

Commodity Operations: What We Do

Purchase and deliver processed commodities under various domestic distribution programs, such as the National School Lunch, Commodity Supplemental Food, Food Distribution on Indian Reservations, and Disaster Assistance Programs.

Purchase and deliver commodities to foreign countries under Titles II and III of Public Law 480, the Food for Progress Program, and Section 416(b) of the Agricultural Act of 1949, through private voluntary agencies, World Food program, and government-to-government transfers.

Purchase from vendors or processors Dairy Price Support program commodities, such as butter, cheese, and nonfat dry milk.

Acquire and dispose of commodities pledged as collateral for marketing assistance loans, such as wheat, corn, soybeans, oilseeds, and other commodities.

Establish Posted County Prices for locations throughout the U.S. to develop loan rates, loan deficiency payments, and market assistance loan repayments.

Market and manage CCC inventories such as cotton, grain, oilseeds, nonfat dry milk, and rice, regularly analyzing the location, condition, and quantity of these stocks.

Prepare and adjudicate debts by and against CCC resulting from export and domestic transportation and warehouse losses.

Administer the contracting for storage under the Uniform Grain and Rice Storage Agreement (UGRSA), the Cotton Storage Agreement (CSA), the Peanut Storage Agreement (PSA), and the Processed Commodity Storage Agreement (PCSA).

Administer the U.S. Warehouse Act and regulations thereunder.

CCC Inventory Management

Forfeitures under nonrecourse commodity loan programs are not the only means by which CCC acquires inventory. Under the dairy price support program, CCC buys surplus butter, cheese, and nonfat dry milk from processors at announced prices to support the price of milk. These purchases help maintain market prices at the legislated support level.

CCC can store purchased food in over 10,000 commercial warehouses across the Nation approved for this purpose. However, commodity inventories are not simply kept in storage. FSA employees work to return stored commodities to private trade channels. At the Agency's Kansas City Commodity Office in Kansas City, Missouri, FSA merchandisers regularly sell and swap CCC inventories, using commercial telecommunications trading networks.

Beyond the marketplace, CCC commodities fill the need for hunger relief both in the United States and in foreign countries. FSA employees work closely with USDA's Food and Nutrition Service to purchase and deliver foods for the National School Lunch and many other domestic feeding programs. And, donated to "Food for Peace" and programs administered by voluntary organizations, these U.S. farm products and foods help USDA fight hunger worldwide.