



April 10, 2006

BCD-132

United States
Department of
Agriculture

NOTICE TO THE TRADE

Farm and Foreign
Agricultural
Service

TO: All Warehouse Operators Approved Under the Cotton Storage Agreement (CSA)

Farm Service
Agency

1400 Independence
Ave, SW
Stop 0553
Washington, DC
20250-0553

SUBJECT: Temporary Storage Space in Outside Yards for the 2005-Crop of Upland Cotton

Background:

On January 18, 2006, in Notice to the Trade BCD-117, USDA allowed warehouse operators located in certain eligible counties to request approval for short-term outside storage of cotton under loan. Notice to the Trade BCD-130 extended the deadline for moving loan collateral into approved space until May 1, 2006. This Notice informs those parties with cotton loan collateral remaining in temporary space as of May 1, of actions anticipated by the Commodity Credit Corporation (CCC).

Action:

Any warehouse operator with CCC loan collateral located in unapproved space will be immediately removed from the List of Approved Warehouses. CCC will notify producers whose loan cotton is not stored in approved space as of May 1, 2006 that the maturity date of their loan on such cotton is advanced to 30 days from the date of the notification letter. On or after 15 days from the date of the notification letter, the loan cannot be redeemed with a CCC Commodity Certificate or forfeited, and any redemption of the loan after that date must be at the principal amount of the loan plus interest. If the loan is not redeemed, a claim will be established for the amount due, and CCC will take action to market the loan collateral and apply any proceeds from the sale to the amount of the claim.

Contacts:

Any questions regarding the List of Approved Warehouses should be addressed to Paul Rodriguez, Storage Contract Branch, Kansas City Commodity Office, Phone: (816)926-6662 or E-mail: paul.rodriguez@kcc.usda.gov. Any questions regarding loan repayment provisions should be addressed to Gene Rosera, Price Support Division, (202)720-8481 or E-mail: gene.rosera@usda.gov.

/s/ Bert Farrish

Bert Farrish
Deputy Administrator for Commodity Operations

