

## SECTION 3 – MAKING A MONETIZATION SALE

### INITIAL STEPS – AFTER THE AGREEMENT HAS BEEN SIGNED:

Once the Proposal has been approved and the Agreement signed, the Program Participant (PP) can move forward. It is likely many months have passed since the Proposal was completed and potential commodity prices, transportation costs, and markets have changed. It is important the PP monitor these changes as closely as possible as this may impact the success of the monetization. The PP, with the assistance of FAD, should revisit the plans and reconfirm the following: (i) monetization proceeds will be adequate based on the current fair market price; (ii) buyers remain interested in the commodity; (iii) the market remains capable of accepting the proposed volume without disruption; and (iv) the cost recovery remains acceptable. ***The monetization plan should identify;***

- the sales platform
- potential buyers
- price point cost recovery calculation
- anticipated date of sales order (fka call forward)
- anticipated date and copy of proposed public notice
- anticipated date of invitation for bid (IFB)
- the draft IFB for approval by FAS
- estimated date of delivery in country
- confirmation of the point at which title to the commodities transfers to the buyer
- confirmation of support / agreement of Post
- other risks or concerns

**APPENDIX 2:**

**Invitation for Bid – Provided as Guidance (other formats may be acceptable)**

**INVITATION FOR BID**

**for**

**[Commodity Description Here]**

[PVO / SELLER NAME HERE], (“Seller”) a U.S. based organization with its headquarters at [ADDRESS], United States of America; acting through its office at [FOREIGN OFFICE ADDRESS].

Seller announces the sale of U.S. agricultural commodities.

Seller invites firm bids delivered no later than 00:00 hours (LOCAL time) on [Date/Month/Year], on the terms and subject to the conditions contained in the applicable form of sales agreement available upon request as described below.

**Transaction Overview**

*This overview is only an introduction to the terms of this transaction. Any decision to submit a firm bid in response to this invitation must be based on a consideration of all of the provisions of the applicable form of sales agreement. Please contact POC at the telephone numbers or addresses provided below to request a copy of the applicable form of sales agreement.*

<b>Commodity Specifications:</b>	
<i>Class:</i>	Hard Red Winter Wheat (HRW)
<i>Grade:</i>	U.S. No. 2 or better
<i>Protein (Min):</i>	12.5% (on 12% moisture basis)
<i>Moisture (Max):</i>	13.5%
<i>Dockage (Max):</i>	0.6% (no deduction for dockage)
<i>Test weight</i>	58.0

<i>lbs/bushel (Min):</i>	
<i>Falling Number (Min):</i>	300
<i>Wheat of Other Classes (Max):</i>	2.0%
<b>Origin of commodity:</b>	United States of America
<b>Individual lots:</b>	<b>LOT A:</b> One lot of 0000 metric tons in bulk (+/-5% at seller's option)
	<b>LOT B:</b> One lot of 000 metric tons in bulk (+/-5% at seller's option)
	<b>LOT C:</b> One lot of 000 metric tons in bulk(+/-5% at seller's option)
	A bidder may bid for: (i) one of the individual lots; (ii) any combination of the individual lots, (iii) all of the individual lots.
<b>Minimum and Maximum Quantities:</b>	<u>Minimum Bidding and Purchase Quantity:</u> <ul style="list-style-type: none"> <li>• <b>LOT A:</b> 000 metric tons</li> <li>• <b>LOT B:</b> 000 metric tons</li> <li>• <b>LOT C:</b> 000 metric tons</li> </ul>
	<u>Maximum Bidding and Purchase Quantity:</u> <ul style="list-style-type: none"> <li>• <b>LOT A:</b> 000 metric tons</li> <li>• <b>LOT B:</b> 000 metric tons</li> <li>• <b>LOT C:</b> 000 metric tons</li> </ul>
<b>Quality:</b>	Final at the U.S. Loading Port as per the Official Export Inspection Certificate.
<b>Minimum Bid Price:</b>	Bids below the minimum bid price of \$\$\$\$ per metric ton shall not be considered.
<b>Sales Agreements:</b>	Seller has its own sales agreement. Before submitting a bid, please contact POC at the telephone numbers or addresses provided below to request the sales agreement form. Each buyer will be expected to

