Commodity Credit Corporation, USDA § 1494.601

(a) Establishment of acceptable sales prices and CCC bonuses. For each Invitation, CCC will establish sales prices for the eligible commodity and CCC bonus amounts which would be acceptable to CCC in terms of furthering the objectives of the EEP.

(1) In establishing acceptable sales prices for the eligible commodity, CCC will consider available relevant market data.

(2) In determining acceptable CCC bonus amounts, CCC may take into consideration factors such as, but not limited to, the following: The prevailing domestic market price of the eligible commodity; the price of the same agricultural commodity exported by other exporting countries to the eligible country; ocean freight rates for the export of the eligible commodity from the U.S. and other exporting countries to the eligible country; the particular preferences or purchasing practices of buyers in the eligible country which would customarily affect the acceptability of the eligible commodity relative to that of competing exports of the same agricultural commodity to the eligible country from other exporting countries; and the cost effectiveness of the payment of a CCC bonus amount in view of CCC's obligation to maximize the use of resources available for the operation of the EEP.

(b) Acceptance of offers for a CCC bonus on a competitive basis. An offer from an eligible exporter for a CCC bonus on a competitive bonus that meets all of the requirements of this subpart will first be reviewed to determine if the offer contains an acceptable sales price. If the sales price contained in the offer is found to be acceptable, then the CCC bonus contained in the offer will be reviewed to determine if the CCC bonus requested is found to be acceptable. Offers with acceptable sales prices and acceptable CCC bonuses will be accepted under each Invitation beginning with the offer having the lowest CCC bonus amount, subject to the limitations in paragraphs (f) and (h) of this section.

(c) Acceptance of offers for an announced CCC bonus. Offers from eligible exporters for an Announced CCC Bonus.
that meet all of the requirements of
this subpart and which contain an ac-
ceptable sales price will be accepted
under each Invitation on a first-come,
first-served basis according to the time
of receipt of the offer, as determined by
CCC, subject to the limitations in par-
graphs (f) and (h) of this section.

(d) Notification of acceptance of offers.
CCC will notify an eligible exporter by
telephone of the acceptance or rejec-
tion of its offer as soon as possible
after review of the exporter’s offer by
CCC but not later than 10 a.m. of the
next business day after the date the
offer was submitted for consideration.
If an offer is rejected, CCC will notify
the eligible exporter of the basis for
the rejection. Acceptance of offers will
be confirmed in writing. The date of
the telephonic notification of accep-
tance by CCC of the eligible exporter’s
offer will be the effective date of the
exporter’s Agreement with CCC.

(e) Announcement of acceptance of of-
fers. CCC will generally announce the
acceptance of offers by public press re-
lease as soon as possible after the noti-
fication to the exporter. The announce-
ment will generally include the eligible
commodity, the eligible country, the
exporter, the delivery period, the CCC
bonus, and, if applicable, the class of
the eligible commodity.

(f) Limitation on acceptance of offers.
The total quantity of the eligible com-
modity, exclusive of tolerances, to be
exported under all offers that are ac-
cepted by CCC pursuant to a particular
Invitation will not be greater than the
total quantity of the eligible com-
modity stated in such Invitation. CCC
may refuse to accept further offers
under an applicable Invitation if the
quantity of the eligible commodity, ex-
clusive of tolerances, already accepted
totals the quantity, exclusive of toler-
ances, that is being tendered for by
the eligible buyer, even though such quan-
tity may be less than the total quan-
tity available under that Invitation.

(g) Rejection of offers. Any offer or
part of an offer submitted for consid-
eration that is not accepted by CCC by 10
a.m. of the next business day after the
date for which the offer was submitted
for consideration will be deemed to
have been rejected.

(h) CCC’s right of rejection. Notwith-
standing any other provisions of this
subpart, CCC reserves the right to re-
ject any or all offers submitted for con-
sideration on a particular day, includ-
ing those offers that have acceptable
sales prices and CCC bonus amounts.

§ 1494.701 Payment of bonus.

(a) Forms of bonus. The bonus may be
paid to the exporter in CCC Certifi-
cates or in any other form specified in
the applicable Invitation which CCC
determines to be appropriate.

(b) Quantity on which bonus is paid.
The quantity of the eligible commodity
exported from the U.S. which is eligi-
ble for the payment of a CCC bonus is
the net weight (less any dockage, if ap-
licable) or count which is established
by the Official Inspection Certificate,
the Official Weight Certificate or the
export bill of lading, whichever is less.
If the exporter has furnished perform-
ance security under “Option A” of
the applicable Invitation and wishes the
bonus to be paid prior to the entry of
the eligible commodity into the eligi-
bale country, this quantity will be used
in calculating the bonus value for the
purposes of making payment to the ex-
porter. If the exporter is not paid the
bonus until the commodity enters into
the eligible country, then this quantity
will also be used in calculating the
bonus value for the purposes of making
payment to the exporter, unless in the
determination of CCC, there is evi-
dence to suggest that there was de-
struction, diversion or loss of the eligi-
ble commodity prior to entry into the
eligible country. The payment of a
bonus value to an exporter does not in-
dicate that the bonus has been earned
by the exporter under the Agreement;
pursuant to §1494.801(a)(3), the bonus is
not earned by the exporter until the el-
igible commodity enters into the eligi-
bale country in accordance with the
Agreement and the exporter submits
proof of such entry to CCC.

(c) Request for bonus payment under
“Option A.” If the exporter has fur-
ished performance security under
“Option A” of the applicable Invitation
and wishes the bonus to be paid after
export of the eligible commodity, the
exporter must, within 30 calendar days
after the date of export of the eligible

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