

For: State and County Offices

Completing 2000 Crop Loan Settlements Involving StarLink Corn

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

StarLink corn produced from seed sold by Aventis CropScience:

- was eligible for nonrecourse marketing assistance loans during the 2000 crop year
- is not approved for use in food for human consumption or for the export market and has been found in a food product.

B

Purpose

This notice provides State and County Offices with information about completing loan settlements for 2000 crop StarLink Corn.

Continued on the next page

<p>Disposal Date</p> <p>November 1, 2002</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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Notice LP-1820

2 Completing Loan Settlements

A

Outstanding Corn Loan Maturity Notices

County Offices shall include the following question on all maturity notices for 2000 crop corn loans:

"Is any of this corn under loan, StarLink corn, Aventis CropScience corn, or corn containing CRY9C protein?"

If the producer's response is "yes" and the producer requests to forfeit the commodity to CCC, a local sale must be processed according to subparagraph B or C, as applicable.

B

Warehouse- Stored Forfeitures

Producers may elect to forfeit warehouse-stored StarLink corn to CCC at loan maturity.

If a producer wants to settle the loan in this manner, County Offices shall offer the warehouse receipts to the storing warehouse operator according to 8-LP, paragraph 1100 and Part 12.

If the storing warehouse operator does not want to purchase the warehouse receipt, County Offices must:

- initiate a bid for the commodity the same as completing a bid for a farm-stored local sale according to 8-LP, Part 10, Section 4 and Part 12 before processing the loan forfeiture through APSS
 - limit successful bidders to end users who will use the corn for animal feed or non-food industrial use only
 - require the successful bidder to complete the confirmation in Exhibit 1.
-

C

Local Sale Settlements

Producers may elect to forfeit farm-stored StarLink corn to CCC at loan maturity. If a producer wants to settle the loan in this manner, County Offices shall:

- process the settlement as a local sale according to 8-LP, Part 10, Section 4
 - limit the successful bidders to end users who will use the corn for animal feed or non-food industrial use only
 - require the successful bidder to complete the confirmation in Exhibit 1.
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2 Completing Loan Settlements (Continued)

D

**Unacceptable
Storage
Conditions**

StarLink corn may **never** be accepted by bidders for storage for any of the following:

- food use
- corn wet milling plants that produce food products
- facilities that produce ethanol from the same extracted corn starch feedstock used to produce high fructose corn syrup, food starch, glucose, dextrose, or any other food ingredients
- any other use where the corn or corn by-products would directly or indirectly enter food production or export channels.

E

**Tracking
StarLink Corn**

For all StarLink corn settlements and forfeitures that are processed as a local sale, County Offices must submit the following information to StarLink Logistics:

- producer's name
- quantity
- date delivered to purchaser
- completed and signed confirmation, see Exhibit 1.

Send this information to:

StarLink Logistics
Attn: 2000 Crop StarLink
P. O. Box 2836
Omaha, Nebraska 68103-2836

Successful Bidder Confirmation

This is an example of the confirmation to USDA-CCC from successful bidders for StarLink corn delivered to a facility.

County Offices shall reproduce this confirmation and provide it to the successful bidder, as applicable.

Successful Bidder Confirmation

We hereby confirm and acknowledge to USDA - Commodity Credit Corporation that:

- we agree to receive StarLink corn
- we are the direct end user of StarLink corn delivered to the facility indicated below
- we are aware StarLink corn and/or its derivatives are **only** to be used for domestic non-food industrial uses and domestic animal feed use
- we agree to segregate the storage of all StarLink corn as identity preserved.

Our use of StarLink corn at this location is consistent with the preceding regulatory restrictions. We are a:
(Check One)

- Feed Lot
- Domestic Non-Food Industrial User
- Domestic Animal Feed Manufacturer

Also, none of the products, co-products, or by-products produced from this StarLink corn will either directly or indirectly be sold to food channels or export channels.

Name of Company: _____

Full Facility Address: _____

Phone & FAX Number: _____

E-mail Address: _____

Name/Signed: _____

Name/Print: _____

Title: _____

Date: _____