# CFSA
## HANDBOOK

# Procedures for Cotton Clerks

To access the transmittal page click on the short reference.

For Cotton Clerks and
Cotton State and County Offices

SHORT REFERENCE

14-CN
(Revision 10)

UNITED STATES DEPARTMENT OF AGRICULTURE
Consolidated Farm Service Agency
P.O. Box 2415
Washington, DC 20013-2415

**UNITED STATES DEPARTMENT OF AGRICULTURE**
Farm Service Agency
Washington, DC 20250

| Procedures for Cotton Clerks<br>14-CN (Revision 10) | Amendment 33 |
|---|---|

**Approved by:** Acting Deputy Administrator, Farm Programs

## Amendment Transmittal

### A Reasons for Amendment

Exhibits 7 through 12 have been amended to provide 2009-crop loan differentials and adjustments.

| Page Control Chart | | |
|---|---|---|
| **TC** | **Text** | **Exhibit** |
| | | 7, pages 1-6<br>8, page 1<br>9, page 1<br>9.5, page 1<br>10, page 1<br>11, page 1<br>page 2 (remove)<br>12, page 1<br>page 2 (remove) |

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# Part 1 Basic Information

## 1 Overview

### A Handbook Purpose

This handbook provides instructions for:

- approving qualified persons to become cotton clerks
- training and supervising cotton clerks
- removing approved cotton clerks that are:
  - not complying with program provisions
  - no longer eligible to serve
  - no longer active in the program
- approved cotton clerks to:
  - prepare loan and LDP documents
  - as applicable, advance loan or LDP amounts to producers
- advance loan and LDP amounts to producers
- County Offices for handling loans or LDP's prepared or, if applicable, loans or LDP's for which loan amounts have been advanced by the approved cotton clerks.

Continued on the next page

**B**
**Sources of Authority and Responsibility**

*--The sources of authority for the cotton loan and LDP programs detailed in this handbook are:

- the Agricultural Act of 1949, as amended
- the Federal Agriculture Improvement and Reform Act of 1996
- the Commodity Credit Corporation Charter Act, as amended
- 7 CFR Part 1427.

PSD has the authority and responsibility to implement the programs prescribed in this handbook.--*

STC may remove and approve cotton clerks, if necessary.

County Offices shall approve, train, supervise, and, if necessary, remove approved cotton clerks.

**C**
**Related Handbooks**

For State and County Offices, see 7-CN for entering information into *--APSS.--*

## 2 Responsibilities

**A**
**CCC Board and Executive Vice President, CCC, Responsibilities**

The CCC Board and Executive Vice President, CCC, shall determine policy and program provisions. The Executive Vice President, CCC, or designee has the authority for:

- making a determination on any question arising under the programs
- revising or rescinding any determination made by approved cotton clerks.

**B**
***--PSD Responsibilities**

PSD shall administer the programs under DAFP's general**--*** supervision and direction.

Continued on the next page

**C**
**STC's Responsibilities**

STC's shall:

- determine Statewide policy consistent with this handbook
- administer the programs in County Offices through DD's, COC's, and CED's
- require COC's to correct or withhold any action that violates program provisions
- remove approved cotton clerks who violate program provisions or who are no longer eligible to serve if COC does not remove these cotton clerks
- approve persons to become cotton clerks that have been previously removed as cotton clerks
- **STC may require cotton clerks who are approved to advance funds on CCC-810 to advance funds to producers by certified or cashier's check when it is considered necessary to protect producers' and CCC's interests.**

**Note:** This requirement may be carried out on either an individual cotton clerk or State basis. If STC requires a certified or cashier's check, it shall notify the applicable cotton clerk of the specific requirement.

**Example:** A cotton clerk approved in 2 States may be required to advance funds by certified or cashier's check to producers in only 1 of the States.

Continued on the next page

**D**
**County Office Responsibilities**

County Offices shall:

- administer the programs at the county level according to program provisions

- approve cotton clerks and provide instruction, training, forms, supervision, and other information according to this handbook, as applicable

- after receiving CCC-810 approved by the supervisory County Office, provide the applicable supervisory County Office with a list of cotton producers who:

  - *--are indebted to CCC, CFSA, or other government agency for which an offset is applicable, including GPR's--*

  - have a current CCC-36 on file for the applicable crop year

  - have outstanding seed cotton loans

  **Note:** County Offices shall provide updates to these lists as applicable.

- provide applicable supervisory County Offices a list of changes normally associated with the handling of the cotton

  **Note:** If the supervisory County Office is located within the same State, this requirement is not necessary.

- remove approved cotton clerks who violate program provisions or who are no longer eligible to serve

- process loans or LDP's in APSS according to this handbook and 7-CN.

Continued on the next page

**E**
**Approved Cotton Clerks' Responsibilities**

Approved cotton clerks shall:

- become familiar with all duties and responsibilities required to administer the cotton loan and LDP programs according to this handbook

- contact the supervisory County Office for any information not provided by this handbook

- **not** prepare loan documents or advance loan proceeds to producers
  ***--**who are indebted to CCC, CFSA, or other government agency**--***

- **not** advance loan proceeds to producers:

  - with an outstanding seed cotton loan
  - who are in bankruptcy or receivership

- **not** advance LDP amounts to producers:

  - ***--**who are indebted to CCC, CFSA, or other government agency**--***

  - with an outstanding seed cotton loan

  - who are in bankruptcy or receivership

  - with a current CCC-36 for the current crop year

  **Note:** Cotton clerks shall be provided a list of applicable producers ***--**who are indebted to CCC, CFSA, or other government**--*** agency, have current CCC-36's on file, and have outstanding seed cotton loans.

Continued on the next page

**E**
**Approved Cotton Clerks' Responsibilities (Continued)**

- *--provide bale data prepared by a private entity on a properly formatted diskette to the County Office--*

  **Note:** Cotton clerks shall refer persons interested in providing bale data on diskette to the supervisory County Office.

  * * *

- notify the County Office if they no longer want to be an approved cotton clerk

- if applicable, advance funds to producers by certified or cashier's check upon STC notification.

## 3 Persons Qualified To Be Cotton Clerks

### A Who Qualifies To Be Cotton Clerks

Only individuals are qualified to be cotton clerks. The following do **not** qualify as cotton clerks:

- firms or business entities

  **Note:** Employees of firms and business entities may be qualified.

- individuals employed by or receiving direction from persons or firms not permitted to do business with CCC

- other individuals if COC determines that approval would not be in the best interest of the program

- STC and COC members

  **Note:** CMC members and private employees of individual STC and COC members may be qualified.

- State and County Office employees.

  **Note:** Private employees of individual State and County Office employees may be qualified.

## 4 Applying To Be a Cotton Clerk

**A**
**Where to Apply**

Persons interested in applying to be a cotton clerk shall file CCC-810 at the County Office most convenient to the cotton clerk.

**Exception:** Cotton clerks who have been removed and are requesting to be reinstated shall reapply according to paragraph 9.

**B**
**Servicing More Than 1 County**

Persons applying to be a cotton clerk may apply in 1 County Office to prepare loan or LDP documents for producers whose farm records are kept in more than 1 County Office.

## 5 Completing CCC-810, Part A

### A Completion Instructions

Persons interested in becoming cotton clerks shall complete CCC-810, Part A, according to this table.

| Item Number | Instructions |
|---|---|
| Part A | Enter the County Offices that keep farm records for producers that the applicant intends to assist in preparing loan or LDP documents.<br><br>**Note:** Enter the applicable State if different than where CCC-810 is filed. |
| 1 or 2 | Check either box 1 or 2. |
| 2 | Check 1 or more of boxes a through c.<br><br>**Note:** If box a or b is checked, applicant must provide the name and address of the financial institution or entity. |
| 3 | Applicant must sign and date. |
| 4 | Enter both the mailing and street address. |
| 5 | If applicable, enter the name of cotton clerk's employer. |

Continued on the next page

# 5 Completing CCC-810, Part A (Continued)

## A Completion Instructions (Continued)

*--

REPRODUCE LOCALLY. *Include form number and date on reproductions.* Form Approved - OMB No. 0560-0074

**CCC-810**
(10-31-96)

**U.S. DEPARTMENT OF AGRICULTURE**
Commodity Credit Corporation

**COTTON CLERK'S APPLICATION/AGREEMENT**

**NOTE:** *The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a), and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Agricultural Act of 1949, as amended, the Federal Agriculture Improvement and Reform Act of 1996, the Commodity Credit Corporation Charter Act, as amended, and regulations (7 CFR 1427). These regulations provide that qualified persons, who desire to act as cotton clerks to assist producers in the preparation and execution of loans and loan deficiency payment (LDP) forms under cotton loan and LDP programs of CCC, shall execute and file a written certification and agreement with CCC. This agreement and certification, Form CCC-810, is the required agreement, and without it authority to execute CCC cotton loan and LDP program forms, and be compensated for services performed as cotton clerk will not be granted. This information may also be provided to other USDA agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to orders of a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to information provided.*

*Federal Agencies may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Department of Agriculture, Clearance Officer, OIRM (OMB No. 0560-0074), Stop 7630, Washington, D.C. 20250-7630.* ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

**PART A - APPLICATION**

The undersigned person, hereby makes application to be a cotton clerk in order to assist producers in preparing loan and loan deficiency payment (LDP) documents for producers whose farm records are kept in the following county Farm Service Agency (FSA) office(s):

_____

In addition:

[X] 1. I do not wish to advance CCC loan or LDP amounts to producers.

[ ] 2. I wish to advance CCC loan and LDP amounts to producers:

[ ] a. through the following financial institution _____

[ ] b. through the following entity _____

[ ] c. from my own account or the account of my employer _____

| 3. SIGNATURE OF APPLICANT | DATE | 4. BUSINESS ADDRESS OF COTTON CLERK |
|---|---|---|
| ☞ */s/ Susie Jones* | *8-17-9X* | Route 3, Box 130<br>SOMEWHERE SS 12345-13000 |
| 5. NAME OF COTTON CLERK'S EMPLOYER *(If applicable)* | | |

--*

## 6 Approving CCC-810 and Completing Section B

**A**
**Reviewing CCC-810**

COC shall review the submitted CCC-810 for completeness and the person's eligibility to be a cotton clerk before completing CCC-810, Section B.

COC should consider the cotton clerk's location and the convenience for the producers during their review.

**B**
**Approval**

CED or designee may approve CCC-810 for CCC.

Continued on the next page

## 6 Approving CCC-810 and Completing Section B (Continued)

**C**
**Completion Instructions, Front Side**

County Offices shall complete CCC-810, Section B, front side by entering:

- date of approval
- name of approved cotton clerk.

Continued on the next page

# 6 Approving CCC-810 and Completing Part B (Continued)

## C Completion Instructions, Front Side (Continued)

*--

**PART B - AGREEMENT**

**THIS AGREEMENT** made and entered into this 20 day of August, 19 9X.

by and between Commodity Credit Corporation (CCC) and Susie Jones

*(NAME OF COTTON CLERK)*

**WITNESSETH:**

**WHEREAS,** CCC desires that qualified persons act as cotton clerks to assist producers in the preparation and execution of loan and LDP forms under cotton loan programs of CCC, and the persons named above desires to be approved as a cotton clerk under such programs:

**NOW, THEREFORE,** CCC does hereby approve the person named above, cotton clerk under such programs, and in consideration of the premises and other considerations contained herein, the parties hereto agree as follows:

1. The cotton clerk shall be familiar with the provisions of the cotton loan and LDP programs for each crop as contained in Handbook 14-CN, 7 CFR Part 1427 (the Regulations), the CCC Cotton Loan Program Regulations, the forms, and other instructions issued by the county FSA committee ("county committee") which approves the cotton clerk on behalf of CCC.

2. Subject to the other provisions of this Agreement, the cotton clerk may assist eligible producers in the preparation of loan and LDP documents. The cotton clerk shall sign as witness to the producer's signature on each Form CCC-Cotton-A only if the cotton clerk personally sees the producer sign CCC-Cotton-A. **The cotton clerk shall not sign as witness with respect to their own or their spouses signature on form CCC-Cotton-A. A cotton clerk who signs a Form CCC-Cotton-A for a producer under a power of attorney shall not sign as witness on such form.**

3. Before assisting a producer in preparing loan or LDP documents, the cotton clerk shall determine that such producer is an eligible cotton producer as defined in the Regulations; that the cotton on which the loan or LDP is desired is eligible cotton as defined in the Regulations; and that the cotton pledged as collateral for loan is free and clear of all liens and encumbrances.

