



Notice to the Industry – BCD-8

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

Date: July 10, 2001

To: Warehouse Operators Approved Under the Processed Commodities Storage Agreement (PCSA), as amended, for Sugar Storage

Subject: Storage Payments for CCC-Owned Sugar and Inventory Transfers

**Background**

In June 2001, Commodity Credit Corporation (CCC) started offering storing warehouse operators the option of taking the monthly storage payments in kind on CCC-owned sugar. CCC has made some revisions to the policies associated with the in kind storage payments. Additionally, storing warehouse operators have asked for clarification on policies regarding inventory transfers.

**Storage Payments**

Effectively immediately, on in kind sugar storage payments:

- The warehouse operator may take sugar in payment at the storage location listed on the invoice or at any other CCC approved location, within the same region.
- CCC will consider a warehouse operator's request for their CCC sugar payment to be made out of a third party warehouse within the same region, only with the written concurrence of the storing warehouse.

**Inventory Transfers**

The storing warehouse may request, in writing, a House to House Transfer (HTHT). A HTHT is when the receipted obligation is physically transferred into a CCC approved warehouse location. CCC will approve a HTHT if there is no cost to CCC, and the HTHT is within the same region.

Forwarding is the temporary transfer of inventory to another approved location. Forwarding must be requested in writing, for a specified period of time (not to exceed 120 days), and be to another of the company's warehouses. Note: A warehouse is still obligated to deliver sugar at the original location on a forwarded position.

## **Contacts**

Please direct inquiries as follows:

- pertaining to inventory, to Lowell Sims (816) 823-1141
- invoice charges, to David Kirkland (816) 823-1144
- regarding this letter, to Lance Simson (816) 823-3202.

George Aldaya  
Director  
Kansas City Commodity Office

Disposal Date: July 10, 2002

