

United States Department of Agriculture Marketing and Regulatory Programs | Agricultural Marketing Service Fair Trade Practices Program | Warehouse and Commodity Management Division

Date: September 9, 2025

To: All Warehouse Operators Approved Under the Commodity Credit Corporation (CCC)

Cotton Storage Agreement (CSA)

Subject: Bales Made Available for Shipment (BMAS) enforcement and CCC Rate Renewal.

To enhance the efficiency and cost-effectiveness of operations and program delivery, the Warehouse and Commodity Management Division (WCMD) has identified two warehouse requirements in which the government monitoring and workflow can be improved that will directly affect stakeholders. Specifically, WCMD aims to expand the use of automation within the processes related to BMAS and the CCC rate renewal procedures for approved warehouses with a CSA. Updates to the BMAS review process will be implemented starting with the 2025 crop year (CY25), while modifications to the rate renewal process are scheduled to take effect beginning with the 2026 crop year (CY26). WCMD anticipates these changes will also streamline operations for the approved warehouse operators.

The BMAS requirements are set forth in <u>7 CFR 1423.11</u>. The BMAS standard is set at a minimum of 4.5% of a warehouse's applicable storage capacity (approved or effective) measured in bales made available during the relevant week of shipment or calculated as a two-week rolling average including the relevant week and the immediately preceding week or the immediately succeeding week. Current procedures involve auditing BMAS performance through random sampling during warehouse examinations and documenting any discrepancies. To enhance control measures and streamline examination processes, WCMD will adopt a more proactive approach to monitoring BMAS compliance starting in CY25. If a warehouse does not accept a requested shipping date while failing to meet the minimum BMAS requirement of 4.5% during a reporting week, a notification will be issued to the warehouse operator and WCMD for further review. Please ensure that BMAS reports are submitted in accordance with the regulations and as specified in Part 3, Section S(2) of the CCC-823 Cotton Storage Agreement (CSA). All bales must be properly validated to ensure the reports are accurate and complete. Reports containing unvalidated bales may be considered incomplete and could be subject to administrative review.

The rate renewal process is conducted to establish rates for CCC Marketing Assistance Loan (MAL) forfeiture purposes, in accordance with <u>7 CFR 1427.13</u> and the CSA guidelines. The process is currently carried out twice, with warehouses divided into categories based on July and September. To streamline programming and ensure alignment with both the crop year for MAL purposes and the cotton marketing year, CCC intends to consolidate the rate renewal periods. Instead of separate renewal periods in July and September, all CCC-approved warehouses will conduct rate renewals exclusively during the July period. While some feedback has been received, we welcome additional feedback from industry stakeholders and encourage comments to be sent to <u>ian.edmonds@usda.gov</u>. This change is scheduled to be implemented starting with CY26 corresponding to the July 2026 rate renewal period.