

Dear warehouse operator:

On December 15, 2006, all warehouse operators with Cotton Storage Agreements (CSA) were requested to sign the Amendment 2 to the CSA. This amendment updated Part III, S., Delivery and Shipping Standard and redefined the minimum weekly delivery and shipping standard to 4.5 percent of the CSA approved storage capacity or the maximum number of bales on hand at any time during the crop year.

Enclosed is the warehouse operator's copy of the executed Amendment 2 for your files.

As a part of this Amendment, new mandatory weekly reporting of the warehouse's cotton flow is required. Starting January 8, 2007, all warehouses were required to complete the weekly cotton flow report on their electronic provider's website, including warehouses with no inventory. This report must be completed every Monday, or the next business day if Monday is not a business day for the warehouse operator.

Effective, the date of this notice, failure to submit a weekly report will result in a telephone call from our office. A second failure to submit will result in a letter of reprimand. Failure to submit three weekly reports within a 12 month period will result in the removal of a warehouse from the Commodity Credit Corporation List of Approved Warehouses. In order to be reinstated a warehouse operator must submit all missing cotton flow reports and pay a reinstatement fee.

If the warehouse operator has any problems with submitting this report, please advise the Storage Contract Branch as soon as possible. If you have any questions, please contact Paul Rodriguez at 816-926-6662 or via email at paul.rodriguez@kcc.usda.gov.

Sincerely,

Steve Searcy, Chief
Storage Contract Branch
Kansas City Commodity Office