

ANNOUNCEMENT KCPBS2
Invitation No. 1, Amendment 1
Purchase of Raw Cane or Refined Beet Sugar

Amendment Summary:

The Commodity Credit Corporation has amended Announcement KCPBS2, Invitation No. 1 to observe the following modifications:

PURCHASE INVITATION

- Added Certificates of Quota Eligibility (CQE) as qualified to be exchanged along with the Refined Sugar Re-export Program credits. CQEs are held by traders and represent trade access granted by Trade Promotion Agreements.
- Revised state and regional offer caps for raw cane and refined beet sugar.
- Other terms have been revised to update the invitation including new quantity offer and price offer due dates.

OFFER FORM

- Added polarization to the offer form (CCC-331A). Also, the offer form instructions were adjusted to reflect this change.

*This amendment supersedes the Purchase Invitation issued on June 17, 2013.

ANNOUNCEMENT KCPBS2
Invitation No. 1, Amendment 1
Purchase of Raw Cane or Refined Beet Sugar

On June 17, 2013, the Commodity Credit Corporation (CCC) announced in a Federal Register Notice its intention to purchase sugar in exchange for Refined Sugar Re-export Program (RSRP) credits. CCC also anticipates a Federal Register Notice on June 25, 2013, announcing its intention to purchase sugar in exchange for Certificates of Quota Eligibility (CQE) granted by the United States-Colombia Trade Promotion Agreement (U.S.-Colombia TPA) and the United States-Panama Trade Promotion Agreement (U.S.-Panama TPA).

CCC initially intended to purchase an aggregate quantity of 90,000 metric tons (MT) of raw cane sugar or refined beet sugar under this Invitation. However, due to government-wide budget cuts of 5.1 percent, known as sequestration, the intended quantity for this Invitation is reduced to 85,000 MT.

CCC will consider offers from domestic sugar processors, subject to the terms and conditions of Announcement KCPBS2, to sell sugar to CCC.

To be eligible to sell sugar to CCC, the processor must have sugar pledged as collateral for CCC loan under the Sugar Loan Program. The quantity of sugar accepted by CCC will not exceed the sugar processor's outstanding loan quantity. Title to the sugar must be free and clear of all liens and encumbrances.

CCC's cost to purchase commodities may not equal or exceed the costs associated with CCC loan forfeitures. Any offers to sell sugar to CCC at a rate equal to or higher than CCC's expected costs associated with loan forfeitures (offer cap) will be rejected and receive no additional consideration. State and regional offer caps for raw cane sugar and refined beet sugar are detailed below:

Raw Cane Sugar (basis 96 polarity)

State	Florida	Hawaii	Louisiana	Texas
Offer Cap (MT)	\$413.65735	\$401.20735	\$443.21593	\$430.26604

Refined Beet Sugar (basis 99.9 polarity)

State	Michigan and Ohio	Minnesota and East North Dakota	Colorado, Nebraska, and East Wyoming	West North Dakota, Montana and West Wyoming	Oregon and Idaho	California
Offer Cap (MT)	\$581.67519	\$545.17044	\$556.50963	\$547.04833	\$531.22991	\$565.48137

If the offer is accepted, the storing warehouse operator (processor) agrees to deliver high quality, free-flowing sugar to CCC. CCC plans to dispose of any sugar purchased through this invitation by exchanging the sugar for RSRP credits and CQEs. The storing warehouse operator also agrees that receiving charges are not applicable and any storage or load out charges will not exceed rates in the Sugar Storage Agreement (SSA).

Offers for the exchanges will be analyzed, on a bulk, instore basis, for each location in conjunction with corresponding offers to sell sugar to CCC. Quantity of offers can be reduced (but not increased) up until price offers are due. CCC reserves the right to award less than the quantity offered. Conditional offers will not be considered.

Quality of the CCC purchase of raw cane sugar will be based on the Intercontinental Exchange (ICE) number 16 quality standard for polarity at 96 degrees; refined sugar quality will be based on the International Commission for Uniform Methods of Sugar Analysis (ICUMSA) quality standard for polarity at 99.9 degrees. Any sugar purchased by CCC will be exchanged, instore, basis the same quality as purchased. Sugar offeror can reduce the quantity of sugar delivered if the polarity is greater than 96 degrees. CCC does not warrant any contract disputes and will not be responsible for the quantity or quality of sugar delivered out of the storage facility nor for any storage or handling charges, including load out. The holders of RSRP credits and CQEs will be strongly encouraged to contact warehouse operators in advance of offering to discuss the quality of sugar to be delivered, a delivery schedule, and to prearrange a schedule for premiums and discounts.