4. After completion of loan or LDP documents, the cotton clerk shall deliver such loan or LDP documents, with bale on diskette or through the National Cotton Council (NCC) telecommunication network, to the producer for delivery to the county office which keeps the farm program records for the farm on which the cotton was produced (county office) for disbursement, or if requested to do so by the producer, the cotton clerk may mail or deliver such documents and diskette, or if applicable, NCC information to the county office on behalf of the producer. Diskettes provided with bale data must be in a format approved by CCC.

**This program or activity will be conducted on a non discriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability.**

--*

Continued on the next page

**D Completion Instructions, Reverse Side**

County Offices shall complete CCC-810, Part B, reverse side according to this table.

| Item Number | Instructions |
|---|---|
| 9 | Enter the County Offices to which the approved cotton clerk is approved to provide loan or LDP documents. |
| 10 | Check appropriate box. |
| 11 | Applicant must sign and date. |
| 12 | CED or designee must sign. |
| 13 | Enter the address and phone number of the approving County Office. |

Continued on the next page

## D Completion Instructions, Reverse Side (Continued)

*--

CCC-810 *(Reverse)* (10-31-96)

5. The cotton clerk shall inform each producer whom the cotton clerk assists in the preparation of loan documents that the producer should retain the Producer's Copy of such forms for their records after they are returned to the producer by the county office, since these forms may be needed in redeeming the producer's cotton. The cotton clerk shall also inform each producer that if the producer desires to redeem cotton or authorize someone else to redeem it, the producer or the producer's duly authorized agent may:

   A. For 1995 and prior crop years, redeem such cotton at a level which is the lesser of:

      (1) The total amount of the loan principal plus interest and charges that have accrued with respect to such cotton; or
      (2) Higher of the:

         (a) 70 percent of the national average loan rate adjusted for location and quality.
         (b) Such lower level as determined and announced by CCC which is in effect on the day the repayment is received by the county office that disbursed the loan.

   B. For 1996 and subsequent crop years, redeem such cotton at a level which is the lesser of:

      (1) The total amount of the loan principal plus interest and charges that have accrued with respect to such cotton; or
      (2) Such lower level as determined and announced by CCC which is in effect on the day the repayment is received by the county office that disbursed the loan.

   C. Authorize the redemption, and if applicable, extension of the cotton by another person by executing a CCC-605 and delivering such form to the person authorized to redeem, or if applicable, extend the cotton.

6. The cotton clerk agrees that services as a cotton clerk, will be made available to producers without in any way discriminating against any producer because of the producer's race, color, religion, national origin, age, sex, marital status or disability.

7. As full compensation for services performed as cotton clerk, the cotton clerk may collect fees from producers for assisting them in preparing acceptable loan and LDP documents not in excess of the fees set forth below. These fees may be collected from the producer or may be paid from the loan or LDP proceeds by the county office. For fees other than cotton clerk fees that are payable from the loan or LDP proceeds to the cotton clerk, a written statement of such proceeds shall be given to the producer and applicable county office.

| NO. OF BALES | MAXIMUM FEE ALLOWED |
|---|---|
| 1 | 25 CENTS |
| 2-6 | 25 cents plus 15 cents for each bale over 1 |
| 7 and over | $1 plus 10 cents for each bale over 6 |

8. The county committee shall provide necessary instructions, training, and supervision for the cotton clerk.

9. The cotton clerk is authorized to assist producers in preparing loan and LDP documents for producers whose farm records are kept in the following county FSA office(s):

   Somewhere County, SS; Cotton County, SS

10. In addition to assisting producers in preparing loan and LDP documents and providing bale data, the loan clerk:

   [X] a. shall not advance CCC loan or LDP amounts to producers

   [ ] b. may advance CCC loan and LDP amounts to producers through the financial institution listed in Section A

   [ ] c. may advance CCC loan and LDP amounts to producers from their own accounts, accounts of their employer, or through the entity listed in Section A.

   If the cotton clerk is approved to advance CCC loan and LDP amounts, the cotton clerk understands that CCC may require proof that the advance was made to the producer before reimbursement by CCC to such cotton clerks and any determination by CCC that such funds were not advanced before reimbursement shall result in CCC immediately terminating this agreement.

**IT IS FURTHER AGREED** that this Agreement and approval as a cotton clerk do not constitute the cotton clerk a Federal employee or an agent of CCC or the United States Government. It is agreed that this Agreement and the approval as cotton clerk shall remain effective until terminated at any time by CCC or the cotton clerk. The cotton clerk shall cease preparation of loan documents upon sending CCC a notice of termination or upon receipt from CCC of a notice of termination.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on the date set forth above.

| 11. SIGNATURE OF COTTON CLERK | DATE |
|---|---|
| ☞ */s/ Susie Jones* | |
| **For Commodity Credit Corporation** | |
| 12. By<br>*/s/ Bill Smith* | 13. NAME AND ADDRESS OF FSA OFFICE<br>Somewhere County FSA Office<br>Route 1, Box 130<br>SOMETOWN SS 12345-1300<br><br>TELEPHONE NO. ( 444 ) 123-5555 |

--*

Continued on the next page

## 6 Approving CCC-810 and Completing Part B (Continued)

**E**
**Distributing CCC-810**

The approving County Office shall:

- file the original CCC-810 in the County Office
- provide a copy to:
  - the approved cotton clerk
  - each County Office listed on CCC-810.

**F**
**Approval Expiration**

CCC-810 continues in effect until the cotton clerk resigns, is removed, or is terminated by CCC.

## 7 Training and Supervision

**A**
**Supervisory County Office**

The approving County Office shall be considered the supervisory County Office for cotton clerks it approves.

**Note:** If a County Office other than the approving County Office has problems with a particular cotton clerk, the County Office shall contact the supervisory County Office through the State Office.

**B**
**Supervisory County Office Responsibilities**

The supervisory County Office shall, to the extent possible, ensure that the cotton clerks under its supervision fully understand their duties and responsibilities.

The supervisory County Office shall provide each cotton clerk with the following:

- current revision of this handbook and all applicable amendments, including State amendments from all applicable States

- *--all National and State notices applicable to the cotton loan and LDP program--*

- list of approved warehouses

Continued on the next page

**B**
**Supervisory County Office Responsibilities (Continued)**

- copy of the current JCIBPC specification booklet
- a list of all COC members and employee names applicable to the County Offices approved on CCC-810
- a list of all cotton producers who:
  - *--are indebted to CCC, FSA, or other government agency for--* which an offset is applicable, including GPR's
  - have a current CCC-36 on file for the applicable crop year
  - have outstanding seed cotton loans

    **Note:** Producers must be identified to the applicable category.
- a list of charges normally associated with the handling of cotton, by State, if applicable.

**Note:** Applicable County Offices shall supply the supervisory County Office with the required information.

---

**C**
**Annual Training**

Supervisory County Offices shall require cotton clerks that they approve to attend at least 1 training session annually. If the cotton clerk does not attend at least 1 training session, COC shall remove the cotton clerk according to paragraph 8.

Cotton clerks shall be given prompt, additional training if the cotton clerk is making too many errors.

If additional training does not cause improvement, COC shall remove the cotton clerk according to paragraph 8.

**Note:** If County Offices other than the approving County Office believe a particular cotton clerk needs additional training, the County Office shall contact the approving County Office through the State Office.

---

## 8 Removing Approved Cotton Clerks

**A Removing Officials**

A cotton clerk may be removed by:

- COC of the supervisory County Office
- COC of any county in which the cotton clerk is approved
- STC of any State in which the cotton clerk is approved.

**B Actions That Constitute Removal**

Approved cotton clerks shall be removed upon determination that the cotton clerk:

- is not complying with program provisions
- does not respond to training, particularly if the cotton clerk continues to make errors on loan or LDP documents
- is no longer eligible to serve
- is no longer active in the program because of resignation, death, moving, or changing jobs.

**Note:** If a cotton clerk is removed because of not complying with program provisions or failure to respond to training, the cotton clerk must apply for reinstatement according to paragraph 9. Cotton clerks removed for other reasons may request approval in the normal manner.

**C Notifying Cotton Clerk of Removal**

The office that determines to remove the cotton clerk shall notify the cotton clerk of the removal action by certified letter, detailing the reasons for removal.

Continued on the next page

**D**
**Notifying Affected County Offices**

The office that determines to remove the cotton clerk shall notify all other applicable County Offices of the removal action, detailing the reasons for removal.

**Note:** Once an office removes a cotton clerk, CCC-810 is terminated and no new loan or LDP documents can be accepted.

**E**
**Notifying Cotton Producers**

County Offices shall publicize the removal of any cotton clerk in their next newsletter.

## 9 Reinstating Cotton Clerks

**A**
**Policy**

If a cotton clerk is removed because of not complying with program provisions or failure to respond to training, the cotton clerk must file a new CCC-810 with STC for each State in which the cotton clerk wants to be reinstated.

**Example:** A removed cotton clerk wanting to prepare loan documents for producers in Arkansas and Tennessee must file 2 separate CCC-810's: one with the Arkansas STC and one with the Tennessee STC.

---

**B**
**Reinstatement Procedure**

Each STC may approve CCC-810 allowing the cotton clerk to provide services to producers in the applicable State without any restrictions or with restrictions outlined on CCC-810.

If STC approves CCC-810, SED or designee shall complete and sign for CCC designating a County Office in the State the responsibilities of supervisory County Office according to paragraph 7.

**Notes:** The County Office name, address, and phone number on CCC-810 shall be the designated supervisory County Office.

The State Office shall:

- provide all applicable County Offices with a copy of CCC-810
- send the original to the supervisory County Office.

---

**C**
**Subsequent Removal Action**

Only STC can remove reinstated cotton clerks. The supervisory County Office shall notify STC if reinstated cotton clerks need to be removed and shall provide all necessary facts regarding the cotton clerk's actions.

---

**10-13 (Reserved)**

## Section 2 Signatures and Authorizations

### 14 Overview

**A Introduction**

This section provides requirements for:

- producer signatures
- acceptable evidence of authority for persons signing in a representative capacity
- powers of attorney and special rules on authority.

## 15 Signatures

### A Acceptable Signatures

All signatures shall be in ink or indelible pencil. Acceptable signatures are as follows.

| IF the signature is... | THEN... |
|---|---|
| written | the written name shall be the name used for:<br>• tax reporting<br>• program purposes. |
| by mark | • include the name of the person signing by the mark<br>• the mark shall be witnessed by a person receiving no direct benefits from the action. |
| printed | either of the following shall apply:<br>• it must be witnessed by a person receiving no direct benefit<br>• cotton clerk must:<br>  • be present when signed<br>  • know the signature is the usual way the person signs. |
| other than in English script | |

Continued on the next page

**A Acceptable Signatures (Continued)**

| IF the signature is... | THEN... |
|---|---|
| illegible | the person accepting the signature shall:<br><br>• know the correct name of the person signing<br>• initial the document. |
| by a married woman | she shall sign:<br><br>• her own given name<br><br>  • **Example:** *Mrs. Mary Doe*<br>  • **Unacceptable example:** *Mrs. John Doe*<br><br>• that of her husband only when signing:<br><br>  • as an agent<br>  • in a fiduciary capacity.<br><br>  **Example:** *John Doe by Mary Doe, Agent* |

Continued on the next page

**15 Signatures (Continued)**

**B**
**Person Underage**

Accept an underage person's signature in all cases where right of majority has been conferred by court proceedings or statute.

**C**
**Unacceptable Signatures**

Altered signatures shall not be accepted, unless:

- the person signing affixes a new signature
- unusual circumstances warrant a hardship or limited case waiver.

## 16 Minor's Signature

**A Minor's Signature Not Required**

A minor's signature:

- is not required when program documents, contracts, agreements, notes, or mortgages have been signed by an authorized adult, who is either of the following:
  - a court-appointed guardian
  - father or mother in States where they are permitted by law to handle the minor's property
- may be accepted on documents:
  - not involving subsequent responsibilities
  - when all responsibilities have been carried out.

Continued on the next page

**B**
**Minor's Signature Required**

Require a minor's signatures when:

- program documents involve subsequent responsibilities or bind the minor
- 1 of the following conditions exist:
  - a financially responsible person cosigns the loan note
  - CCC-64 is provided to protect the Government from any loss for which the minor would be liable if the minor were an adult

    **Note:** CCC-64 must be completed and certified by a County Office.
  - unusual circumstances make it advisable to require the signatures of the minor **and** an authorized adult.

## 17 Signature Limitations

**A**
**General Rule for Signature Authority**

Signature authority must be on file in the County Office before accepting a signature on loan documents on behalf of another. See subparagraph B for special rules for spouses.

