stocks are available. If the bidder has some quantity of CCC-owned wheat in store but less than the 50%, then they must use that entire quantity. For bidders who currently are not storing any CCC-owned wheat, they may disregard this requirement.
- Limit bidders to a maximum of 450,000 bushels out of any third party warehouse.
- CCC-owned wheat in quantities less than 450,000 bushels at one location will not be made available under any initial swaps.

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

/s/

George W. Aldaya  
Director