Please submit your offer on the attached Offer Form CCC-331-A. **Offers (quantity, polarity, offer price, and loadout) should be submitted basis MT. For the purposes of this invitation, the conversion factor for 1 MT equals 2,204.62262 pounds.** The minimum acceptable quantity per offer is 5,000 MT.

QUANTITY OFFER DUE DATE: 1:30 p.m. (CT), July 1, 2013

NOTE: Submit CCC-331-A, excluding catalog item no. and offer price (Blocks 3A and 3F). Quantities can be reduced up until price offers are due.

On July 2, 2013, at 1:30 p.m. (CT), a catalog listing with all offered quantities will be available at: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=landing>

PRICE OFFER DUE DATE: 1:30 p.m. (CT), July 8, 2013

NOTE: Complete CCC-331-A in its entirety, including catalog item no. and offer price (Blocks 3A and 3F).

CCC will notify successful Offerors by: 1:30 p.m. (CT), July 9, 2013

Storage Terms

The sugar must be stored in a CCC-approved SSA facility at the time the offer is submitted. All offers must include the CCC warehouse code provided through the SSA. Although this invitation is for bulk sugar, packaged stocks (totes, bags, etc.) may be offered by the Offeror to cover their storage obligation to CCC. Packaged stocks will be considered part of the Offeror's commingled inventories and must be stored in CCC-approved space at all times. CCC maintains the right to call for delivery of its stocks at the original storage location(s) in bulk.

Charges for handling, storing, or servicing of sugar will be as follows:

Storage charges for CCC-purchased sugar will be for the account of the successful offeror through the date of title transfer from processor to CCC, and any storage payment beginning the date after title transfer will be set by the warehouse operator in accordance with the CCC SSA.

When CCC transfers title to its sugar instore, the handling, storage, and servicing rates applicable to the transferee with respect to such sugar shall not exceed CCC's rates in effect at the time of title transfer until the earlier of:

60 days, or

Title of the sugar is transferred by the transferee to another party, or

The sugar is loaded out of storage structure by the transferee.

The CCC rates for storage are \$0.10 per cwt per month for refined beet sugar and \$0.08 per cwt per month for raw cane sugar. The CCC rate for load out is \$0.18 per cwt for both refined beet and raw cane sugar.

Notwithstanding the above, if CCC transfers title to sugar instore, the CCC storage and handling rates will apply to such sugar until it is loaded out, provided the transferee orders, in writing, the sugar loaded out for immediate shipment, within 30 days after the date title has transferred as specified by CCC.

The successful Offeror shall at all times be responsible for maintaining the quantity and quality of sugar pledged as collateral for a CCC loan or owned by CCC until the sugar is loaded out of the facility. **Since CCC bases this purchase and exchange on 96 degrees polarity for raw cane and 99.9 degrees polarity for refined beet, any differences in quality or quantity will be settled between the warehouse operator and transferee. Differences in quality or quantity on any subsequent exchange transaction will be settled between transferee and subsequent owner.**

Amendments and Additions to Announcement KCPBS2

2. SUBMISSION OF OFFERS

B. Where to Submit Offers:

By Mail:	USDA-FSA-DACO-KCCO Beacon Facility – Mailstop 8698 P.O. Box 419205 Kansas City, MO 64141-6205
Hand delivered:	Kansas City Commodity Office USDA-CCC-FSA – Mailstop 8698 6501 Beacon Drive Kansas City, MO 64133-4676
By Fax:	816-926-6795

3. ACCEPTANCE OF OFFERS

B. Acceptance is subject to the following: CCC will combine the sugar offers and exchange bids for ranking using the following formula: Exchange ratio/standardized cost, where:

- standardized cost = (offer/offer cap) x 413.36674 for raw cane sugar
- standardized cost = (offer/offer cap) x 531.17626 for refined beet sugar

5. PROTECTING THE GOVERNMENT’S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT

C. Subcontractors are excluded from this invitation.

6. COMMODITY SPECIFICATIONS

B. See the following tables.

RAW CANE SUGAR SPECIFICATIONS

Sugar outside these maximum and minimum standards can be delivered if the premiums and discounts are paid per the #16 ICE contract.

https://www.theice.com/publicdocs/rulebooks/futures_us/29_Sugar_16.pdf 1/

1/ ICE Sugar No. 16 Futures Contract hyperlink.