**Note:** Cotton clerks shall contact the County Office to verify signature authority is on file.

**B**
**Signature Authority for Spouses**

A husband and wife:

- can sign program documents on behalf of each other for farm programs in which either has an interest, effective August 1, 1992, unless written notification denying a spouse this authority has been provided to the County Office

  **Note:** County Offices shall provide cotton clerks with a list of persons denying a spouse this authority.

•*--cannot sign FSA-211 or FSA-211-1 on behalf of the other.--*

Continued on the next page

**C**
**County Office Employee Limitations**

County Office employees:

- may not act as a power of attorney in the County Office where they are employed on behalf of any person, including family members

- may not sign on behalf of a spouse in the County Office where employed

- may in unusual situations, such as a hardship case, obtain a waiver from SED

  **Note:** If a County Office employee has obtained a waiver, the County Office shall notify the cotton clerk.

- are not limited from acting in a fiduciary capacity, such as:

  - guardian
  - administrator
  - conservator
  - executor
  - trustee
  - receiver.

**Notes:** This policy does not apply to COC or CMC members.

County Offices shall provide a list of County Office employees to applicable cotton clerks.

**A**
**Signing as Individual**

When signing on one's own behalf, the signature:

- should agree with the name typed or printed on the form
- may contain variations that do not cause the name and signature to be in disagreement.

**B**
**Examples of Acceptable Signatures**

These are examples of acceptable signatures.

| Name on Document | Acceptable Signature |
|---|---|
| John W. Smith | *John W. Smith* |
| | *J. W. Smith* |
| | *John Smith* |
| | *J. Smith* |
| | *J. Wilson Smith* |
| | *John Wilson Smith* |
| Mary J. Smith | *Mary J. Smith* |
| | *Ms., Mrs., or Miss Mary Smith* |
| | *Mary Smith* |
| | *M. J. Smith* |
| | *Ms., Mrs., or Miss Mary J. Smith* |
| | *Ms., Mrs., or Miss Mary Jane Smith* |
| | *X (or other mark)*<br>*Mark of Mary J. Smith,*<br>*Lucille P. Jones, Witness* |

Continued on the next page

**C**
**Signing as Cosigner or Agent**

When signing as a cosigner or agent, the same variations in subparagraph B shall apply.

## 19 General Policy on Evidence of Authority

**A**
**Signing for Another Person**

A photocopy of the evidence of authority for the person to sign shall be attached to the loan documents when submitted to the County Office.

**B**
**Authentication by COC**

COC may require any of the following for authentication before loans will be disbursed:

- presentation of the original document
- notarization
- an affixed official seal, for a corporation or government body.

**C**
**Authentication by County Office**

Approving officers may also require the person receiving authority to:

- provide identification
- file a signature with the County Office.

## 20 Evidence of Authority for Individuals

**A Authorized Signatures**

Any of the following may sign for an individual.

| Who May Sign | Acceptable Evidence of Authority |
|---|---|
| An individual for himself or herself | |
| Spouse | Evidence of authority is not required.<br><br>**Exceptions:** A spouse may not sign on behalf of *--the other on FSA-211 or FSA-211-1.--* |

Continued on the next page

**A Authorized Signatures (Continued)**

| Who May Sign | Acceptable Evidence of Authority |
|---|---|
| Administrator<br>Conservator<br>Executor<br>Guardian<br>Trustee<br>Receiver | One of the following:<br><br>• court orders of appointment with execution order<br>• certificate or letter of administration<br>• trust agreement<br>• last will and testament<br>• certified evidence of probate.<br><br>The evidence, except for a trust agreement, shall contain the following:<br><br>• signature of an officer of the issuing court<br><br>• seal affixed by issuing court<br><br>• certification by an officer of the issuing court that the evidence of authority is in full force and effect. |
| Agent<br>Manager | *--FSA-211 signed by the individuals in this--* paragraph. |

Continued on the next page

**B**
**Spouse Signature Example**

The following are examples of signatures that may accepted for spouses.

| Name On Document | Acceptable Signatures |
|---|---|
| John R. Smith | • *by Sharon H. Smith*<br>• *John R. Smith by Sharon H. Smith*<br>• *by Sharon H. Smith, Spouse* |
| John R. Smith<br>Sharon H. Smith | • *John R. Smith*<br>*by John R, Smith*<br><br>• *John R. Smith*<br>*Sharon H. Smith by John R. Smith* |
| (No name on document) | • *John R. Smith by Sharon H. Smith*<br>• *John R. Smith by Sharon H. Smith, Spouse* |

## 21 Evidence of Authority for Partnerships

**A Authorized Signatures**

The following individuals may sign for a general partnership.

| Who May Sign | Acceptable Evidence of Authority |
|---|---|
| Member | Either of the following documents showing the member is authorized to sign and bind the remaining members of the partnership:<br>• articles of partnership showing the member is a general partner<br>• affidavit by all available members of the partnership showing:<br>  • partnership name<br>  • member's names and shares<br>  • why any member of the partnership has not signed. |
| Agent | *--FSA-211 signed by a member authorized in this--* this paragraph. |

**Note:** These rules apply when signing for the partnership. On documents requiring the signature of individual members, the signature rules for individuals shall be followed.

Continued on the next page

**B**
**Acceptable Signatures**

The signature for an individual authorized to sign for a general partnership shall consist of 1 of the following:

- individual's name
- individual's name and capacity
- individual's name, capacity, and name of the partnership.

**C**
**Partnership Signature Examples**

The following are examples of signatures that may be accepted for general partnerships. Other forms and authorized titles are acceptable.

| Name on Document | Acceptable Signature |
|---|---|
| John R. Smith & Sons, a Partnership | • *by George C. Smith*<br>• *by George C. Smith, Partner* |
| Smith & Roe Partnership | • *by John R. Smith*<br>• *Smith and Roe Partnership, by John R. Smith, Partner* |
| Jones and Smith, a Partnership | • *by Richard H. Roe*<br>• *Richard H. Roe, Agent for Jones and Smith, a Partnership* |
| XYZ Company | • *by Richard Roe*<br>• *XYZ Company by Richard Roe* |
| (No name on document) | • *XYZ Partnership by Richard Roe* |

## 22 Evidence of Authority for Joint Ventures

### A Authorized Signatures

The following individuals may sign for a joint venture.

| Who May Sign | Acceptable Evidence of Authority |
|---|---|
| Member | Either of the following documents showing the member is authorized to sign and bind the remaining members of the joint venture:<br><br>• affidavit subscribed to by all available members of the joint venture showing:<br><br>  • joint venture name<br>  • names and share of members<br>  • why any member has not signed<br><br>•*--FSA-211 signed by all members of the joint ve ntu re. |
| Agent | FSA-211 signed by all members of the joint--* venture. |

**Note:** These rules apply when signing for the joint venture. On documents requiring the signature of individual members, follow the signature rules for individuals.

### B Acceptable Signatures

The signature for an individual authorized to sign for a joint venture shall consist of 1 of the following:

- individual's name
- individual's name and capacity
- individual's name, capacity, and name of the joint venture.

## 23 Evidence of Authority for Corporations

**A**
**Officer Authorization**

A copy of 1 of the following documents will authorize an officer to sign:

- the corporate charter or bylaws, executed according to State law, that designates the officer
- resolution by the corporation's board of directors, signed by the corporation's secretary or other officer other than the designated agent
- CCC-502C signed by an officer.

**B**
**Restriction on Redelegation**

A corporate officer designated as an agent may **not** redelegate his or her *--authority to an agent on FSA-211, unless the documents specified in--* subparagraph A provide for redelegation.

**C**
**Agent Authorization**

An individual agent, other than an officer, shall be authorized to sign for the corporation:

- by delegation on CCC-502C signed by an officer
- *--by delegation on FSA-211 according to subparagraph B--*
- when either of the following applies:
  - the corporate charter or bylaws authorize the agent to sign
  - there is a resolution by the corporation's board of directors, signed by a corporation officer, naming the agent.

Continued on the next page

**D**
**Corporate Authorized Agents**

Employees of lending institutions, farm management corporations, and other similar corporations, who are serving as the authorized representative of a producer, may be designated to sign for the corporation by 1 of the following:

- a letter signed by the corporation's officer
- CCC-502C signed by the corporation's officer
- *--FSA-211.--*

**E**
**Acceptable Signatures**

The signature for an individual authorized to sign for a corporation shall consist of 1 of the following:

- individual's name
- individual's name and capacity
- individual's name, capacity, and name of the corporation.

**F**
**Corporation Signature Examples**

The following are examples of signatures that may be accepted for a corporation.

| Name on Document | Acceptable Signature |
|---|---|
| Smith Bros., Inc. | • *by John H. Smith*<br>• *by John H. Smith, President*<br>• *by Richard R. Roe, Treasurer of Smith Bros., Inc.* |
| First National Bank | • *by John H. Smith*<br>• *First National Bank by John H. Smith, Cashier*<br>• *John H. Smith, Cashier for the First National Bank* |
| (No name on document) | • *John H. Smith, Cashier for the First Nation Bank* |

## 24 Evidence of Authority for Sole Proprietors

**A**
**Acceptable Signatures**

The signature for an individual who is the sole proprietor of a business operation shall consist of 1 of the following:

- individual's name
- individual's name and title
- individual's name, title, and name of the business operation.

**B**
**Sole Proprietor Signature Examples**

The following are examples of acceptable signatures for a business operation conducted by an individual under a name other than the individual. Other forms are acceptable.

| Name on Document | Acceptable Signature |
|---|---|
| Smith Company | • *by John R. Smith*<br>• *Smith Company by John R. Smith, Sole Proprietor*<br>• *John R. Smith, Sole Owner of Smith Company*<br>• *Smith Company by J. R. Smith, Owner* |

## 25 Evidence of Authority for Estates, Trusts, Conservatorships, or Guardianships

**A**
**Required Authorization**

For an individual to sign as administrator, executor, trustee, guardian, receiver, or conservator, evidence of authority consisting of 1 of the following documents, which was executed according to State law, is required:

- court orders of appointment
- court-approved certificate or letter of administration
- trust agreement or last will and testament that established the trust
- similar document approved by Regional Attorney.

**B**
**Restrictions on Evidence of Authority**

Documents presented in subparagraph A, except for trust agreements, shall contain the following:

- signature of an officer of the issuing court
- certification by an officer of the issuing court that the evidence of authority is in full force and effect.

**C**
**Redelegation by Individual Authorized by Evidence**

Individuals, designated according to subparagraph A or B, may redelegate *--authority to an agent on FSA-211.--*

Continued on the next page

**D**
**Acceptable Signatures**

The signature for an individual authorized to sign as the representative for an estate, trust, conservatorship, or guardianship shall consist of the:

- name of the estate, trust, conservatorship, or guardianship, **except** when the name of the authorized individual is shown on the document as the representative
- representative's name and capacity.

**E**
**Fiduciary Signature Examples**

The following are examples of acceptable signatures when signing in a fiduciary capacity. Other forms and authorized titles are acceptable.

| Name on Document | Acceptable Signature |
|---|---|
| Richard L. Smith, Administrator of the Estate of John C. Smith, Deceased | • *Estate of John C. Smith, Deceased, by Richard L. Smith, Administrator*<br>• *by Richard L. Smith, Administrator* |
| Estate of John H. Smith, Deceased | *Joseph Smith, Executor of Estate of John H. Smith, Deceased* |
| Jay S. Smith & Roy L. Smith, Executors of the Estate of John C. Smith, Deceased | *Roy L. Smith, Co-Executor* |
| Harry J. Roe, Minor | • *by John H. Smith, Guardian*<br>• *Harry J. Roe, Minor, by John H. Smith, Guardian* |

Continued on the next page

**E**
**Fiduciary**
**Signature**
**Examples**
**(Continued)**

| Name on Document | Acceptable Signature |
|---|---|
| John H. Smith, Trustee for Heirs of Richard R. Roe, Deceased | *John H. Smith, Trustee* |
| John H. Smith, Trustee for Mary L. Roe and Richard R. Roe | • *Mary L. Roe and Richard R. Roe by John H. Smith, Trustee*<br>• *John H. Smith, Trustee* |
| John W. Smith, Trustee for Heirs of Richard R. Roe, Deceased | • *Mary J. Smith, Agent for John W. Smith, Trustee of Heirs of Richard R. Roe, Deceased*<br>• *John W. Smith, Trustee by Mary J. Smith, Agent* |
| Richard Roe Trust | • *by John W. Smith, Trustee*<br>• *for John W. Smith, Trustee by Mary Jones, Agent* |
| (No name on document) | • *Heirs of Richard R. Roe, Deceased, by John H. Smith, Trustee* |

## 26 Evidence of Authority for Bankruptcies and Receiverships

**A**
**Bankruptcy and Receivership Signature Examples**

Producers who are in bankruptcy or receivership must obtain loans at the County Office.

