

**INVITATION FOR OFFERS TO APPLY FOR A CCC BONUS  
DAIRY EXPORT INCENTIVE PROGRAM  
7 CFR Part 1494**

**INVITATION FOR OFFERS FOR NONFAT DRY MILK**

**INVITATION NO. GSM-511A-60  
Effective July 13, 2009**

This Invitation, GSM-511A-60, is hereby issued pursuant to 7 CFR Part 1494, Subpart D, Dairy Export Incentive Program (DEIP) Operations. Subpart D states that, unless otherwise provided therein, the program operations provisions of 7 CFR Part 1494, Subpart B, will also apply to DEIP. In the event of any inconsistency between the terms and conditions of this Invitation and the terms and conditions of Subparts B or D, this Invitation will prevail for the purposes of Agreements entered into pursuant to this Invitation. Any section references are to sections within Subpart B.

CCC will begin to consider offers under this Invitation after 3:00 p.m., Washington D.C. time on July 13, 2009. Any offers received under this Invitation prior to 3:00 p.m. on July 13, 2009, must clearly state that they are for consideration after 3:00 p.m. on July 13, 2009.

Interested exporters must qualify under Sec. 1494.301 and must furnish performance security to CCC as provided in Sec. 1494.401 and this Invitation prior to applying to CCC for a bonus. **Exporters that have previously qualified for participation must fax to CCC, at the fax number denoted in this Invitation under “Submission of Offers and Inquiries,” the exporter’s Dun and Bradstreet (DUNS) number prior to applying for a bonus.**

The following are the requirements of and the specific terms and conditions applicable to this Invitation:

**A. ELIGIBLE COUNTRIES:** This Invitation includes 3 regional groups listed below. The list also indicates which Eligible Countries are included within each regional group [Sec. 1494.201(o)]. The Eligible exporter may elect to apply for the whole regional group, or name one or more ports or countries within the region. Item 10 of the offer must clearly state the region, if the offer is for the whole region, or the named countries or ports, if the offer is for one or more countries in a region. If the exporter elects to offer for the whole region, or more than (1) named country within the region, the exporter must include, as item 21 of their offer to CCC for a bonus, to the best of their knowledge, the intended destination(s) and the approximate quantities for each destination, when multiple destinations are selected. [Sec. 1494.501(c)(10) and (c)(15)].

**REGIONAL GROUPS**

**Caribbean, Central and South America:**

Argentina, Aruba, Bahamas, Barbados, Belize, Bermuda, Bolivia, Brazil, Cayman

Islands, Dominica, Ecuador, Grenada, Guyana, Haiti, Jamaica, Netherlands Antilles, Paraguay, St. Lucia, St. Vincent, Trinidad and Tobago, Venezuela

**Africa and Middle East:**

Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Canary Islands, Cape Verde, Central African Republic, Chad, Congo, Cote d'Ivoire, Cyprus, Djibouti, Egypt, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Israel, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Madagascar, Malawi, Mali, Malta, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Qatar, Republic of Congo, Rwanda, Sao Tome & Principe, Saudi Arabia, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Tunisia, Turkey, Uganda, United Arab Emirates, Yemen, Zambia, Zimbabwe

**Asia and Eurasia:**

**Asia:** Bangladesh, China, Hong Kong, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand, Vietnam

**Eurasia:** Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan

**B. ELIGIBLE COMMODITIES:** Non-fat dry milk, meeting the U.S. Standards for Grades of Nonfat Dry Milk (spray process) under 7 CFR Part 58 [Sec. 1494.201(p) and (gg)]. The Nonfat Dry Milk must be no more than 180 days old at time of shipment as evidenced by the Dry Milk Grading Certificate and bills of lading. The exporter's offer to CCC for a bonus must clearly state if the nonfat dry milk contains any of the additives list in the following provisions:

- (1) Non-fat dry milk may contain up to 0.5 percent added edible, food grade starch provided the Dry Milk Grading Certificate, DA-201 issued by AMS contains the following statement. "The nonfat dry milk with added starch covered by this certificate meets all of the composition requirements of U.S. Extra Grade".
- (2) Non-fat dry milk may contain added Vitamin B2/Riboflavin, Vitamin B12/Cyanocobalamin, Folic Acid, Vitamin C, Iron, and /or Zinc provided the Dry Milk Grading Certificate, DA201 issued by AMS Contains the following statement, " The non-fat dry milk with the added Vitamin B2/Riboflavin, Vitamin B12/Cyanocobalamin, Folic Acid, Iron, and /or Zinc covered by this certificate meets all of the composition requirements of U.S. Extra Grade."