ITEM	REQUIREMENT	
Polarization - The qualities deliverable under this invitation shall be raw centrifugal cane sugar, based on 96 degrees average polarization outturn, Standard Quality Range, as stated below or otherwise as provided in Rules 29.12 and 29.13:		
	MAXIMUM	MINIMUM
Moisture - Standard Quality Range Factor of Safety (High number indicates low quality)	Not exceeding 0.30 Percent	
Ash Content - Maximum and minimum standard ash content is derived by multiplying (percent of non-sucrose solids by the factor listed below which corresponds to the raw sugar) final polarization of the cargo:		
Up to and including 98.0°	.25	.17
Over 98.0° up to and including 98.2°	.26	.18
Over 98.2° up to and including 98.4°	.27	.19
Over 98.4° up to and including 98.6°	.28	.20
Over 98.6° up to and including 98.8°	.29	.21
Over 98.8° up to but not including 99.0°	.30	.22
Grain Size Percent through 28 mesh Tyler (30 mesh U.S.) sieve. (High number indicates low quality)	Between 45 and 22	
Color-Affined Raw I.C.U.M.S.A. Color Units Method 4 (1978), Modified* (High number indicates low quality)	Between 800 and 1300	
Color-Whole Raw I.C.U.M.S.A. Color Units Method 4 (1978) Modified*	Between 3000 and 5000	
Dextran	Not exceeding 250 M.A.U.	

* See Sugar No. 16 Resolution No. 1.

REFINED BEET SUGAR SPECIFICATIONS

The qualities deliverable under this Invitation shall be refined beet sugar, free running of regular grain size and fair average of the outturn quality, with the following specifications:

ITEM	REQUIREMENT	
	MINIMUM	MAXIMUM
Moisture		0.05 Percent
Polarization	99.9 Degrees	
Ash Content		0.04 Percent
Color		55 Units ICUMSA method No. 4
Material remaining on a U.S. Standard No. 20 Woven-wire-sieve screen		5.0 Percent
Material remaining on a U.S. Standard No. 40 Woven-wire-sieve screen	8.0 Percent (cum)	
Material passing through a U.S. Standard No. 100 Woven-wire-sieve screen		10.0 Percent

7. DELIVERY

- C. The start storage date for CCC or transferee will commence on the day after title transfer from processor to CCC.

All other terms and conditions of Announcement KCPBS2 remain unchanged.

All offers must be signed and submitted on a CCC-331-A Offer Form. In order to properly consider the offer, the following information must be in the offer:

- Announcement number, Invitation number, and Amendment number
- Offeror's complete name, address, phone number, contact name, and Employer Identification Number (EIN)
- CCC Warehouse Code
- INSTORE, location (city and state)
- Sugar type
- Polarity
- Quantity expressed in MT
- Price per MT in U.S. dollars, maximum five decimal places (price offer only)
- Tonnage load out capability (MT per day)

Retain one copy of the submitted offer form for your use. Offers must be submitted in an envelope plainly marked:

“Do Not Open Until the Prescribed Time Per Announcement KCPBS2, Invitation 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 original offer form may be obtained from the Kansas City Commodity Office or duplication of attached offer form is permitted.

OFFERORS ARE RESPONSIBLE FOR THE TIMELY RECEIPT OF OFFERS AND AMENDED OFFERS.

No offers, modifications, or withdrawals will be accepted by telephone. They will only be accepted by fax or mail.

Further information on this Invitation for Offers may be obtained by contacting:

Kansas City Commodity Office
Domestic Procurement Division
Telephone (816) 926-2527
Email: William.Lang@kcc.usda.gov

William Lang
CCC Contracting Officer

Attachment

CCC-331A (Sugar) (06-17-13)	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency OFFER FORM	1. ANNOUNCEMENT: KCPBS2 INVITATION NO. _____ If amended, Amendment No. ____
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In accordance with **Announcement KCPBS2, Invitation No. _____, Dated _____**, the undersigned offers to sell the following quantities of sugar to Commodity Credit Corporation (CCC) and the information gathered is used to evaluate bids offered to CCC for the purchase of sugar.

2A. FIRM NAME	2B. ADDRESS	
2C. CONTACT NAME	2D. TELEPHONE NO. (Include Area Code)	2E. FAX NO. (Include Area Code)
2F. EMAIL ADDRESS	2G. EMPLOYER IDENTIFICATION NUMBER (EIN)	

3A. CATALOG ITEM NO.	3B. CCC WAREHOUSE CODE	3C. STORAGE LOCATION <i>(City and State)</i>	3D. SUGAR TYPE <i>(Raw = RC, Refined = RB, In-Process = IP)</i>	3E. OFFER QUANTITY <i>(Please include estimated Polarization at time of offer subject to testing at load out)</i>	3F. OFFER PRICE <i>(Dollars per applicable unit as specified in invitation, maximum five decimal places)</i>	3G. LOADOUT CAPABILITY <i>(per day)</i>
				Polarity (Degrees) _____ <input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds	\$	<input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds
				Polarity (Degrees) _____ <input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds	\$	<input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds
				Polarity (Degrees) _____ <input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds	\$	<input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds
				Polarity (Degrees) _____ <input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds	\$	<input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds
				Polarity (Degrees) _____ <input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds	\$	<input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds
				Polarity (Degrees) _____ <input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds	\$	<input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds

