

**INVITATION FOR OFFERS TO ACQUIRE AN ANNOUNCED CCC BONUS
DAIRY EXPORT INCENTIVE PROGRAM
7 CFR Part 1494**

INVITATION FOR OFFERS FOR BUTTERFAT

**INVITATION NO. GSM-511A-59
Effective June 1, 2009**

This Invitation, GSM-511A-59, 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.

This Invitation provides interested exporters the opportunity to apply for an announced bonus. Announced bonus levels and specific terms of that announced bonus will be stated periodically by CCC in a Program Announcement. Such Program Announcements will be available through the Foreign Agricultural Service website at <http://www.fas.usda.gov/excredits/deip/deip-new.asp>.

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, which are 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 offer 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 its offer to CCC for a bonus, to the best of its 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 Former Soviet Union:

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

Former Soviet Union: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan

B. ELIGIBLE COMMODITIES: Butter, U.S. Grade A or better, which meets the U.S. Standards for Grades of Butter issued August 31, 1989. The butter may be salted or unsalted. Butteroil or Anhydrous Milkfat which meets or exceeds the specifications and standards specified in Title 7 CFR, Section 58. Ghee, which meets or exceeds the Specification for Ghee issued by the USDA, Agricultural Marketing Service on October 19, 1993 [Sec. 1494.201(p) and (gg)].

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 allocation in Paragraph A.

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

Global Allocation: 10,000 metric tons

E. SPECIFICATIONS: Offers may contain any single type of eligible butterfat (Butter, Butteroil, Anhydrous Milkfat or Ghee) and must include the 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. COAST OF EXPORT: All offers, under this invitation, must specify the Coast of Export as "All US Coasts." If transshipped through a Canadian port on the St. Lawrence River, that port shall be specified in the offer. 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 GRADING CERTIFICATE: Butter: Butter Grading Certificate, DA-201, original or original copy only, issued by the USDA, Agricultural Marketing Service. Butteroil, Anhydrous Milkfat and Ghee: Inspection and Laboratory 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 certificates must indicate that the grading and sampling was performed by the Agricultural Marketing Service not more than 180 days prior to the date of export for the butter, butteroil, anhydrous milkfat or ghee. Lots of butter, butteroil, anhydrous milkfat or ghee covered by an original grading certificate shall not be subdivided unless the delivered lots are accompanied by a "take-off" certificate(s) issued by the Agricultural Marketing Service for butter, butteroil, anhydrous milkfat or ghee on form DA-201 and dated subsequent to the original certificate [Sec. 1494.201(y)].

J. OFFICIAL WEIGHT CERTIFICATE: Butter; form DA-201. Butteroil, Anhydrous Milkfat or Ghee, form DA-201. All certificates must be an 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 butter, butteroil, anhydrous milkfat or ghee, covered by an original grading certificate shall not be subdivided unless the delivered lots are accompanied by a "take-off" certificate(s) issued by the Agricultural Marketing Service for butter, butteroil, anhydrous milkfat or ghee on 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 and 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 a specific country(ies) 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, 2009, [Sec. 1494.501(a)] with final submission of bids on June 29, 2009, unless prior to this date this Invitation is formally withdrawn by CCC.

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 Part 1493 for DEIP sales covered under a DEIP region must comply with all CCC Export Credit Guarantee Program requirements.

(4) CCC may accept a Butter, Butteroil, Anhydrous milkfat or Ghee 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 Sec.1494.701(b).

This Invitation, GSM-511A-59, supersedes all previous Invitations for Butterfat 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). Offers shall state in item 6 the dollar amount of the Announced CCC Bonus in effect at the time of submission of the offer to CCC. 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.

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 May 22, 2009

P. Mark Rowse
Director
Credit Programs Division