**C. ELIGIBLE BUYER:** Any buyer as per Sec. 1494.201(n) except as provided below.

- (1) The Eligible Buyer may be located in any country within or outside the specified regional group in Paragraph A.

**D. MAXIMUM QUANTITY:** Exclusive of tolerances [Sec. 1494.501(a)].

Global Allocation: 48,176 metric tons

**E. SPECIFICATIONS:** Offers may contain any single grade of nonfat dry milk powder and must include any additional specifications agreed to by the Eligible Exporter and the Eligible Buyer.

**F. UNIT OF MEASURE:** Metric tons of 2,204.623 pounds [Sec. 1494.201(ee)].

**G. COASTS OF EXPORT:** For shipments by ocean vessel, the exporters should report the coasts of export as "All U.S. Coasts." However, if transshipped through a Canadian port on the St. Lawrence River, the port must be specified. Furthermore, if shipped overland, the point of export must be specified. [Sec. 1494.501(c)(8)].

**H. TRANSSHIPMENT:** Allowed. Proposed transshipment routes must be stated in the offer to CCC. Transshipment routes are subject to the following requirements:

(1) Transshipment through a Canadian port on the St. Lawrence is allowed if the eligible commodity has been shipped from the customs territory of the U.S. via the Great Lakes coastal range and its identity has been preserved until shipped from Canada.

(2) Transshipment through one or more Eligible Country(s) to another Eligible Country as defined in paragraph A, is allowed.

(3) Transshipment through an Ineligible Country to an Eligible Country is allowed if the transshipment route in the offer to CCC is approved. If approved, the eligible exporter must furnish to CCC original certifications from the eligible buyer or its duly authorized customs or port official showing: (a) the transshipment port, export carrier, date of discharge of the eligible commodity at the transshipment port and the quantity discharged; and (b) the date of entry into the Eligible Country and the mode of shipment from the transshipment port to the Eligible Country. If the information required in (a) and (b) is provided in two separate certifications, the certification of entry into the Eligible Country must reference the discharge certification at the transshipment port.

**I. OFFICIAL INSPECTION CERTIFICATE:** Dry Milk Grading Certificate, DA-201, original or original copy only, issued by the USDA, Agricultural Marketing Service, showing all the specifications and grade contained in the offer to CCC. The certificate must indicate that the grading and sampling was performed by the Agricultural Marketing Service prior to the date of export for nonfat dry milk. Lots of nonfat dry milk covered by an original grading certificate shall not be subdivided unless the delivered lots are accompanied by a "take-off" certificate issued by the Agricultural Marketing Service on either form DA-201 and dated subsequent to the original certificate [Sec. 1494.201(y)].

**J. OFFICIAL WEIGHT CERTIFICATE:** Dry Milk Grading Certificate, form DA-201, original or original copy only, issued by USDA, Agricultural Marketing Service, showing clearly that the lots represented by the certificate were sampled and check weighed by the Agricultural Marketing Service and showing clearly a "net weight" certified by the Agricultural Marketing

Service. Official grade and weight can be certified on the same certificate. Lots of nonfat dry milk covered by an original grading certificate shall not be subdivided unless the delivered lots are accompanied by a "take-off" certificate issued by the Agricultural Marketing Service on either form DA-201 and dated subsequent to the original certificate [Sec. 1494.201(z)].

**K. PERFORMANCE SECURITY REQUIREMENT:** The amount of performance security is the product of: 10 percent of the sales contract unit price multiplied by 95 percent of the quantity of the eligible commodity for which the eligible exporter wishes to receive a CCC bonus.

Example: If an exporter requests a bonus to cover an export sale of 500 metric tons with a sales contract unit price of \$1,900.00 per metric ton, the performance security calculation is as follows:

Formula:  $(.10 \times \text{unit price}) \times (\text{quantity} \times .95)$

Example:  $(.10 \times \$1,900.00) \times (500 \text{ MT} \times .95) = \$90,250$

When calculating performance securities, please drop all cents, do not round up.

**L. OTHER REQUIREMENTS:**

(1) In the event shipment is made in a container, the certification of entry required by Sec. 1494.401(f)(2) must include the container number, and in the event of relay of the container to another vessel, the name of the vessel on which the container was loaded at the U.S. port and the name of the vessel on which the container arrived to the destination country.

