



United States
Department of
Agriculture

Farm
Service
Agency

Kansas City Commodity Office
Post Office Box 419205
Kansas City, Missouri 64141

Date: April 4, 2007

FAX NO. (816) 926-6381 or (816) 926-6767

PEANUT EXCHANGE NO. 01

The Commodity Credit Corporation (CCC) desires to exchange CCC-owned bulk peanuts as follows:

CCC seeks 777,600 pounds of commercial peanut butter produced and packaged in accordance with Commodity Requirements Document PP10. The peanut butter will be in 12/18 ounce containers and destined for Bell, Fresno, Sacramento and Visalia, California.

DELIVERY DESTINATION	NUMBER OF TRUCKS (38,880 Pounds)	DELIVERY DATE
Bell, California	2	May 1-15, 2007
Fresno, California	1	May 1-15, 2007
Sacramento, California	4	May 1-15, 2007
Visalia, California	1	May 1-15, 2007
Sacramento, California	4	May 16-31, 2007
Sacramento, California	4	June 1-15, 2007
Visalia, California	1	June 1-15, 2007
Sacramento, California	3	June 16-30, 2007

Offers and any modifications or withdrawals of offers must be received in the Kansas City Commodity Office (KCCO) by 9:00 a.m., CDT, April 16, 2007.

CCC will telephone contractor with notice of acceptance by: 11:00 a.m., CDT, April 17, 2007.

All CCC-owned bulk peanuts are available for exchange. A list of Peanut Storage Agreement (PSA) warehouse names and locations together with the type, quality and quantity of CCC-owned bulk peanuts are available at http://www.fsa.usda.gov/Internet/FSA_File/peanut_list_p.pdf. KCCO strongly urges prospective contractors to contact the storing warehouse operator to arrive at the terms and conditions applicable for delivery of the peanuts prior to exchanging peanut butter for CCC-owned bulk peanuts. As described in Part 3 (F)(b) of the PSA, the storing warehouse operator must load out the total loan value of the peanuts represented on the warehouse receipt, calculated by using USDA's Price Table File for the applicable crop year.

The contractor will bid for a quantity of CCC-owned bulk peanuts listed on the CCC-owned bulk peanuts listing, designating a specific lot number(s) in exchange for the quantity of/or portion of peanut butter requested. In formulating the offer, the offeror should note that CCC-owned bulk peanuts will be received by the contractor instore, at storage locations specified in the CCC-owned bulk peanuts listing.

Offers must be made on a lot by lot basis and not contingent on the acceptance of another lot. Only one split lot will be allowed, in order to arrive at the intended bid quantity for CCC-owned bulk peanuts. In the case of a split lot bid, the contractor may refer to the CCC-owned bulk peanuts listing to view the quality factors and

net pounds of the individual warehouse receipts for the lot. Only entire warehouse receipt net quantities may be included in a split lot bid. No split warehouse receipts will be allowed. CCC may accept or reject any or all offers or portions thereof.

All costs for transportation/manufacturing/handling of peanut butter from the contractor's plant to the final destination are for the contractor's account.

As applicable, paper warehouse receipts will be mailed to the contractor using overnight mail and, for Electronic Warehouse Receipts (EWR), the contractor will become the holder upon title transfer. If interested contractor is not already set up as a user of the EWR peanut system, they must do so in order to receive title of the EWR. This may be accomplished by completing a Holder Sign Up form and a Peanut Participant Agreement at www.ewrinc.com.

Any differences between quantity and quality of CCC-owned bulk peanuts received by the contractor are to be settled between the storing warehouse operator and the contractor. CCC will not facilitate this settlement.

Contractor is responsible for paying load out charges, plus any storage charges incurred after CCC transfers title to the CCC-owned bulk peanuts instore. The storage and handling rates contained in the CCC Schedule of Rates (\$8.00 per ton load out, and \$2.71 per ton per month storage) will apply to peanuts until loaded out, provided the transferee, in writing, orders the peanuts loaded out for immediate shipment within 30 days after the date title is transferred. If the transferee does not request, in writing, load out within 30 days after the date title is transferred, the storage and handling rates applicable to the transferee for the peanuts shall not exceed CCC's Schedule of Rates in effect at the time of title transfer until the earlier of: 1) 60 days, or 2) title to the peanuts is transferred by the transferee to another party, or 3) the transferee loads the peanuts out of the warehouse.

CCC will transfer title to the CCC-owned bulk peanuts within 2 business days of contract award for this invitation, and CCC will pay for storage charges through the date title is transferred. The stop storage date on lots released to the contractor will be shown on the wire release.

CCC will acknowledge receipt of the peanut butter when the contractor submits Bill of Lading or Proof of Delivery signed by the recipient of the peanut butter. These documents are to be provided to CCC at no additional cost.

Any actual damages suffered by CCC resulting from any failure or refusal of contractor to perform shall be for the account of the contractor. Such actual damages shall include, but not be limited to, the fair market value of peanut butter, as determined by CCC.