## 27 Evidence of Authority for Federal, State, County, or Municipal Offices and Public Schools

**A**
**Governmental Body Authorization**

One of the following documents signed by a governmental official will authorize an individual to sign on behalf of a governmental body.

| Governmental Body | Acceptable Document |
|---|---|
| Federal agency, or division thereof | One of the following documents:<br>• order of appointment<br>• statute<br>• letter of authorization. |
| State agency or department thereof<br><br>County agency or department thereof<br><br>Municipal agency or department thereof | One of the following documents:<br>• order of appointment<br>• letter of authorization containing an official seal<br>• a certification. |

**B**
**Public School Authorization**

For a public school, accept a letter of administration signed by the president of the school board or governing body, or designee, as applicable, with either of the following:

- an affixed official seal
- a certification.

**C**
**Other Authorization**

*--Accept FSA-211 signed by an individual authorized according to--* subparagraph A or B.

Continued on the next page

**27 Evidence of Authority for Federal, State, County, or Municipal Offices and Public Schools (Continued)**

**D**
**Acceptable Signatures**

The signature for an individual authorized to sign for a governmental body shall consist of 1 of the following:

- individual's name
- individual's name and capacity
- individual's name, capacity, and name of governmental body.

**E**
**Signature Examples**

The following are examples of acceptable signatures for a governmental body. Other forms and authorized titles are acceptable.

| Name on Document | Acceptable Signature |
|---|---|
| Douglas County, Michigan, by John H. Smith, Board of County Commissioners | • *John H. Smith*<br>• *John H. Smith, Board of County Commissioners* |
| Brown County Farm | • *by John H. Smith*<br>• *Brown County Farm by John H. Smith, Judge, Brown County Court*<br>• *Brown County Farm by Richard R. Smith, Farm Manager* |
| City of Dallas, Park Commission | • *by John H. Smith*<br>• *City of Dallas, Park Commission, by John H. Smith, Secretary* |
| State of Ohio, Board of Aeronautics | • *by John H. Smith*<br>• *John H. Smith, Director* |

## 28 Evidence of Authority for Churches and Charitable Organizations

**A**
**Authorizations**

Either of the following documents will authorize an individual to sign on behalf of a church, charitable organization, society, or fraternal organization that is not a corporation:

- letter of authorization signed by either of the following:
  - legal head of the church or organization
  - head of the local church body, if applicable

•*--FSA-211 signed by an individual authorized in this subparagraph.--*

---

**B**
**Acceptable Signatures**

The signature for an individual authorized to sign for a church, charitable organization, society, or fraternal organization shall consist of 1 of the following:

- individual's name
- individual's name and capacity
- individual's name and capacity and name of the church, charitable organization, society, or fraternal organization.

---

## 29 Evidence of Authority for Indian Tribal Ventures and BIA

**A**
**Indian Tribal Venture Authorizations**

Either of the following documents will authorize a member to sign and obligate other members of the Indian tribal venture:

- copy of tribal bylaws designating members authorized to sign and bind other members of the venture
- affidavit signed by the tribal council designating the members authorized to sign on behalf of the venture.

---

**B**
**BIA Authorizations**

Management of tribal and allotted lands is regulated by statute.

Any duly authorized representative for BIA may sign for BIA. BIA regional offices conduct business for various individual Indians, or groups of Indians, under employer ID number 52 1176810.

---

**C**
**Acceptable Signatures**

The signature for an individual authorized to sign for Indian tribal ventures or BIA shall consist of 1 of the following:

- individual's name and capacity
- individual's name, capacity, and name of tribal venture
- individual's name, capacity, and BIA.

---

## 30 Policy for Powers of Attorney

**A**
**Policy * * ***

Unless otherwise specified in this handbook, FSA-211 *** * *** shall be used to grant authority to either of the following:

- agent
- other designee.

**B**
**Grandfathered Forms**

***--**All FSA-211's with a **version date before April 18, 1996**, including those granted for "All Programs" are:

- not valid for 2002 and subsequent cotton loan and LDP programs

- valid for cotton loan and LDP programs for the 2001 and prior crops based on the programs and transactions selected on FSA-211.

All FSA-211's with a **version date of April 18, 1996**, are valid for the functions identified unless such FSA-211 is revoked by the grantor.**--***

**C**
**Husband and Wife Signature Requirement**

*** * *** FSA-211 *** * *** is optional for CCC loans in which either spouse has an interest.

Continued on the next page

**D**
**Duration**

A power of attorney shall remain in effect until 1 of the following occurs:

- ***--**the person giving the power of attorney cancels FSA-211 or FSA-211-1**--***
- the person giving the power of attorney or the attorney-in-fact dies

  **Note:** Some State laws require death certificates as proof.

- a legal entity is dissolved
- a final divorce decree is granted.

  ***--Note:** Cotton clerks shall contact the County Office for which FSA-211 or FSA-211-1 is filed to verify it is still in effect.**--***

Continued on the next page

**E Acceptable Signatures**

For individuals or entities granted authority to act as power of attorney on *--FSA-211, the signature shall consist of 1 of the following:--*

- individual's name
- individual's name and capacity
- individual's name, capacity, and name of individual or entity who granted authority.

**F Acceptable Signature Examples**

The following are examples of signatures that may be accepted.

| Name on Document | Acceptable Signature |
|---|---|
| John H. Jones | • *by Jane Smith*<br>• *Jane Smith, POA*<br>• *Jane Smith, Agent*<br>• *Jane Smith, POA for John H. Jones*<br><br>**Note:** POA means power of attorney. |
| ABC Gin Inc. | • *by Bill Smith*<br>• *by Bill Smith, President*<br>• *by Sally White, employee of ABC Gin Inc.* |

**Note:** These provisions are not applicable to individuals who have been *--delegated authority on FSA-211 by individuals serving in a fiduciary--* capacity. In these cases, follow paragraph 25.

Continued on the next page

**G**
***--FSA-211 Used With CCC-605**

An individual may execute CCC-605 on behalf of another **only** when FSA-211 signed by the grantor provides **all** of the following:

- under "A. FSA and CCC Programs" of FSA-211, the grantor selects 1 of the following items:
  - "1", "All current programs"
  - "2", "All current and all future programs"
  - "8", "Marketing Assistance Loans and Loan Deficiency Payments"
- under "B. Transactions for FSA and CCC Programs" of FSA-211, the grantor shall:
  - select "7", "Other (Specify)"
  - enter "Executing CCC-605" .

**Important:** If FSA-211 does not meet all of the requirements, the appointed attorney-in-fact shall not be authorized to execute CCC-605 on behalf of the grantor.

Producers must be fully aware that designing an agent to execute CCC-605 grants that agent the authority to further delegate authority to another agent.

An agent designated on FSA-211 cannot execute a new FSA-211 to further delegate authority to another agent.**--***

Continued on the next page

**H**
**Example of FSA-211**

The following is an example of a properly completed FSA-211.

*--

**This form is available electronically.** Form Approved - OMB No. 0560-0190

**FSA-211**
(07-25-02)

**U. S. DEPARTMENT OF AGRICULTURE**
Farm Service Agency - Commodity Credit Corporation - Federal Crop Insurance Corporation

**POWER OF ATTORNEY**

**THE UNDERSIGNED** does hereby appoint *(1)* Dewey, Cheathem, and How, of *(2)* Portland *(3)* Multnomah County, State of *(4)* Oregon, the attorney-in-fact to act for *(5)* Joe Farmer in connection with Farm Service Agency and Commodity Credit Corporation program number(s) checked below. Checking any of the FSA or CCC programs does not have any impact as to the FCIC transactions checked below:

**A. FSA and CCC PROGRAMS**
*(Check applicable program numbers)*

- ☐ 1. All current programs.
- ☐ 2. All current and all future programs.
- ☐ 3. Direct and Counter-Cyclical Program except 2002 peanuts covered by Item A4.
- ☐ 4. 2002 Direct and Counter-Cyclical Peanut Program.
- ☐ 5. Peanut Quota Buy-Out Program.
- ☐ 6. Noninsured Crop Disaster Assistance Program.
- ☐ 7. Tobacco programs.
- ☑ 8. Marketing Assistance Loans and Loan Deficiency Payments.
- ☐ 9. Conservation programs.
- ☐ 10. Milk Income Loss Contract Program.
- ☐ 11. Other *(Specify)*

**B. Transactions for FSA and CCC Programs**
*(Check applicable program numbers)*

- ☐ 1. All actions.
- ☐ 2. Signing applications, agreements, and contracts.
- ☐ 3. Election of bases and yields except peanut designation covered by Item B4.
- ☐ 4. Designation of peanut historical base and yield to a farm.
- ☐ 5. Making reports.
- ☐ 6. Conducting all marketing assistance loan and LDP transactions.
- ☑ 7. Other *(Specify)* Execute CCC-605

This form may also be used to grant authority to an attorney-in-fact to act on the grantor's behalf with respect to certain FCIC programs and crops. Checking any of the FCIC transactions does not have any impact as to the FSA or CCC transactions checked above:

**C. FCIC CROPS**
*(Enter "All" or specify each crop and year)*

1. ____
2. ____
3. ____
4. ____

**D. TRANSACTION NUMBERS USED BY FCIC**
*(Check applicable numbers)*

- ☐ 1. All actions.
- ☐ 2. Making application for insurance.
- ☐ 3. Reporting crop acreage and notice of damage reports.
- ☐ 4. Making claim for indemnity.
- ☐ 5. Making contract changes.
- ☐ 6. Other *(Specify)* ____

This Power of Attorney is valid in all counties in the United States unless otherwise noted. This power of attorney shall remain in full force and effect until *(1)* written notice of its revocation has been duly served upon FSA; *(2)* death of the undersigned grantor; or *(3)* incompetence or incapacitation of the undersigned grantor. The undersigned grantor shall provide separate written notice of revocation to the applicable crop insurance agent. This power of attorney shall not be effective until properly executed and served to a FSA Service Center.

**AUTHORIZED SIGNATURES:**

| 6A. Signature*(s)* of Grantor*(s)* *(Individual)* | B. Date *(MM-DD-YYYY)* | C. Social Security Number |
|---|---|---|
| Joe Farmer | 11-21-2002 | xxx-xx-xxxx |
| | | |

| 7A. Signature of Grantor *(Partnership, Corporation, Trust, etc.)* | B. Title | C. Date *(MM-DD-YYYY)* | D. Identification No. of Entity |
|---|---|---|---|
| | | | |

| 8A. Witness Signature *(FSA Employee Only)* | B. Date *(MM-DD-YYYY)* | C. Official Position |
|---|---|---|
| | | |

9. Notary Public *(this form **shall** be acknowledged by a Notary Public unless witnessed by a FSA employee or a corporate seal of grantor is affixed).*

Signature *(a)* ____ State of *(b)* Oregon County of *(c)* Multnomah

10. This power of attorney was served to *(a)* Multnomah County FSA Office, *(b)* State of Oregon and became effective this *(c)* 22 day of *(d)* November, *(e)* 2002.

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is The Food Security and Rural Investment Act of 2002 (Pub. L. 107-171) and 7 CFR Part 718. The information will be used to legally document your opinion to appointing an attorney-in-fact, identify the person and authorities granted to the appointee. Furnishing the requested information is voluntary; however, failure to furnish the requested information will result in the individual or entity not be able to act as your attorney-in-fact. This information may be provided to other agencies, IRS, Department of Justice or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0190. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.* ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

*The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.*

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## 31 Individuals Signing in Representative Capacity

**A**
**Signature Requirements**

For individuals signing in a fiduciary capacity, indicate the:

- estate, trust, or principal, as applicable
- capacity of the signer.

**B**
**Name and Title Exceptions**

When the name and title of an authorized individual is shown on a document as the representative for an estate, trust, or principal:

- the name of the estate, trust, or principal is not required to be made part of the signature
- the individual signing must sign his or her name and capacity.

**C**
**Spouse's Signature**

A spouse's signature shall include the individual's given name, unless otherwise designated in the authorization.

**D**
**Agent's Signature**

Agents or those acting in a fiduciary capacity shall sign in the same manner as shown in the document granting authority to sign.

If an agent is authorized to sign as "Mrs. John E. Brown" based on a power of attorney, her name as principal may be shown in that manner.

**32-39 (Reserved)**

## 40 Overview

### A Eligibility

Before a cotton loan or LDP can be made, both the eligibility of the producer and the cotton must be determined.

This part describes the eligibility requirements for producers and the cotton.

### B General Operations

This part addresses the general day-to-day operations that are required before preparing to make and, if applicable, to advance cotton loan or LDP amounts. Areas covered are:

- source of loan or LDP
- loan and LDP availability
- bankruptcy cases
- liens
- interest rates.

### C Basic Program Provisions

Included in this part are the basic provisions applicable to cotton loans and LDP's, such as:

- warehouse receipt requirements
- production evidence requirements for LDP's
- acceptable classification data
- determining loan rates
- determining LDP rates
- maturity dates
- lobbying disclosure requirements
- advance loan and LDP amounts.