	conclude a signed sales agreement within five (5) working days of notification of the acceptance of a bid.
<b>Delivery Terms:</b>	Cost & Freight (CFR, Incoterms 2010)
<b>Discharge Port:</b>	[Discharge Port], [one or two safe berths, Free Out terms.]
<b>Shipping and discharge:</b>	
<i>U.S. Loading Port:</i>	The U.S. Loading Port to be determined.
<i>Vessel:</i>	The commodity will be shipped from the U.S. Loading Port to be determined through an ocean freight tender process. The vessel may be geared or gearless, tween/multi-deck or ocean-going barges. If buyer requires gear to be provided by the vessel, the gear requirements must be provided to Seller prior to finalization of sales agreement.
<i>Estimated shipping date</i>	Estimated during Month Year. <b><i>Seller does <u>not</u> guarantee any estimated shipping date from the U.S. Loading Port or any estimated delivery date at discharge port.</i></b>
<i>Estimated delivery date</i>	Estimated during Month Year. Seller does <b><i><u>not</u> guarantee any estimated shipping date from the U.S. Loading Port or any estimated delivery date at Discharge Port.</i></b>
<i>Port costs and fees:</i>	For Bulk Commodities: All port costs and fees for discharging the commodity from the ship, including offloading and stevedoring, and on the quay and in the port, including vessel demurrage (if any), are for the account of the buyer(s).
<i>Discharge rate:</i>	For Bulk Commodities: The required average discharge rate of the Commodity will be specified in the applicable Sales Agreement(s).
<i>Other Terms:</i>	The successful buyer(s) must agree that the Commodity will be imported into [Country]. Once the Commodity has been imported into [Country], the Buyer(s) guarantee(s) that neither the Commodity nor any by-products thereof will be exported out of [Country].
<b>Taxes and Fees:</b>	Any charges, including, but not limited to, any export or import duties, taxes, levies, fees, surcharges, vessel dues, licenses, certificates, inspections or documentation or any requirements of the Government of [Country] for the importation of wheat into [Country] or otherwise shall

	be for the account and risk of the buyer(s).
<b>Payment Terms:</b>	
<i>Currency:</i>	U.S. Dollars
<i>Initial cash payment (10%):</i>	At the time the sales agreement is signed, the buyer(s) must pay 10% of the Initial Purchase Value to the Seller in immediately available funds, paid to the bank account as instructed by the Seller.
<i>Letter of Credit (90%):</i>	No later than 10 calendar days after the Effective Date of the sales agreement, the buyer(s) must open an irrevocable sight letter of credit payable at sight in favor of the Seller for one hundred percent (90%) of the Initial Purchase Value. The letter of credit must be valid for at least 180 days and shall remain in full force and effect until the outstanding balance of funds owed to the Seller has been paid in full, or until the expiration of the agreement, whichever occurs first. Confirmation of the letter of credit will be an option of the Seller.
<i>Fees:</i>	All banking charges inside [Country] and all charges related to the opening or confirmation of the letter of credit will be for the account of the buyer(s).
<b>Bids:</b>	A bid must be made in writing and signed by an authorized officer of the company/entity making the submission. The bid shall include the unit price per metric ton, the total number of metric tons, the individual lot(s) selected and the total bid price both in figures and in words. The information contained in the bid must be provided on the basis of the terms and conditions in the sales agreement. A bid must be addressed to the attention of POC, the Country Representative of Seller in [Country].
<b>Deadlines and method for submission of bids:</b>	
<u>Submission Deadline:</u> By 00:00 hours (local time) on Date / Month / Year	<u>Submission Place and Methods:</u> Bids must be received at [Address] before 00:00 hours (local time) on Date / Month / Year  Bids may be submitted:

	<p>(i) in person;</p> <p>(ii) by courier;</p> <p>(iii) by fax; or</p> <p>(iv) by email (in which case the bid must be included as a separate signed document attached to the email).</p>
<p><u>Responses to Bidders:</u></p> <p><u>Deadline:</u></p> <p>by 00:00 hours (Local time) Date / Month / Year</p>	<p>Responses to all companies/entities submitting a bid will be given in person or by telephone.</p>
<p><b>Contact times and information:</b></p>	<p>Monday through Friday, between 0:00 and 00:00 hours (local time) to the attention of the following individual(s):</p> <p>POC</p> <p>Telephone:</p> <p>Fax:</p> <p>Mobile:</p> <p>Email:</p>

Seller reserves the right, acting in its sole discretion and without providing any reason,

- to:accept, reject or negotiate any or all of the bids it receives in response to this invitation;
- waive any or all of the conditions of sale;
- cancel this invitation for bids; or
- issue a new invitation for bids, which may or may not be the same as this invitation.