4A. SIGNATURE OF OFFICER/EMPLOYEE RESPONSIBLE FOR THE OFFER	4B. NAME OF OFFICER/EMPLOYEE RESPONSIBLE FOR THE OFFER	4C. DATE SIGNED (MM-DD-YYYY)
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NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1402, 7 CFR Part 1435, and the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.). The information will be used to evaluate offers submitted by an offeror to sell bulk sugar. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-3, Consultants File. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination that the offer to sell bulk sugar cannot be accepted/processed.*

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO THE USDA-FSA-DACO-KCCO, Beacon Facility - MAILSTOP 8698, P.O. BOX 419205, KANSAS CITY, MO 64141-6205. As specified in the Paperwork Reduction Act (5 CFR 1320.3), the information collection for the Sugar Program, including the Feedstock Flexibility Program, authority does not require OMB approval, because FSA estimates that fewer than 10 participants will participate by selling their sugar to FSA.

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If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or e-mail at program.intake@usda.gov. Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotope, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

OFFER FORM
(CONTINUATION SHEET)

1. ANNOUNCEMENT: **KCPBS2**

INVITATION NO. _____
If amended, Amendment No. ____

3A. CATALOG ITEM NO.	3B. CCC WAREHOUSE CODE	3C. STORAGE LOCATION <i>(City and State)</i>	3D. SUGAR TYPE <i>(Raw = RC, Refined = RB, In-Process = IP)</i>	3E. OFFER QUANTITY <i>(Please include estimated Polarization at time of offer subject to testing at load out)</i>	3F. OFFER PRICE <i>(Dollars per applicable unit as specified in invitation, maximum five decimal places)</i>	3G. LOADOUT CAPABILITY <i>(per day)</i>
				Polarity (Degrees) _____ <input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds	\$	<input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds
				Polarity (Degrees) _____ <input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds	\$	<input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds
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				Polarity (Degrees) _____ <input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds	\$	<input type="checkbox"/> Metric Tons <input type="checkbox"/> Pounds

Instructions For CCC-331A (Sugar)

OFFER FORM

This form is used by participants offering to sell sugar to the Commodity Credit Corporation (CCC), and the information gathered is used to evaluate bids offered to CCC for the purchase of sugar.

Submit the original of this completed form to the USDA-FSA-DACO-KCCO, Beacon Facility – Mailstop 8698, P.O. Box 419205, Kansas City, MO 64141-6205.

Participants offering to sell sugar must complete Items 1 through 4C of this form.

Items 1 - 4C

Fld Name / Item No.	Instructions
1 Invitation No.	Please enter Invitation No. under Announcement KCPBS2. Acknowledge any amendment(s) by entering the Amendment No. In the block directly below, re-enter Invitation No. and date of Invitation.
2A Firm Name	Enter offering firm's name.
2B Address	Enter address of offering firm.
2C Contact Name	Enter appropriate contact name.
2D Phone No.	Enter phone no. of offering firm (including area code).
2E FAX No.	Enter fax no. of offering firm (including area code).
2F Email Address	Enter email address of offering firm.
2G EIN	Enter Employer Identification Number (EIN) of offering firm.

Fld Name / Item No.	Instructions
3A Catalog Item No.	<u>Do not enter and submit with initial Quantity Offer.</u> Enter Catalog Item No. and submit with Price Offer by Price Offer Due Date, as specified in the Invitation. If more space for offers is needed, please continue input on Continuation Sheet, page 2.
3B CCC Warehouse Code	Enter CCC Warehouse Code for sugar being offered.
3C Storage Location	Enter the storage location (city, state) of the sugar being offered.
3D Sugar Type	Enter the type of sugar being offered. (Raw cane = RC , Refined Beet= RB , In-Process = IP)
3E Offer Quantity	Indicate the unit as specified in the invitation: metric tons or pounds. Enter the offer quantity based on the unit as specified in the invitation. Enter polarity (degrees) of the sugar being offered.
3F Offer Price	Enter offer price in dollars per unit as specified in invitation, maximum five decimal places, and submit by Price Offer Due Date, as specified in the Invitation.
3G Load out Capability	Enter the load out capability per day of your facility. Check whether capability is stated in metric tons or pounds.
4A Signature of Officer/ Employee Responsible for the Offer	Person signing as officer or employee responsible for the offer shall sign.
4B Name of Officer/ Employee Responsible for the Offer	Enter the printed name of the Officer/Employee responsible for the offer.
4C Date Signed	Enter the date (MM-DD-YYYY) that Offer Form is signed.