

USDA Announces Storage Deficit Area for the 2011-Crop Cotton Marketing Assistance Loan Program

The Department of Agriculture's Commodity Credit Corporation (CCC) has determined that Arizona is the only storage deficit area for the 2011-crop cotton marketing year.

CCC determines that a storage deficit area exists if the production of cotton exceeds the combined approved inside storage capacity of warehouses that have entered into a Cotton Storage Agreement with CCC, less carry-in stocks for the area. Approved cotton storage warehouse operators located in such storage deficit areas may apply to CCC for authorization to store cotton that is pledged as collateral for a CCC loan in specifically designated outside areas. For the 2011 marketing year determination, CCC used the Oct. 12, 2011, production estimates by the National Agricultural Statistic Service (NASS) and carry-in stocks for the same time period.

To be authorized for outside storage of cotton loan collateral, a warehouse must agree to specific storage and reporting requirements for yard-stored bales.

CCC's approval to store cotton outside applies only to bales pledged as collateral for a marketing assistance loan with CCC. This approval does not extend to CCC-owned cotton, or other cotton that is not pledged as CCC loan collateral and does not relieve the warehouse of any obligations to the producer or others regarding storage. All cotton in which CCC does not have an interest must be stored in compliance with all applicable licensing and/or state laws, rules and regulations.

For application information, contact: Paul Rodriguez at 816-926-6662 or Paul.Rodriguez@kcc.usda.gov.

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