

**Fact Sheet**

# Cooperative Marketing Association Program

Feed grain, soybean, wheat, cotton, and rice marketing cooperatives may be approved to participate in Commodity Credit Corporation's (CCC) commodity marketing assistance loan (loan) and loan deficiency payment (LDP) program through the Cooperative Marketing Association (CMA) program. Approved CMAs may obtain CCC commodity loans and LDPs on eligible commodities delivered to them by eligible member producers.

Eligible commodities include barley, canola, corn, cotton (upland and extra long staple), crambe, flaxseed, mohair, mustard seed, oats, rapeseed, rice, safflower, grain sorghum, soybeans, sunflower seed, and wheat.

**Program Activities**

CMAs can use CCC's commodity loan and LDP program as a marketing tool for their eligible members the same way an individual eligible producers does. Depending on the commodity, CMAs may obtain nonrecourse or recourse loans or LDPs on eligible warehouse or farm-stored commodities. Members of CMAs receive CCC funds minus authorized charges when a commodity is either placed under loan or used for an LDP. The CMA may then market the commodity throughout the entire marketing season. Additional net proceeds may be paid to members based on the CMA's operations at the end of the marketing season.

**Requirements for CMA Approval**

Cooperatives must meet each of the following basic requirements to be approved as a CMA;

- At least 50 percent of their allocated equity must be owned by active members;
- At least 50 percent of their Board Members must be active members of the cooperative;
- At least 50 percent of a commodity authorized for a loan or an LDP must be delivered by members;
- A uniform marketing agreement must be initially approved by CCC and executed with each member involved in a loan or an LDP;
- A CCC-846, "Application For Approval of Cooperative Marketing Association for Loan and Loan Deficiency Payments (LDPs)" must be submitted to the Director, Price Support Division, at the address below;
- A balance sheet prepared by an independent Certified Public Accountant must be submitted to CCC. It must be dated within the previous 12 months and show the cooperative has at least \$1 of current assets for each dollar of current liabilities;
- The CMA must maintain approved status by filing for recertification annually;
- The CMA must have and maintain a computer system compatible with and capable of communicating with CCC's systems.

**Pool Operations**

CMAs must use purchase, pricing, seasonal and other types of pools in conjunction with loan and LDP activities. A pool shall be eligible for loans and LDPs when all of the commodity in the pool is eligible for loans and LDPs, and the commodity was delivered by members covered by an approved marketing agreement. Separate pools may be established as needed for quantities of a commodity.

**Participation**

Cooperatives or producers wishing additional information or an application packet on how cooperatives can participate in the CMA Program should contact:

*Director, Price Support Division  
Farm Service Agency  
STOP 0512  
1400 Independence Avenue, SW,  
Washington, DC 20250-0512, or  
Telephone (202) 720-7901.*

For more information about this or any other FSA program, contact your FSA local office, or visit us on the world wide web at: [www.fsa.usda.gov](http://www.fsa.usda.gov)

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