The end product delivered must be entirely produced in the United States from commodities and packaging produced in the United States. Produced in the United States means manufactured, processed, mined, harvested, or otherwise prepared for sale or distribution, from components originating in the United States, its territories or possessions, the Commonwealth of Puerto Rico, or the Trust Territories of the Pacific Islands (hereinafter referred to as the United States). Components originating in the United States that have been exported, and subsequently imported back into the United States, will not be considered as having been produced in the United States. The contractor will maintain records evidencing product origin and will make such records available for review by the Government.

EVALUATION OF OFFERS

Offers will be evaluated based on pounds of peanut butter offered in relation to the value of CCC-owned bulk peanuts to be acquired by the offeror in this exchange, as determined by CCC. CCC reserves the right to accept offers most advantageous to the government, which may not necessarily reflect the lowest exchange ratio.

SUBMISSION OF OFFERS

CCC reserves the right to refuse to consider an offer if KCCO does not have adequate information to determine the responsibility of offeror, financially or otherwise. First time CCC offerors, for peanut butter contracts, should notify CCC prior to submission of an offer.

Bids shall be submitted by regular mail, express mail, facsimile, or hand delivered. Bids shall be addressed to the contracting officer indicated below, Attn: Domestic Procurement Division Bid Box. Facsimile Numbers are 816-926-6381 or 816-926-6767. Facsimile bids shall be addressed to contracting officer, Kansas City Commodity Office, Attn: Domestic Procurement Division Bid Box. For facsimile submission assistance, contact KC Administrative Office Communications Center at 816-823-1012.

For express mail:
Kansas City Administrative Office
Attn: Stop 8748
6501 Beacon Drive
Room G-42A
Kansas City, MO 64133-4676

Retain one copy of the submitted offer form for your use. The following statement must be plainly marked on the outside of the envelope:

"Do Not Open Until 9:00 a.m., CDT, April 16, 2007, Peanut Exchange No. 1,"

If overnight/express service is utilized, the above statement must be printed clearly on the outer express envelope, not the mailing label. Additional blank copies of the original offer form may be obtained from the KCCO or duplication of the attached offer form is permitted.

The time recorded by the facsimile as offeror's transmission time will be used to determine the time of receipt by CCC. **OFFERORS ARE RESPONSIBLE FOR THE TIMELY RECEIPT OF OFFERS AND ANY AMENDED OFFERS.** No offers, modifications, or withdrawals will be accepted by telephone.

Further information may be obtained by contacting:

Kansas City Commodity Office
Domestic Procurement Division
6501 Beacon Drive, Stop 8718
Kansas City, Missouri 64133
Cheryl Davis - Telephone (816) 926-3377

/s/ Nancy J.Heintzelman
Contracting Officer
Enclosure

IN ACCORDANCE WITH PEANUT EXCHANGE NO. 1, DATED, APRIL 4, 2007, THE UNDERSIGNED OFFERS THE FOLLOWING:

SELLER CERTIFIES THAT THE PEANUT BUTTER TO BE DELIVERED WAS OR WILL BE MANUFACTURED IN THE UNITED STATES.

FIRM NAME _____

ADDRESS _____

PLANT LOCATION _____

CONTACT NAME _____

PHONE NO. _____ FAX NO. _____

PART ONE - CCC DELIVERS INSTORE TO OFFEROR:

LOT NO. _____ NET POUNDS _____
(Including LSK)

LOCATION _____
(City) (State) (PSA Warehouse Code)

LOT NO. _____ NET POUNDS _____
(Including LSK)

LOCATION _____

LOT NO. _____ NET POUNDS _____
(Including LSK)

LOCATION _____

LOT NO. _____ NET POUNDS _____
(Including LSK)

LOCATION _____

SPLIT LOT NO. _____ NET POUNDS _____
(Including LSK)

LOCATION _____

WAREHOUSE RECEIPT NUMBER(S) _____

TOTAL NET POUNDS OFFERED _____
(Including LSK)

CONTINUED ON NEXT PAGE

PART TWO - CCC RECEIVES FROM OFFEROR:

TOTAL QUANTITY OF 12/18 OUNCE PEANUT BUTTER TO BE DELIVERED				
DELIVERY DESTINATION	NUMBER OF TRUCK(S) REQUESTED	DELIVERY PERIOD	NUMBER OF TRUCK(S) OFFERED	QUANTITY (NET POUNDS OFFERED)
Bell, California	2	May 1-15, 2007		
Fresno, California	1	May 1-15, 2007		
Sacramento, California	4	May 1-15, 2007		
Sacramento, California	4	May 16-31, 2007		
Sacramento, California	4	June 1-15 2007		
Sacramento, California	3	June 16-30, 2007		
Visalia, California	1	May 1-15, 2007		
Visalia, California	1	June 1-15, 2007		

SIGNATURE 1/_____

TITLE_____

The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR, Chapter 14, 1496, Subchapter B and C. The information will be used to assess Bulk Grain Procurement Offers. Furnishing the requested information is required to be a responsive offer. Failure to furnish the requested information will result in a nonresponsive offer. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. Federal agencies may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U. S. Department of Agriculture, Clearance Officer, OIRM (OMB No. 0560-0177), Stop 7630, Washington, D.C. 20250-7630.

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.