(2) For regional groups, the certification of entry required by Sec. 1494.401(f)(2) must show entry into the country(ies) or port(s) of discharge stated in the offer to CCC where the offer by the Eligible Exporter has specified delivery to specific countries or port(s) of discharge within the regional group. Otherwise, the certificate of entry may show entry into any of the Eligible Countries within that regional group.

(3) Where the Eligible Buyer is not located in any of the countries within the regional group, a certification of entry issued by the Eligible Buyer is not acceptable to satisfy Sec. 1494.401(f)(2).

**M. LIQUIDATED DAMAGES:** The rate for liquidated damages is 10% of the sales contract unit price. [Sec. 1494.801(c)]. Liquidated damages will be assessed against the exporter unless the exporter can establish that such failure to perform was due to actions taken by the U.S. Government or that the dairy product was lost after leaving the United States.

**N. PAYMENT OF BONUS VALUE:** An electronic transfer of funds issued in U.S. dollars. [Sec. 1494.701(a)]

**O. EXPIRATION DATE:** June 30, 2010, [Sec. 1494.501(a)] with final submission of bids on June 29, 2010, unless prior to this date this Invitation is formally withdrawn by CCC or quantity exhausted.

**P. OTHER TERMS AND CONDITIONS:**

(1) Offers based on sales contracts dated prior to the issue date of this Invitation are ineligible for consideration.

(2) Under this invitation, exporters that are eligible for bonus payment under "Option A" will not be required, as a matter of routine, to provide CCC evidence of entry under Sec. 1494.401(f)(2) to support a request for cancellation of performance security. However, exporters must still obtain the certification of entry provided for in Sec. 1494.401(f)(2) and maintain it and provide CCC access to it if requested, as required by Sec. 1494.1001(b)(2). For the purposes of this Invitation, an exporter that is eligible under "Option A" need not submit to CCC evidence of entry as a condition of earning or retaining a bonus, unless CCC specifically requests the exporter to submit such evidence of entry [Sec. 1494.701(b) and 1494.801(a)(3)].

(3) Exporters intending to use the CCC Export Credit Guarantee Programs, under 7 CFR 1493, for a DEIP region must comply with all CCC Export Credit Guarantee program requirements.

(4) CCC may accept a Dry Milk Grading Certificate, DA-201, which does not show that the lots represented by the certificate were sampled and check weighed by the Agricultural Marketing Service (AMS) and/or which does not clearly show a "net weight" certified by AMS. If CCC accepts the certificate under these circumstances, its obligation shall be to pay the bonus on 95 percent of the weight determined in accordance with 7 C.F.R. 1494.701(b).

This Invitation, GSM-511A-60, supersedes all previous Invitations for Nonfat Dry Milk and any amendments thereto.

**REQUESTS FOR PAYMENT OF THE BONUS:**

Exporters submitting requests to CCC for payment of the bonus must comply with requirements of Sec. 1494.701(c), (d), and (g) and this Invitation. Exporters shall submit requests to the address listed below. Further information is available by calling (816) 926-6663.

U.S. Mail:

Chief, Financial Review Branch, KCCO  
USDA/FSA/CRD/FRB  
Beacon Facility - Mail Stop 8758  
P.O. Box 419205  
Kansas City, MO 64141-6205

Express Delivery:

Chief, Financial Review Branch, KCCO  
USDA/FSA/CRD/FRB  
Beacon Facility - Mail Stop 8758  
9240 Troost Avenue  
Kansas City, MO 64131-3055

**SUBMISSION OF OFFERS AND INQUIRIES:**

Exporters submitting offers to CCC in response to this Invitation must comply with the requirements of Sec. 1494.501. All offers must follow the format specified in Sec. 1494.501(c). Exporters shall submit offers or modifications or withdrawals thereof to the address, telephone, or facsimile numbers specified below. Telephonic offers must be confirmed in writing immediately thereafter by facsimile. The deadline for submitting offers, modifications or withdrawals is 3:00 p.m., Washington, D.C. time, on the day the offer is to be considered.

For U.S. Mail:

Credit Programs Division, Foreign Agricultural Service  
U.S. Department of Agriculture  
1400 Independence Ave., S.W., Mail Stop 1025  
Washington, D.C. 20250-1025  
Tel. (202) 720-3224 or 690-3143  
FAX No. (202) 720-0442

For Fed Ex, UPS or DHL:

Credit Programs Division, Foreign Agricultural Service  
U.S. Department of Agriculture  
1250 Maryland Avenue, S.W.  
Suite 420  
Washington, D.C. 20024

/s/ Issued July 9, 2009

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P. Mark Rowse  
Director  
Credit Programs Division