## 41 Determining Producer Eligibility

**A**
**Basic Requirements**

For a producer to be eligible for loans and LDP's, the producer, as landowner, landlord, tenant, or sharecropper, must have:

- produced the eligible upland or ELS cotton for which a loan or LDP is requested, as applicable
- for loans, beneficial interest in the cotton from the time of harvest through the date the loan is requested and must keep beneficial interest continuously until redemption of the cotton or until CCC takes title to the cotton
- for LDP's, beneficial interest in the cotton from the time of harvest through the date LDP is requested.

**Note:** See paragraph 45.6 for other eligibility requirements.

---

**B**
**Beneficial Interest**

***--[7 CFR 1427.5(e)]** A producer is considered to have beneficial interest in**--*** the cotton if all of the following remain with the producer:

- control of the cotton

  **Notes:** A producer is considered to have control of the cotton if the producer keeps the ability to make all decisions affecting the cotton, including movement, sale, and pledging as collateral for loan.

  ***--**The producer is not considered to have lost control of the cotton if an option to redeem the loan collateral has been provided to another person or entity as long as the producer also keeps the right to redeem the collateral from loan.**--***

---

Continued on the next page

**B**
**Beneficial Interest (Continued)**

- risk of loss

  **Note:** A producer is considered to have the risk of loss in the cotton if the producer is responsible for any loss of or damage to the cotton. If the cotton is insured, any indemnity to be paid must be paid to the producer or the producer's account.

- title.

  **Note:** A producer is considered to have title to the cotton if the producer has not sold or delivered the cotton, including the delivery of warehouse receipts, to the buyer.

**Important:** Once beneficial interest in the cotton is lost by the producer, the cotton remains ineligible for loan or LDP even if the producer regains control, risk of loss, and title.

---

**C**
**Restrictive Contract Clauses**

If a contract contains any of the following restrictive clauses, the producer is considered to have lost beneficial interest in the cotton at the time the contract was signed:

- buyer has the option to require the producer to obtain a loan or LDP on the cotton

- buyer can prohibit the producer from obtaining a loan or LDP, unless prior approval is obtained from the buyer.

**Note:** An addendum to the contract to remove any restrictive clause must be executed before ginning and initialed by both parties.

---

**D**
**Payments**

If a contract contains language that provides a payment to the producer or the producer's account, beneficial interest shall be considered divested at the time the payment is made.

---

Continued on the next page

**D**
**Payments (Continued)**

**Note:** See subparagraph J when payment is not associated with the sale of the cotton.

**Exception:** A producer is not considered to have divested beneficial interest in the cotton when a payment is received if the contract is an option to purchase, the payment is for the option to purchase, and the contract contains the following provision written exactly as shown:

"Notwithstanding any other provision of this option to purchase, title; risk of loss; and beneficial interest in the commodity, as specified in 7 CFR Part 1427, shall remain with the producer until the buyer exercises this option to purchase the commodity. This option to purchase shall expire, notwithstanding any action or inaction by either the producer or the buyer, at the earlier of: (1) the maturity of any Commodity Credit Corporation price support loan which is secured by such commodity; (2) the date the Commodity Credit Corporation claims title to such commodity; or (3) such other date as provided in this option."

---

**E**
**Gin Direct Contracts**

If a contract specifies that title, control, or risk of loss is transferred to the buyer immediately at the time cotton is ginned, beneficial interest is considered to be lost by the producer immediately after the cotton is removed from the bale press.

**Note:** This cotton is not eligible for loan; however, the producer may receive LDP's under special gin direct LDP provisions through the County Office. Cotton clerks shall refer producers interested in gin direct LDP's to the County Office.

---

Continued on the next page

**F**
**Equity Sales**

If a producer sells equity in the cotton, the cotton is immediately ineligible for a loan or LDP. If the cotton has been pledged as collateral for a loan, immediate repayment of loan principal and charges plus interest is required.

**G**
**Succession in Interest**

Succession of beneficial interest is allowed if succession is in both the beneficial interest of the cotton and the farming unit on which the cotton was produced.

**Note:** See paragraph 44 for heirs of a deceased producer.

**H**
**Integrated Entities**

The fact that a buyer may also be the storing warehouseman, lender, ginner, or other business shall not be considered a reason to cause beneficial interest to be transferred.

**Note:** If the contract between the buyer and the producer restricts the producer's ability to take possession of the cotton or warehouse receipts, then the producer would be considered to have lost control when the cotton or warehouse receipts are delivered to the integrated entity.

**I**
**Cotton Rejected by Buyer**

If cotton is delivered to a buyer or mill that rejects the cotton because minimum standards are not met, beneficial interest shall not be considered lost by the producer if the cotton is returned to the producer.

**J**
**Payments Not Associated With Sale of Cotton**

Payments by buyers to producers for services, such as transportation and storage, shall not cause beneficial interest to be transferred unless the payment is conditional on the eventual sale of the cotton.

Continued on the next page

## 41 Determining Producer Eligibility (Continued)

***--K**
**Combination Lease Agreement**

COC shall determine the type of lease, according to 1-PF, if both cash provision and share of crop production provision are contained in a lease agreement on a farm. Based on the COC determination, beneficial interest in the crop for the producers involved in the lease may be questioned.

When beneficial interest is questioned because of a combination lease, contact the Supervisory County Office for a beneficial interest determination.**--***

## 42, 43 (Withdrawn--Amend. 5)

## 44 Heirs of a Deceased Producer

**A**
**Succession of Interest**

Succession of interest occurs before or after harvest if heirs:

- succeed to the beneficial interest of the deceased producer in both the cotton and the farming unit on which it was produced
- assume the decedent's obligation under a loan if a loan has already been obtained.

## 45 Estates and Trusts

**A**
**Eligibility by Type**

The following shall be eligible if their representative authority is legally valid according to Part 1, Section 2:

- receiver of an insolvent debtor's estate
- executor or an administrator of a deceased person's estate
- ward of an incompetent person
- guardian of an estate of a ward or an incompetent person
- trustee of a trust estate.

## *--45.5 Producers Who Are Warehouse Operators

**A**
**Policy**

Loans may be made to a warehouse operator who, in a producer's capacity, tenders to CCC warehouse receipts issued by the warehouse operator on cotton produced by the warehouse operator. This applies only in States where the issuance and pledging of warehouse receipts are valid under State law.**--***

## 45.6 Other Producer Eligibility Requirements

**A**
**HELC and WC Provisions**

Producers who do not comply with HELC and WC provisions are not eligible for price support loans or LDP's for the crop year in which noncompliance occurs.

* * *

**B**
**Controlled Substances**

Producers who are convicted under Federal or State law of a controlled substance violation shall be ineligible for CCC loans and LDP's.

## 46 Determining Cotton Eligibility

### A Separate Commodities

Upland and ELS cotton are considered separate commodities. Compliance with eligibility requirements for 1 kind of cotton will not be affected by the producer's noncompliance with respect to the other kind of cotton.

**Note:** ELS cotton is not eligible for LDP.

### B Basic Requirements

The upland or ELS cotton must be:

- produced by the producer who tenders it for loan
- produced in the United States in the current crop year
- in existence and in good condition
- ***--**insured at the full loan value against loss or fire damage
- produced on a farm for which acreage has been reported on FSA-578.**--***

The cotton must not have been sold, purchased, or formerly placed under CCC loan and redeemed.

In addition, cotton is not eligible for loan or another LDP if LDP has been approved on this cotton.

**Note:** Producers cannot repay LDP's to cause the cotton to be eligible for a loan or a subsequent LDP.

***--**Cotton for which LDP was requested but denied because of payment limitation remains eligible for loan.**--***

Continued on the next page

* * *

* * *

**C**

*** * * ELS Cotton** * * *

To be eligible for loan, ELS cotton must be:

- a variety or hybrid of the barbadense species of cotton
- except for seed cotton, ginned on a roller gin.

Continued on the next page

## 46 Determining Cotton Eligibility (Continued)

**G**
**Maximum Quantity**
***--of Upland Cotton--***
**Eligible for Loan or LDP**

* * *

Cotton clerks who advance funds to a producer should contact the applicable County Office to verify maximum eligible quantity before advancing funds. Cotton clerks who advance funds without contacting the applicable County Office shall be responsible for collecting any refunds from the producer because the maximum quantity was exceeded.

## 47 Landlord-Tenant Provisions

**A**
**Divided Cotton**

If the bales of cotton are divided among the producers entitled to share in the cotton, each landlord, landowner, tenant, and sharecropper may obtain a loan or LDP on that individual's separate share.

**B**
**Cotton Not Divided**

If the cotton is not divided, all producers who have a share in the cotton must obtain a joint loan or LDP.

**Note:** If 1 or more producers who share in the bale are considered ineligible for loan, the entire bale is ineligible for loan or LDP.

**C**
**Ineligible for Loan**

Cotton is not eligible for loan or LDP that is:

- received as fixed or standing rent by a landowner, landlord, tenant, or sharecropper
- acquired directly or indirectly from a landowner, landlord, tenant, or sharecropper
- produced on land owned by the Federal Government if the land is occupied without lease, permit, or other rights of possession.

## 48 Storage Requirements

**A**
**Basic Requirement**

Cotton to be pledged for loan must be:

- stored in an approved warehouse that has an existing Cotton Storage Agreement with CCC
- represented by warehouse receipts.

**Note:** This is not a requirement for LDP's. See paragraph 101.

**B**
**Approved Warehouses**

KCCO approves warehouses to store cotton under the program and shall issue instructions to these warehouses.

**Note:** Advise warehousemen who want approval of warehouses to contact:

***--**KCCO BCD SCB
STOP 8748
PO BOX 419205
KANSAS CITY MO 64141-6205

Telephone: 816-926-6662
FAX: 816-823-1804.**--***

KCCO shall send State Offices the list of approved warehouses including the:

- receiving charge
- monthly storage charge.

State Offices shall send copies of the lists to cotton clerks through the applicable County Offices.

County Offices shall send copies of the lists to the cotton clerks through the applicable supervisory County Office.

## 48.5 Fire Insurance Requirements

**A**
**Ginned Cotton**

For ginned cotton to be placed under loan it must be covered by fire insurance.

## 49 Cotton Quality Requirements

**A**
**Basic Requirements**

Cotton must be graded by AMS and be of a specified grade, leaf, strength, staple length, and micronaire reading to be eligible for loan.

**B**
**Upland Cotton**

Use the following exhibits to determine the premiums and discounts for upland cotton:

- Exhibit 7 for grade, staple length, and leaf
- Exhibit 8 for extraneous matter
- Exhibit 9 for strength
- *--Exhibit 9.5 for uniformity
- Exhibit 10 for micronaire reading.

**C**
**ELS Cotton**

Use Exhibit 11 for determining the loan rates for ELS cotton.

**Discounts:**

- *--See Exhibit 12, subparagraph A for micronaire.
- See Exhibit 12, subparagraph B for extraneous matter.--*

## 50 Liens

### A Basic Requirement

Cotton pledged for loan must be free and clear of all liens and encumbrances, except the warehouseman lien for authorized charges.

If liens are present, lien waivers must be obtained before loans are disbursed.

See paragraph 66 for additional lien waiver instructions.

**Note:** No additional liens or encumbrances shall be placed on the cotton after the loan is approved by CCC.

### B LDP's

Liens and lien waivers are not applicable for LDP's.

## 51 Bale Requirements

**A**
**Packing and Compression**

***--[7 CFR 1427.5(b)(4) and (5)]** Bales pledged for loan must be packaged, tied, and compressed using the materials and standards meeting JCIBPC**--*** specifications with the heads completely covered.

Bales must **not** be:

- false-packed
- water-packed
- mixed-packed
- reginned
- repacked
- compressed to high density at a warehouse
- compressed to universal density that has had side pressure applied.

**Note:** Bales compressed to high density at a gin are eligible for loan or LDP.

* * *

**B**
**Tagging**

Bales must include the gin bale number.

**C**
**Weight**

***--[7 CFR 1427.5(b)(9)] [7 CFR 1427.8(b)]** Bales must weigh at least 325 pounds. Bales of more than 600 pounds net weight may be pledged for loan at 600 pounds net weight.

**D**
**Storage**

**[7 CFR 1427.10(a)]** Eligible ginned cotton may be pledged as collateral for a loan only if stored at warehouses approved by CCC.**--***

**52-60 (Reserved)**

## 61 Source of Loans and LDP's

**A**
**County Office**

The County Office where the program records are maintained, for the farm on which the cotton is produced, shall disburse all CCC-Cotton A loans and CCC-Cotton AA LDP's that approved cotton clerks handle.

