



Commodity Credit Corporation

OVERVIEW

The Commodity Credit Corporation (CCC) is a government-owned and operated entity that was created in 1933 to stabilize, support, and protect farm income and prices. CCC was also charged with maintaining balanced and adequate supplies of agricultural commodities and to aid in the orderly distribution of those commodities.

CCC was incorporated on Oct. 17, 1933, under a Delaware charter with a capitalization of \$3 million. CCC was initially managed and operated in close affiliation with the Reconstruction Finance Corporation, which funded its operations. On July 1, 1939, CCC was transferred to the United States Department of Agriculture (USDA) and was reincorporated on July 1, 1948, as a Federal Chartered Corporation within USDA by the Commodity Credit Corporation Charter Act (62 Stat.1070; 15 U.S.C. 714).

The CCC Charter Act, as amended, is authorized to assist agricultural producers through loans, purchases, payments, and other operations, and makes available materials and facilities required in the production and marketing of agricultural commodities.

The CCC Charter Act also authorizes the sale of agricultural commodities to other government agencies and to foreign governments and the donation of food to domestic, foreign, or international relief agencies. In addition, CCC assists in the development of new domestic and foreign markets and marketing facilities for agricultural commodities.

ORGANIZATION

CCC is managed by a Board of Directors (Board) subject to the general supervision and direction of the Secretary of Agriculture, who is an ex-officio director and chairperson of the Board. The Board consists of seven members, in addition to the Secretary, who are appointed by the President of

the United States. Officers of CCC, directly or through officials of designated USDA agencies, maintain liaison with numerous other governmental and private trade operations. CCC programs must be approved by the Board of Directors and/or the Secretary of Agriculture. Currently, all members of the Board and all Corporation officers are USDA officials.

CCC does not have any employees, using the employees of federal agencies in the conduct of its operations. Domestic agricultural price and income support programs are carried out primarily through the personnel and facilities of the Farm Service Agency (FSA). International programs are carried out by the Foreign Agricultural Service (FAS) and the United States Agency for International Development (USAID). The majority of CCC conservation programs are implemented by the Natural Resource and Conservation Service (NRCS). Other USDA agencies also carry out CCC programs. CCC is authorized to contract for the use of privately-owned facilities in carrying out its activities.

CCC has no authority to acquire personal property. CCC is prohibited from acquiring real property, or any interest in property, except for the purpose of protecting its financial interests and for providing adequate storage to carry out its programs. CCC is authorized to rent or lease office space necessary for its business.

FINANCING

CCC has an authorized and outstanding capital stock of \$100 million that is held by the United States Department of the Treasury. Interest on CCC capital stock is paid annually to Treasury based on a rate established by Treasury for government corporations. CCC has the authority to borrow up to \$30 billion from the Treasury at any one time. These funds are used to implement the programs authorized under the CCC Charter Act and various other statutes, including the Agricultural Act of 2014 (the 2014 Farm Bill).

CCC MAJOR PROGRAM ACTIVITIES

CCC has invested \$100 million in the Biofuels Infrastructure Partnership (BIP) to support the expansion of infrastructure for renewable biofuels made from agricultural commodities. The BIP is administered through competitive grants and matched by States and private contributions, creating additional markets for commodities. CCC also funds the establishment of renewable energy crop through the Biomass Crop Assistance Program, assisting producers with the costs of production, storage, and transportation of agricultural biomass for energy and bio-based products. CCC has also invested \$160 million in a partnership with the U.S. Navy and Department of Energy to accelerate the development of domestic, competitively-priced “drop-in” diesel and jet fuel substitutes. This partnership assists the Federal Aviation Administration to build a green fleet and help the commercial airline industry move towards using biofuels to power jets.

NRCS administers several CCC conservation programs. These programs use incentive and cost-share payments and NRCS personnel technical assistance to enhance the quality of the environment. The programs reduce, control, and prevent soil erosion; restore wetlands; protect and improve the quality of wetland areas; establish, restore and enhance fish, waterfowl and wildlife habitats; increase sediment trapping efficiencies; and improve air quality. These programs also provide for the purchase of conservation easements directly from agricultural landowners or through a cooperating entity.

The Conservation Reserve Program (CRP), administered by FSA, assists producers to improve conservation. CRP is a federally-funded voluntary program that contracts with agricultural producers so that environmentally sensitive agricultural land is not farmed or ranched, but instead used for conservation benefits. CRP participants establish long-term, resource-conserving plant species, such as approved grasses or trees (known as “covers”) to control soil erosion, improve water quality and develop wildlife habitat. In return, FSA provides participants with rental payments and cost-share

assistance. Contract duration is between 10 and 15 years.

