



DATE: December 12, 2008

TO: Prospective Upland Cotton Domestic Users

SUBJECT: Economic Adjustment Assistance to Users of Upland Cotton

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United States  
Department of  
Agriculture

Farm and Foreign  
Agricultural Services

Farm Service  
Agency

Kansas City  
Commodity Office  
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The Food, Conservation, and Energy Act of 2008 (the 2008 Act) initiates a program whereby payments will be made to eligible participants. The Regulations and Agreement (enclosed) set forth the terms and conditions under which the Commodity Credit Corporation (CCC) will make payments.

The program will pay \$.04/lb. for eligible cotton through July 31, 2012. All payments received by the Agreement Holder must be used for purposes as specified in the 2008 Act. Authorized expenditures include costs incurred for purchases of land or the acquisition, construction, installation, modernization, development, conversion, or expansion of depreciable fixed assets. Such capital expenditures must be directly attributable to the purpose of manufacturing upland cotton into eligible cotton products in the United States. Capital obligations entered into prior to June 18, 2008, will not be eligible.

**Effective Date:**

Agreements accepted by CCC by January 30, 2009, will be effective August 1, 2008. All Agreements received thereafter will be effective on the date of acceptance by CCC.

**Agreements:**

Prior to CCC entering into an agreement, a telephone interview and/or physical inspection of the facility will take place.

**Program Information:**

Additional information and forms may be found at  
<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=pai>

**Program Contacts:**

Contact the Financial Review Branch, Contract Reconciliation Division at (816) 926-6663 if you have any questions.

**DUNS Number:**

For those who need to obtain a DUNS Number an information sheet is enclosed. Please remember that there will be only one Upland Cotton User Agreement allowed for each DUNS number. Therefore, an entity with multiple locations should register under one DUNS number, or be prepared to maintain separate records for each location.

**Enclosures:**

A copy of the Regulations, an Upland Cotton Domestic User Agreement, a sample of the Monthly Consumption/Application for Payment Report and a DUNS Number application information sheet are included.