**Note:** If the cotton clerk advances funds, the County Office where the program records are maintained for the applicable producer shall be the County Office to reimburse the cotton clerk, financial institution, or entity.

**B**
**Loans**

All cotton pledged for the same loan number must have the same:

- warehouse code
- gin code.

**C**
**LDP's**

Each LDP must have the same:

- warehouse code
- gin code.

## 62 Loan and LDP Availability

### A Availability Dates

*--CCC-Cotton A loans and CCC-Cotton AA LDP's, including LDP's requested for cotton in modules according to subparagraph 203 D, are available from the date loan rates are announced through May 31 after the calendar year in which the crop is planted.

The disbursement date shall not be later than 30 calendar days after the final date of availability. When the final availability date falls on a nonworkday, the final date shall be extended to the next workday.--*

### B Acceptable Loan Documents

County Offices shall not accept CCC-Cotton A or CCC-Cotton AA that are signed by producers:

- more than 15 calendar days before delivery or mailing (postmark date) to the County Office
- later than the final availability date.

  **Exemptions:** If:

  - documents are mailed, the postmark must not be later than the final loan availability date
  - the final loan availability date is a County Office nonworkday, the next workday shall be considered the final loan availability date.

**Note:** A patron postage meter date stamp is not a postmark.

Documents received after this time will be returned to the cotton clerk to execute new forms or, if applicable, to notify the producer of ineligibility because of the lateness of the request.

## 63 Power of Attorney

**A**

***--FSA-211 or FSA-211-1**

Producers may designate an agent on FSA-211 or FSA-211-1 according to--* Part 1 to act on their behalf.

**B**

**Nonrecognized Power of Attorney**

Any delegation of authority given in violation of this paragraph is without force and effect, and CCC shall not recognize the delegation.

## 64 (Withdrawn--Amend. 4)

## 65 Producers in Bankruptcy

**A**

***--Preparing Documents Only**

When a producer involved in bankruptcy proceedings requests a loan or LDP, the cotton clerk can only prepare the loan or LDP documents.**--***

**A**
**Basic Requirement**

Cotton for loan must be free and clear of all liens and encumbrances when the loan ***--**is disbursed, with the exception of the following:

- loans made to a producer who will immediately exchange a commodity certificate for the cotton loan collateral
- warehouseman's liens for charges authorized in the storage agreement with CCC.**--***

Accept warehouse receipts showing "freight due" as collateral security for loans.

A joint disbursement of loan proceeds to the producer and lienholder does not satisfy the requirement for lien waiver.

**Note:** No additional liens or encumbrances shall be placed on the cotton after the loan is approved.

*** * ***

---

**B**
**Determining Whether or Not Lien Exists**

To determine whether or not a lien exists, cotton clerks shall make a lien search on **all** cotton to be pledged for loan at the appropriate recording official's office.

**Note:** If actual notice of the existence of an unrecorded lien is provided to the cotton clerk by the lienholder in person or in writing, consider the lien an existing lien.

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Continued on the next page

**C**
**Obtaining Lien Waivers**

If liens exist, cotton clerks shall advise producers to obtain lienholders' signatures on CCC-679 to release a particular lien on cotton pledged for loan.

***--Notes:** If the producer is indebted to CCC, FSA, or other government**--***
agency, refer the producer to the applicable County Office.

Complete CCC-679 according to subparagraph D when statement of charges according to paragraph 81 is applicable.

If statement of charges is applicable, do not advance funds, if applicable, unless the lienholder agrees to the charges by checking option 1 or 3 on CCC-679.

Continued on the next page

**D**
**Completing CCC-679**

Complete CCC-679 according to this table.

| Item Number | Instructions |
|---|---|
| 1 | Enter name and address of applicable producer. |
| 2 | Enter the applicable crop year. |
| 3 | Enter "Cotton". |
| 4 | Enter farm number. If liens are waived on all farms, enter "All". |
| 6 | If the waiver releases:<br>• all the cotton covered by the lien waiver, enter "All"<br>• just the cotton being pledged for loan, enter the pounds pledged. |
| 7 | Enter State and county names. |
| (1), (2), (3) | Lienholder must check appropriate block. |
| (3) | If charges according to paragraph 81 are applicable, either:<br>• enter the total dollar amount of the charges as an administrative offset amount<br>• modify the statement to add language that states whose charges are being offset without specifying the type or amount of the charges.<br>If no dollar amount is applicable, enter "zero" as an administrative offset.<br>***--Note:** Cotton clerks are to refer producers, who are indebted to CCC, FSA,**--*** or another government agency for which an offset is applicable, to the County Office. The supervisory County Office shall provide cotton clerks with a list of applicable producers. |

**Note:** Signatures on lien waivers must be affixed personally by all lienholders or authorized agents.

Continued on the next page

**D Completing CCC-679 (Continued)**

*--

Form Approved - OMB No. 0560-0087

**CCC-679**
(08-02-96)

**U.S. DEPARTMENT OF AGRICULTURE**
Commodity Credit Corporation

**LIEN WAIVER**

| 1. NAME AND ADDRESS OF PRODUCER | 2. CROP YR. | 3. COMMODITY | 4. FARM NO. | 5. ST. & CO. CODE |
|---|---|---|---|---|
| Ben Jefferson<br>Rt. 1, Box 185<br>Sometown, SS 12345 | XX | Cotton | All | 40 222 |
| | 6. QUANTITY COVERED | | 7. STATE AND COUNTY WHERE PRODUCED | |
| | All | | Some County, Some State | |

**NOTE** *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Federal Agriculture Improvement and Reform Act of 1996 and the Commodity Credit Corporation Charter Act, as amended and regulations at 7 CFR Parts 1421, 1427, and 1435. The information will be used to determine to whom program benefits will be paid. Furnishing the requested information is voluntary; however, failure to furnish the correct and complete information will result in a determination of ineligibility for program benefits. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. Federal Agencies may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 6 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM (OMB No. 0560-0087), STOP 7630, Washington, D.C. 20250-7630.* ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

The undersigned is the holder of a lien on the commodity identified above. In order for the producer identified above to pledge such commodity as collateral for a Commodity Credit Corporation ("CCC") loan, with respect to CCC only, the undersigned waives all interest in, and title to, such commodity. The undersigned agrees that the proceeds of the loan shall be disbursed (***lienholder must check one of the following***):

(1) [X] To the producer.

(2) [ ] Jointly to the producer and the undersigned lienholder.

(3) [ ] Jointly to the producer and the undersigned lienholder, less $ 500.00 administrative offset as of 10-1-XX (DATE). and charges due Baker Gin Inc.

8. NAME AND ADDRESS OF LIENHOLDER OR AUTHORIZED AGENT
FmHA
Sometown, SS 12345 Estimated Net Disbursement Amount $6,000

| 9. SIGNATURE | DATE |
|---|---|
| /S/ Bill Taft | 10-15-9X |

*This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability.*

--*

Continued on the next page

**E**
**Distributing CCC-679**

Distribute CCC-679 as follows:

- attach original to CCC-Cotton A
- send producer's copy to the producer
- give lienholder's copy to lienholder.

**Note:** If CCC-679 has already been sent to the County Office and is still effective, it does have to be re-sent; however, make some notation to indicate it has been previously sent.

---

**F**
**County Office Action**

County Offices shall:

- make a search on all cotton being pledged for loan at the applicable recording official's office

- advise the cotton clerk:

  - if a lien search reveals that there are outstanding liens on the cotton being pledged for loan and the loan cannot be disbursed

  - that loan documents will be returned if properly executed lien waivers are not provided.

**Note:** If a properly completed lien waiver is not provided within 3 workdays of phone notification, return loan documents to applicable cotton clerk.

---

## 67 Interest Rates

### A Information About Interest Rates

Cotton clerks shall:

- **not** enter interest rates on CCC-Cotton A's
- inform producers that for loans disbursed through the cotton clerk, financial institution, or entity, the interest rate shall be the rate in effect on:
  - the date the County Office receives the acceptable loan documents
  - the postmark date, if received by mail.

**Notes:** A patron postal meter stamp is not recognized as a postmark.

If additional documentation or forms are required before the County Office disburses the loan proceeds, interest begins on the date additional documentation is received.

## 68-79 (Reserved)

## 80 Acceptable Warehouse Receipt Requirements

**A**
**Type**

The warehouse receipt must be a negotiable receipt, meeting eligibility requirements, that is either of the following:

- a pre-numbered and pre-punched machine card type warehouse receipt issued by a CCC-approved warehouse

- ***--**EWR recorded in a CCC-approved central filing system.

**Note:** Cotton clerks shall contact the supervisory County Office about the data that is required to process loans and LDP's using EWR's.**--***

**B**
**Allowance for Delivery of Cotton**

The warehouse receipt must provide for delivery of the cotton to the bearer or be properly assigned by endorsement in blank to vest title in the holder of the receipt.

**C**
**Gin Bale Number**

The warehouse receipt must contain gin bale number. If:

- gin number and warehouse receipt number are the same, a notation to that effect will meet the requirement

- bale was moved from origin warehouse, the new receipt must contain the warehouse receipt tag number and identification of the origin warehouse.

**D**
**Receiving Charges**

The warehouse receipt must show whether warehouse receiving charges have been paid or waived.

Continued on the next page

**E**
**Warehouse Code**

The warehouse receipt must contain the CCC-assigned warehouse code.

**Note:** The warehouse code must be preprinted on nonelectronic receipts.

**F**
**Warehouse Tag Number, Including Tare and Net Weights**

The warehouse receipt must contain the:

- warehouse tag number (warehouse receipt number)
- tare and net weight of the cotton.

**Note:** Tare weight must be 1 of the weights in pounds as specified in the ***--**JCIBPC specification booklet. Valid tare weights that can be processed through the County Office are 2, 3, 4, 5, 6, 7, and 8 pounds.**--***

Nonelectronic receipts showing any alterations in the weight shall not be accepted unless they bear on the face the following stamped legend, or similar wording, approved by CCC.

Corrected (gross, tare, or net) weight _____

Warehouse Name _____

By _____

**Note:** The legend must be signed or initialed by an authorized representative of the warehouse.

Continued on the next page

**G**
**Additions to Paper Warehouse Receipts**

For paper Federal warehouse receipts, all additions must be signed or initialed and dated by an authorized representative of the warehouse.

**Notes:** An incorrect entry that is being corrected shall be lined through.

Any additions must be related to information previously entered on the receipt.

For non-Federal warehouse receipts, corrections or erasures must be initialed by an authorized representative of the warehouse.

---

**H**
**Compression Status and Charges**

The warehouse receipt must show:

- compression status of the bale, such as:
  - flat
  - modified flat
  - standard
  - gin standard
  - gin universal
  - warehouse universal density
  - standard density short
  - universal density short
  - the acronym for the applicable compression status

  **Note:** Bales must not be compressed to universal density if side pressure has been applied.

- whether the compression charge has been paid or waived.

**Note:** If compression charge has not been paid or waived, no statement is required.

---

**I**
**Storage Charges**

If storage charges have been paid, the warehouse receipt must show the date through which they have been paid.

---

Continued on the next page

**J**
**Charges for New Ties**

The warehouse receipt must show information on charges for new sets of ties for compressing flat bales tied with ties that cannot be reused.

**Note:** This does not apply for bales stored in:

- Alabama
- Florida
- Georgia
- North Carolina
- South Carolina
- Virginia.

Charges must be shown on the warehouse receipt and noted, "Rec. charges due include charge for new set ties," or explained with another appropriate notation if all of the following apply:

- bale is stored at a warehouse that has compress facilities or arrangements
- receipt shows the receiving charges have not been paid
- receiving charges include charge for new set of ties.

In addition, it must be shown on the receipt that bale ties are not suitable for reuse if both of the following apply:

- bale is stored at a warehouse that does not have compress facilities or arrangements

- bales shipped from the warehouse are normally compressed in transit.

**K**
**Date of Receipt**

The warehouse receipt must be dated on or before date the producer signs CCC-Cotton A or CCC-Cotton AA.

Continued on the next page

**L**
**Signature Requirements on Receipt**

The warehouse receipt must be signed by the warehouse operator or authorized representative.

Machine or rubber stamp facsimile signature or other type affixed by the warehouse operator or authorized representative must meet the requirements of the Uniform Commercial Code (UCC 7-201-205) or be approved by the licensing authority.

---

**M**
**Producer-Identified Cotton**

Warehouse receipts that show cotton was received by the warehouse from the producer may be accepted for obtaining a loan or LDP if all other requirements in this paragraph are met.

Warehouse receipts that show cotton was received by the warehouse from anyone other than the producer, including bearer and blank entries, can only be accepted for purposes of obtaining a loan or LDP if both of the following are applicable:

- all other requirements in this paragraph are met
- the producer provides a gin tag list prepared by the ginner that shows the cotton represented by the presented receipts was ginned for the producer or for the account of the producer.