DOMESTIC AGRICULTURAL COMMODITY PROGRAMS**2015 Programs**

Commodity price support operations include marketing and managing any CCC-owned inventories which are handled primarily through nonrecourse loans for producers of wheat, corn, oilseeds, cotton, rice, barley, oats, grain sorghum, wool, mohair, honey, peanuts, pulse crops, and sugar. Borrowers may satisfy their obligations to a CCC nonrecourse loan by repaying the loan or forfeiting the loan collateral to CCC. Marketing assistance loans also provide interim financing to producers so that commodities can be stored after harvest, when market prices are typically low, to be sold later, when price conditions are more favorable.

International Programs

The USAID Office of Food for Peace (FFP) implements the Food for Peace Program. Approximately \$1.5 billion are appropriated annually for this program, which CCC acquires commodities and finances the transportation of the commodities to international destinations. Commodities are provided to private voluntary organizations and international organizations, primarily the United Nations World Food Program for use in emergency and development food assistance activities. These activities include direct general food distribution, food for work, food for training and supplementary feeding to reduce suffering and save lives while improving food security.

CCC is authorized to promote the export of U.S. agricultural commodities through sales, payments, export credits and other related activities. Currently, the major CCC export programs are the Export Credit Guarantee Program (GSM-102) and the Facility Guarantee Program (FGP). The USDA Foreign Agricultural Service (FAS) administers the GSM-102 program on behalf of the CCC; the program makes it possible for foreign buyers to purchase U.S. agricultural commodities from

private U.S. exporters. U.S. banks provide financing to approve importers' foreign banks on commercial terms. The banks finance the export of the commodities and CCC guarantees repayment to the U.S. banks. GSM-102 operates mainly in countries where credit is necessary to increase or maintain U.S. exports and where private financial institutions may be unwilling to provide financing without CCC's guarantee.

Under FAS's Facility Guarantee Program (FGP), CCC extends credit guarantees to U.S. banks for financing export sales of U.S. capital goods and services to improve agriculture-related facilities in emerging markets, such as storage, processing and handling facilities. Sales of capital goods and services must be linked to projects that primarily benefit U.S. agricultural exports.

The USDA Market Access Program (MAP) uses CCC funds to aid in the development, expansion, and maintenance of foreign markets for U.S. agricultural commodities and products. The MAP forms a partnership between CCC and non-profit U.S. agricultural trade associations, non-profit U.S. agricultural cooperatives, non-profit state-regional trade groups and small U.S. businesses to share the costs of overseas marketing and promotional activities, such as trade shows, market research, consumer promotions, technical assistance, trade servicing and seminars to educate overseas customers.

The FAS's Foreign Market Development (FMD) Program also known as the Cooperator Program uses CCC funds to create, expand and maintain long-term export markets for U.S. agricultural products. The program fosters a cost-sharing trade promotion partnership between USDA and U.S. agricultural producers and processors who are represented by nonprofit commodity or trade associations called Cooperators. On behalf of CCC, FAS enters into partnerships with those eligible nonprofit U.S. trade organizations that have the broadest producer representation of the commodity being promoted. Under these partnerships, USDA and the Cooperators pool their technical and financial resources to conduct overseas market development.

FAS's Emerging Markets Program (EMP) is a CCC market access program that provides funding for technical assistance activities intended to promote exports of U.S. agricultural commodities and products to emerging markets in all geographic regions consistent with U.S. foreign policy. The EMP is a generic program and its resources may be used to support exports of U.S. agricultural commodities and products only through generic activities. Projects that endorse or promote branded products are not eligible for the program. Funding is provided through three channels: (1) the Central Fund which is the principal means of funding, made available through a public announcement; (2) the Technical Issues Resolution Fund (TIRF) to address technical barriers to those issues that are time sensitive and are strategic areas of longer term interest; and (3) the Quick Response Marketing Fund (QRMF) to assist with short-term time-sensitive marketing opportunities.

MORE INFORMATION

For more information about CCC or FSA programs, visit online at www.fsa.usda.gov/ccc or www.fsa.usda.gov or contact us at:

USDA/FSA
Commodity Credit Corporation Office
1400 Independence Avenue SW
Stop 0599
Washington, D.C. 20250-0599
(202) 720-0402 or (202) 720-4019

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FACT SHEET

Commodity Credit Corporation

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USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Dis-crimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

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