



March 9, 2001

D&DOD-93

NOTICE TO THE TRADE FOR DOMESTIC SUPPLIERS OF PEANUT PRODUCTS

The purpose of this notice is to inform suppliers of peanut butter that we have reviewed USDA's domestic origin requirement and commingling of domestic and foreign oil used in the manufacture of peanut butter.

Section 9A of Announcement PP-8, Purchase of Commercial Peanut Products for Use in Domestic Programs, requires that commodities purchased and supplied for domestic food programs must be of domestic origin. We recognize, however, the fungible nature of commodities and associated industry practices where domestic origin and foreign origin commodities are often commingled in the same facility. Therefore, effective immediately, contractors will no longer be required to provide a domestic origin certification for peanut oil used in the production of peanut butter. The domestic origin requirement for peanut oil can be satisfied by providing records that show that during the contract delivery period the quantity of available domestic origin peanut oil at the supplying facility is equal to or greater than the quantity called for in the contract.

Contractors will not be required to provide a domestic origin certification for peanut oil used in the production of peanut butter, but are reminded that Article 76 of USDA-1, the General Terms and Conditions for the Procurement of Agricultural Commodities or Services, applies to the records which contractors must maintain to verify compliance with the domestic origin requirements. Under Article 76, contractors agree that the Agency and Comptroller General, through duly authorized representatives, have the right to examine pertinent records relating to contracts and subcontracts.

The contractor may be required to supply invoices and other records to the Contracting Officer showing that the quantity of available domestic origin peanut oil was equal to or greater than the quantity called for in the contract at the time of delivery.

/s/ George W. Aldaya

George W. Aldaya
Director