**Notes:** Entries that show cotton received from someone other than the producer, but is for the account of the producer, is identified with the producer.

For LDP's, the warehouse receipt does not have to be issued by a CCC-approved warehouse.

**Example:** If the warehouse showed the cotton was received from, "ABC gin for the account of John Doe", the receipt is identified with the producer.

---

## *--80.5 EWR's

**A**
**Definition of EWR**

EWR is:

- an electronic file in a central filing system that has been identified to an EWR holder and contains warehouse receipt information relative to a bale of cotton
- issued only by licensed cotton warehouse operators
- issued by transmitting all necessary information to an approved provider who maintains EWR's in a central filing system.

**Note:** See 23-CN for cotton warehouse receipt processing.

**B**
**Definition of Central Filing System**

A central filing system is an electronic computer system operated and maintained by an approved provider where information relating to EWR's is recorded.

**C**
**Definition of Approved Providers**

Approved providers enter into a user agreement with CCC that ensures that:

- EWR's maintained in a central filing system meet loan program requirements
- all EWR data is in a format that can be downloaded into APSS through PC's.

**D**
**Definition of EWR Holders**

An EWR holder is an individual or entity in possession, in fact or by operation of law, of a receipt and by extension, of the cotton, represented thereby.**--***

## 81 Statement of Charges Attached to Warehouse Receipts

**A**
**Applicability**

A separate statement of charges or bill that is not part of the warehouse receipt, but is attached to or submitted with the warehouse receipt, that indicates charges **normally** associated with handling the cotton presented by the warehouse receipt shall:

- be considered an amount payable from the loan proceeds if lienholder agrees according to paragraph 66
- **not** be considered a lien.

**Notes:** Only the charges provided by the supervisory County Office shall be considered as normally associated with handling cotton.

The statement of charges must be provided to the County Office.

---

**B**
**Marketing Fees**

***--**If the cotton clerk or cotton clerk manager charges a marketing fee, this fee may be handled in the same manner as charges normally associated with the handling of cotton as a service to the producer. Payment of such charges must be approved by the producer and submitted in a timely fashion.

The payment of such fees to cotton clerks is the responsibility of producers who request the services of such clerks and CCC bears no direct responsibility for the payment of such marketing fees.

---

**C**
**Nonallowable Deductions**

If a statutory lien exists on the cotton, such as a State lien for boll weevil eradication, or a labor lien such as ginning charges that have statutory standing, and CCC-679's are:

- **not** received, then do not disburse the loan
- received and block 2 is checked, then disburse loan proceeds without any offsets jointly to all lienholders and the producer(s)**--***

---

Continued on the next page

## *--81 Statement of Charges Attached to Warehouse Receipts (Continued)

**C**
**Nonallowable Deductions (Continued)**

**Note:** In such case, the following charges, if requested for offset, shall not be deducted from the loan proceeds:

- ginning fees or other fees requested for payment by producer
- marketing fees assessed by loan clerks.

- received and block 3 is checked, then disburse loan proceeds, less the specifically approved offset charges, jointly to all lienholders and the producer(s).

**Note:** Cotton clerk fees as prescribed by subparagraph 90 A are an allowable deduction from the gross loan amount.**--***

## 82 Classification Data

**A**
**AMS Classed**

All cotton tendered for loan must be classed by an AMS classing office with a high volume instrument.

**B**
**Acceptable Classification Data**

AMS classification data contained in diskettes prepared by private entities using AMS data is acceptable.

**Notes:** See paragraph 83.

If EWR's are being used, classing data is not required. Cotton clerks shall contact the supervisory County Office about the data that is required to process loans and LDP's using EWR's.

**C**
**Sampling**

Only 1 sample per bale shall be drawn and sent to the AMS classing office; however, if 2 or more samples are submitted by error or for another reason, use the classification that has the lower loan rate.

Continued on the next page

**D**
**Review Classification**

If a review classification is obtained, base the loan rate or LDP rate on the review classification.

**Note:** If a review classification is obtained after the loan or LDP is made and the classification results in a higher or lower loan rate, the loan will be corrected if the loan is forfeited to CCC.

**E**
**Two-Sided Bales**

Two-sided bales may be pledged for loan using the lower side if the bale is not mixed-packed.

***–F**
**Classification Codes**

The AMS Universal Classification Data Format for a bale may be contain Remarks Codes in columns 46 and 47 and Special Condition Codes in columns 32 and 33. The meaning of these codes and the loan eligibility of the cotton is identified in the following table.

| Code | AMS Classification Trait | Loan Eligibility Status | |
|---|---|---|---|
| | | Eligible | Ineligible |
| **Remarks Codes** | | | |
| 75 | Other side of sample 2 or more color grades and/or color groups or 1 color grade and 1 color group higher. | X | |
| 76 | Reginned. | | X |
| 77 | Repacked. | | X |
| 78 | For Pima, redder than normal. | X | |
| 92 | Pima ginned on saw gin. | | X |
| **Special Condition Codes** | | | |
| 93 | For Pima, mixed Pima and Upland. | | X |
| 94 | For Pima, fire damaged. | | X |
| 95 | For Pima, water damaged. | | X |
| 96 | For Upland, mixed Pima and Upland. | | X |
| 97 | For Upland, fire damaged. | | X |
| 98 | For Upland, water damaged. | | X |

--*

## 83 Diskettes Provided by Private Entities

**A**
**Purpose**

As a service to producers, some private entities are able to prepare diskettes that County Offices can use in processing loans and LDP's.

County Offices shall consider the bale data and AMS classing data on these diskettes acceptable for CCC purposes.

**B**
**Acceptable Format**

Cotton clerks shall refer persons interested in providing bale data on diskettes to the supervisory County Office.

**Note:** If diskette is not properly formatted, the diskette cannot be used to process loan or LDP data. If a diskette fails to work, the diskette and loan or LDP documents will be returned to the cotton clerk.

**84 (Reserved)**

## 85 Redetermining Bale Weights

### A Because of Absorbed Moisture

Redetermined weights are not acceptable if it is determined that an increase in weight is because of absorbed moisture.

### B Gross, Tare, and Net Weight Changes

*--Subparagraph 80 F shows how to make acceptable changes in gross, tare, or net weights--* on machine card type warehouse receipts.

### C Error in Gross Weight

If there is an error in gross weight:

- before loan is made, the cotton clerk shall require the issuing warehouse to do either of the following:
  - issue a new receipt with correct weight
  - *--correct the weight according to subparagraph 80 F on machine card type--* warehouse receipts
- after loan is made, the County Office shall not increase or decrease the amount of the loan.

## 86 Loan Rates

### A Upland Cotton Loan Rates

***--Base Loan Rate:** Use the base quality loan rate for upland cotton, which is 52 cents.**--***

**Premiums and Discounts:** Use the following exhibits to adjust base loan rate for the applicable premiums and discounts:

- Exhibit 7 for grade, staple length, and leaf
- Exhibit 8 for extraneous matter
- Exhibit 9 for strength
- Exhibit 9.5 for uniformity
- Exhibit 10 for micronaire reading.

### B ELS Cotton Loan Rates

**Schedule of Loan Rates:** See Exhibit 11 for the schedule of loan rates for all locations.

**Discounts:**

- See Exhibit 12, subparagraph A for micronaire.
- See Exhibit 12, subparagraph B for extraneous matter.

## 87 Additional Charges

**A**
**Service Charges**

Service charges shall be assessed on all loans disbursed. The service fee shall be the smaller of the following:

- 1/2 of 1 percent (.005) times the gross loan amount
- $7.50 per loan plus 90 cents for each bale pledged.

This amount shall be withheld from the loan amount.

**Note:** If multiple loans are made for County Office convenience, the $7.50 fee is ***--**charged on the initial loan only but the 90 cents/bale fee applies to all bales.

---

**B**
**Allowable Deductions**

**Allowable deductions** from the gross loan amount are those for:

- nonrefundable loan charges, according to subparagraph A
- cotton clerk fee, according to paragraph 90
- upland cotton research and promotion assessment, according to paragraph 89.

---

**C**
**Nonallowable Deductions**

**Nonallowable deductions** from the gross cotton loan amount are **any** unpaid warehouse:

- storage charges
- receiving charges, which may include charges for new ties.**--***

---

*** * ***

--

## 88 Loan Maturity

### A Maturity Date for Regular Loans

*--Loans mature on the last day of the 9th calendar month following the month--* in which the loan is disbursed or on an earlier date if CCC makes demand for payment.

**Nonworkday:** If the maturity date falls on a nonworkday, the maturity date shall be the next workday.

**Notes:** If the cotton clerk advances funds, the disbursement date shall be considered the date 1 of the following is received in the County Office:

- correct loan documents and properly formatted diskette
- correct loan documents, if NCC download is used.

If acceptable loan documents and diskettes are received by mail, the postmark date, not the patron postage meter stamp date, shall be considered the date that documents were received in the County Office. If no postmark date is present, the actual date that documents are received shall be used.

Continued on the next page

**B**
**Maturity Month Table**

This table shows applicable maturity months.

* * *

*--

| Month Loan Disbursed | Regular 9-Month Period |
|---|---|
| June | March |
| July | April |
| August | May |
| September | June |
| October | July |
| November | August |
| December | September |
| January | October |
| February | November |
| March | December |
| April | January |
| May | February |

--*

## 89 Research and Promotion Fees for Upland Cotton Loans

**A**
**Fee**

Cotton Board regulations provide that $1 per bale of upland cotton, plus a supplemental assessment of .5 (.005) percent of the current value of upland cotton, must be collected by handlers and transmitted to the Cotton Board.

*** * ***

**B**
**Computation Method * * ***

***--**Compute upland cotton loan research and promotion fees as follows.**--***

Charge $1 per bale, plus a supplemental assessment of .5 (.005) percent of the total loan value of the cotton, before deduction charges for providing new bale ties.

## 90 Cotton Clerk Fees

**A**
**Fee**

Cotton clerks or their employers may collect fees in cash or from loan proceeds from producers for preparing loan documents. The fee shall not exceed:

- for 1 bale on CCC-Cotton A, 25 cents
- for 2 to 6 bales on CCC-Cotton A, 25 cents plus 15 cents for each bale over 1
- for 7 or more bales on CCC-Cotton A, $1.00 plus 10 cents for each bale over 6.

---

**B**
**Payment From Loan Proceeds**

***--**The County Office shall pay cotton clerks for fees collected from loan proceeds weekly or monthly, according to the arrangement between the County Office and the cotton clerk.

**Notes:** Complete CCC-814 according to Exhibit 16 for recording cotton clerk fees withheld and payable.

Follow 1-FI for paying cotton clerk fees.**--***

---

**91-99 (Reserved)**

## 100 Eligibility

### A Type of Cotton

Upland cotton that has been ginned is eligible for LDP.

**Note:** LDP's are available on lint cotton obtained from seed cotton pledged as collateral for a seed cotton loan; however, the proceeds of LDP must be applied to the outstanding seed cotton loan amount.

***--**Cotton clerks shall not advance LDP amounts to producers with outstanding seed cotton loans. However, cotton clerks can process LDP documents.**--***

### B Producer and Cotton Eligibility

Producers and cotton must meet the same eligibility requirements that are used for a regular upland cotton CCC-Cotton A loan, except cotton does not have to be stored in a warehouse or be represented by a warehouse receipt.

**Note:** Any portion of the production on which LDP is not requested is eligible for a loan if it is stored in an approved warehouse.

Continued on the next page

**C**
**Payment Limitation Provisions**

***--**The total of program benefits for any 1 eligible "person" from all market loan gain realized from repaying a loan at a level lower than the original loan level, and from LDP's shall not exceed $75,000 for the 2002 and subsequent crops.**--***
Before a cotton clerk advances funds to a producer, the cotton clerk shall verify with the applicable County Office whether the producer has:

- a remaining payment limitation equal to or greater than LDP being processed
- current CCC-502 on file.

In addition, the entire LDP amount calculated may not be payable because of person determinations, activity engaged determinations, or, if the producer is an entity, all members of the entity have not designated it as a designated entity.

**Notes:** Cotton clerks who advance funds without contacting the County Office shall be responsible for collecting any refunds from the producer if LDP amounts are denied because of the payment limitation provisions.

Refer producers who will be denied LDP amounts to the County Office to obtain LDP's.

See Exhibit 2 for the definition of entity.

## 101 Production Evidence

**A Minimum Requirements**

Production evidence must include either of the following:

*** * ***

- acceptable warehouse receipts according to paragraph 80

***--Note:** It is not required that warehouse receipts be issued by a CCC-approved warehouse for LDP eligibility.

- a gin tag list including both of the following:

  - either a gin tag number and gin date, or warehouse receipt number and storage start date

  - either warehouse net bale weight, or both tare weight and gross bale weight.**--***

**Note:** See subparagraph B for additional information that the producer is required to present if a warehouse receipt is not used as production evidence.

