



**United States
Department of
Agriculture**

NOTICE TO THE TRADE

BCD – 87

Farm and
Foreign
Agricultural
Services

Date: January 4, 2005
To: All Warehouse Operators Approved Under the Uniform Grain and Rice Storage Agreement (UGRSA)

Farm Service
Agency

Subject: Selling Wheat from the Bill Emerson Humanitarian Trust

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

Background

On December 3, 2004, Secretary Veneman authorized the release of wheat from the Bill Emerson Humanitarian Trust (BEHT) for use under Public Law 480, Title II. The U. S. Agency for International Development (USAID) has indicated that it will need 200,000 metric tons (MT) (7,348,668 bushels) of wheat from the BEHT to meet its program needs for Sudan.

General Provisions

The Kansas City Commodity Office (KCCO) has received a request from USAID for the first 100,000 MT (3,674,333 bushels) of Soft White wheat needed for Sudan. To meet this request, the Commodity Credit Corporation (CCC) will conduct buy/sell transactions. CCC has issued Invitation No. 721 offering to purchase 100,000 MT of Soft White wheat. Accordingly, CCC will sell a corresponding quantity of BEHT Soft White wheat stocks.

CCC is making all Soft White wheat stocks available for sale through negotiated sales. CCC-owned Soft White wheat inventory information is available at www.fsa.usda.gov/catalogs. CCC will not issue specific wheat listings for the sale.

Warehouse operators have the exclusive right to purchase any or all of the CCC-owned Soft White wheat stored in their locations from 9:00 a.m. CT on January 5, 2005 through 4:30 p.m. CT on January 7, 2005. CCC will sell wheat to any interested party beginning at 9:00 a.m. CT on January 10, 2005. CCC will **not** contact storing warehouse operators for right of first refusal on any third party bids.

Sales Provisions

All interested parties must submit bids by calling the 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 flat price bid. Lots must be bid on in their entirety, except one partial lot will be permitted to achieve the maximum quantity at each warehouse code. CCC reserves the right to accept or reject any and all bids.

Beginning January 10, 2005, the following provisions are applicable to all interested parties:

- Calls will be returned in the order they are received,
- A company may not have multiple entries on the call back list,
- Bids will be limited to three separate warehouse codes per call, and
- Maximum quantity KCCO will sell per telephone call is 551,150 bushels.

For the 200,000 MT release, the maximum quantity that will be sold at a particular location, based on the CCC warehouse code, is 35 percent of the CCC-owned Soft White wheat stored at that warehouse code as of December 3, 2004. This will be inclusive of any quantity purchased by the storing warehouse operator. However, CCC will allow a storing warehouse operator to purchase a quantity of wheat in excess of the 35% maximum level, provided the additional quantity does not result in total sales in excess of the 3,674,333 bushels that CCC is offering to sell under this notice.

If it is determined that attempts are being made to circumvent bid limits through prearranged third party sales, both parties involved in the suspected transaction will be referred to the Office of Inspector General (OIG) for investigation.

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 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 UGRSA, including unit train load out rates applicable to CCC.

Title and risk of loss will transfer from CCC to the contractor at the time CCC transmits delivery notification (wire release) to the storing warehouse operator. The warehouse receipts will be mailed within two business days after notification of payment. If payment has not been made within 5 business days after the date of the contract, interest at the rate of 7.0 percent per annum will start for the account of the buyer from the first calendar day after the date of the contract through the date payment is received by CCC.

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 by check 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)

-Or-



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

Federal Reserve Bank New York City, ABA# 0210-3000-4,
BNF=/AC – 00004992
OBI=CCC/KCCO, Contract Number & Company Name

The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 1014, 15 USC 714m: and 31 USC 3729, may be applicable to the information provided to CCC in conjunction with the CCC commodity sales process.

//s/
George W. Aldaya
Director