Continued on the next page

* * *

**B**
**Verifying Producer's Control of Cotton**

Producers who request that LDP be based on production evidence that is not a warehouse receipt shall be required to verbally provide the following additional information:

- location of the cotton
- a "yes" or "no" response to the question, "Can the cotton be either removed from the storage location by you (the producer) or could a warehouse receipt be provided upon request".

**Notes:** The answer shall be notated on CCC-Cotton AA.

If answer provided by the producer is:

- no, beneficial interest shall be considered lost and LDP shall will not be approved
- yes, and no other evidence indicates beneficial interest has been lost, process LDP without delay.

County Offices will verify the producer's answer.

## 102 LDP Rate

### A LDP Rate for * * * Upland Cotton

***--[7 CFR 1427.23(c) and (d)]** The LDP rate for each bale of cotton shall be the lesser of:

- the loan rate for the bale, as adjusted by any applicable premiums or discounts
- NALR minus AWP adjusted for allowable CCA.

**Note:** For the 2002 crop, LDP's will be calculated based on the formula that applied to the 2001 crop until such time as software is amended to calculate LDP's according to this new calculation.**--***

Continued on the next page

**102 LDP Rate (Continued)**

**B**

**Coarse Count Applicable Grades**

CCA is applicable for any bale of upland cotton with the following staple, color, grade, and leaf.

| Staple | Color | Grade | Leaf |
|---|---|---|---|
| 33 or shorter | All | All | All |
| 34 or longer | White | Strict Middling or Better (11 and 21) | 7 |
| | | Middling (31) | 7 |
| | | Strict Low Middling (41) | 7 |
| | | Low Middling (51) | 6 and 7 |
| | | Strict Good Middling (61) | All |
| | | Good Middling (71) | All |
| | Light Spotted | Strict Middling or Better (12 and 22) | 6 and 7 |
| | | Middling (32) | 6 and 7 |
| | | Strict Low Middling (42) | 5 through 7 |
| | | Low Middling (52) | All |
| | | Strict Good Middling (62) | *--All--* |
| | Spotted | Strict Middling or Better (13 and 23) | 3 through 7 |
| | | Middling (33) | All |
| | | Strict Low Middling (43) | All |
| | | Low Middling (53) | All |
| | | Strict Good Middling (63) | *--All |
| | Tinged | Strict Low Middling or Better (24, 34, and 44) | All |
| | | Low Middling (54) | All |
| | Yellow Stained | Strict Middling (25) | All |
| | | Middling (35) | All--* |

* * *

## 103 Research and Promotion Fees for Upland Cotton LDP's

**A**
**Fee**

***--[7 CFR 1427.13(d)]** The Cotton Research and Promotion Act requires producers to remit to CCC an assessment based on LDP's. CCC transmits this assessment to the Cotton Board.

The current assessment is less than this regulatory maximum level of 1 percent of LDP.

An additional Cotton Board assessment for cotton receiving LDP is paid to the Cotton Board by the cotton buyer. FSA plays no role in collecting or transmitting this additional component of the fee to the Cotton Board.**--***

---

**B**
**Computation Method**

Compute research and promotion fees according to this subparagraph and enter on CCC-Cotton AA-1.

The research and promotion fee is calculated by multiplying the total LDP amount times .5 of 1 percent (.005) and deducting it from the total LDP amount.

---

**C**
**Paying Fees**

CCC is responsible for paying research and promotion fees. Cotton clerks shall **not** pay research and promotion fees under any circumstances.

---

## 104 Cotton Clerk Fees

**A**
**Fee**

Cotton clerks or their employers may collect fees in cash or from LDP amounts from producers for preparing LDP documents. The fee shall not exceed:

- for 1 bale on CCC-Cotton AA-1, 25 cents
- for 2 to 6 bales on CCC-Cotton AA-1, 25 cents plus 15 cents for each bale over 1
- for 7 or more bales on CCC-Cotton AA-1, $1.00 plus 10 cents for each bale over 6.

---

**B**
**Payment From LDP**

***--**The County Office shall pay cotton clerks for fees collected from LDP proceeds weekly or monthly, according to the arrangement between the County Office and the cotton clerk.

**Notes:** Complete CCC-814 according to Exhibit 16 for recording cotton clerk fees withheld and payable.

Follow 1-FI for paying cotton clerk fees.**--***

---

**105-110 (Reserved)**

## 111 Compliance With Disclosure Requirements

**A**
**Applicability**

The disclosure requirement applies to all loan and LDP applications.

**B**
**Complying With Disclosure Requirements**

To comply with lobbying disclosure requirements, applicants for and recipients of a loan disbursement exceeding $150,000 or LDP exceeding $100,000 must file, with the County Office, either of the following forms for **each** loan or LDP that exceeds $150,000 or $100,000, respectively:

- CCC-674 (Exhibit 18) if they have not or will not use monies received to lobby or otherwise influence the actions of a Federal official about a particular loan or LDP

- SF-LLL (Exhibit 19) if they have or will use monies received to lobby or otherwise influence the actions of a Federal official about a particular loan or LDP.

Continued on the next page

**C**
**Providing Forms**

Each time a loan exceeding $150,000 or LDP exceeding $100,000 is requested, cotton clerks shall give the applicant a copy of:

- CCC-674
- SF-LLL
- SF-LLL-A (Exhibit 19), if applicable.

**Cotton clerks shall** inform the applicant that the applicable form must be returned to the cotton clerk before the loan or LDP documents can be sent to the County Office.

---

**D**
**Sending Forms to County Office**

Cotton clerks shall not advance funds or send loan or LDP documents to County Offices for loans exceeding $150,000 or for LDP's exceeding $100,000 until the applicant has returned the completed applicable form.

After receiving the completed applicable form, the cotton clerk shall send a copy to the applicable County Office along with all loan or LDP documents and supporting documentation.

---

**E**
**Unusual Situations**

Cotton clerks shall contact their supervisory County Office for assistance for situations that are not covered in this section.

---

**112-120 (Reserved)**

# Part 3 Preparing and Disbursing Loans

## 121 Overview

**A**
**Cotton Clerk Instructions**

This part provides instructions to cotton clerks:

- for preparing required loan documents

* * *

- if applicable, for advancing loan amounts to producers.

**B**
**County Office Instructions**

This part provides instructions to County Offices for:

- handling loan documents prepared by cotton clerks
- paying applicable cotton clerk fees
- disbursing loans proceeds to producers
- reimbursing cotton clerks, financial institutions, or entities that have advanced loan amounts to producers.

## 122 Before Processing Loan Documents

**A**
**Producers for Whom Cotton Clerks Cannot Prepare Loan Documents or Advance Funds**

Cotton clerks shall not prepare loan documents or advance loan *--proceeds to producers who are indebted to CCC, CFSA, or other government agency for which an offset is applicable, including GPR's.--*

**Note:** Refer these producers to the applicable County Office.

Cotton clerks shall not advance loan proceeds to producers:

- who are involved in bankruptcy or are in a receivership
- who have an outstanding seed cotton loan.

**Note:** Cotton clerks may prepare loan documents in the normal manner.

**B**
**Determining Eligibility**

Cotton clerks shall verify with the applicable County Office that the producer and the cotton are eligible for loan according to Part 2, Section 1, before processing loan documents.

Continued on the next page

**C**

**Forms and Documentation Required to Prepare Loan**

When a producer requests a cotton loan through a cotton clerk, the *--cotton clerk shall provide the applicable County Office with CCC Cotton A-5 completed by the producer according to paragraph 123 and all other required documentation according to paragraph 124.--*

* * *

## 123 Completing CCC Cotton A-5

**A Source Document**

CCC Cotton A-5 shall be completed to serve as a source document for preparing cotton loans.

Continued on the next page

**B**
**Completion Instructions**
*--

Complete CCC Cotton A-5 according to the following table.

| Item | Instructions |
|---|---|
| Part A | |
| 1-7 | Enter the information provided by the producer. |
| 8 | Enter the **later** of the following dates:<br>• the date of receipt of a signed CCC Cotton A-5 and all other required documents listed in subparagraph 124 C<br>• the date CCC was made holder of EWR's as specified on the EWR Validation Review Report<br>**Note:** The date CCC was made holder of EWR is not necessarily the same date as the date that a County Office downloaded EWR's.<br>• the date paper warehouse receipts were delivered to the County Office. |
| 9 | Enter the date signed by the producer in Part B. |
| 10 | Leave blank. |
| 11-17 | Check the appropriate block based on information provided by the producer and County Office records. |
| 18 | Enter applicable date. |
| Part B | Producer shall sign and date.<br>**Note:** CCC signature is left blank. |
| Part C | Enter disbursement data applicable to all setoffs and any payees other than the producer sharing in the loan's proceeds. |

--*

Continued on the next page

## 123 Completing CCC Cotton A-5 (Continued)

### B Completion Instructions (Continued)

*--

This form is available electronically.

Form Approved - OMB No. 0560-0074

**CCC Cotton A-5** (04-11-02) **U.S. DEPARTMENT OF AGRICULTURE** Commodity Credit Corporation

**STATEMENT OF ELIGIBILITY AND INFORMATION WORKSHEET**

A. COUNTY OFFICE NAME AND ADDRESS

Telephone No. (Include Area code)

B. CROP YEAR: 2002

**NOTE:** *The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Agricultural Act of 1949, as amended, the Federal Agriculture Improvement and Reform Act of 1996, the Commodity Credit Corporation Charter Act, as amended, and regulations (7 CFR Part 7). The information will be used to determine eligibility for cotton loan program benefits. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for cotton loan program benefits. This information may also be provided to other USDA agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to orders of a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001, 15 USC 714m, and 31 USC 3729, may be applicable to the information provided.*

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0074. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.* ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

**PART A - ELIGIBILITY AND RELATED INFORMATION**

| | | | |
|---|---|---|---|
| 1A. OPERATOR'S NAME, ADDRESS, AND IDENTIFICATION NUMBER<br>Jim Farmer 123-45-6789<br>R.. 1, Box 1<br>Farmville, TX 21111 | 1B. CONTACT PRODUCER<br>Same | 1C. CROP SHARE<br>100 % | 4. FARM NUMBER WHERE COTTON WAS PRODUCED<br>5555<br>5. GIN CODE<br>43210 |
| 2A. OWNER'S NAME, ADDRESS, AND IDENTIFICATION NUMBER | 2B. CONTACT PRODUCER | 2C. CROP SHARE<br>% | 6. WAREHOUSE CODE<br>678876<br>7. NO. OF WAREHOUSE RECEIPTS<br>200 |
| 3A. OTHER PRODUCER'S NAME, ADDRESS, AND IDENTIFICATION NUMBER | 3B. CONTACT PRODUCER | 3C. CROP SHARE<br>% | 8. DATE ALL REQUIRED DOCUMENTS RECEIVED (MM-DD-YYYY) 12-18-2002<br>9. DATE OF APPLICATION (MM-DD-YYYY) 12-18-2002<br>10. FILE NAME |

| ITEM (Check) | NA | YES | NO | ITEM (Check) | NA | YES | NO |
|---|---|---|---|---|---|---|---|
| 11. Did operator separate landlord's bales? | X | | | 15. Can the operator sign as agent for the owner? | X | | |
| 12. Are the producer and cotton eligible for the loan? | | X | | 16. Must note be mailed for owner's signature? | X | | |
| 13. Is the producer on the debt records? | | | X | 17. Will owner come to county office to sign note? | | X | |
| 14. Is there a lien on the crop? | | | X | 18. Date that note will be ready for signature and checks printed? | DATE (MM-DD-YYYY) | | |

19. IF ANSWER TO ITEM 14 IS "YES", ENTER NAME AND ADDRESS OF LIENHOLDER(s)

**PART B - CERTIFICATION OF ELIGIBILITY**

*I certify, regarding the cotton to be pledged as collateral for this loan, that: (1) I have, and will retain, beneficial interest in it until satisfaction of any loan obligation; (2) I will provide CCC warehouse receipts for it, and (3) any option-to-purchase granted by me does not provide that the buyer may direct me to pledge the cotton to CCC as collateral for this loan.*

| 1. SIGNATURE OF CCC REPRESENTATIVE | DATE (MM-DD-YYYY) | 2. SIGNATURE OF PRODUCER | DATE (MM-DD-YYYY) |
|---|---|---|---|
| | | | |

**PART C - DISBURSEMENT DATA**

| 1. SETOFF(S) (Including debt I.D., if applicable) AND PAYEE(S). | 2. DEBT IDENTIFICATION | 3. CHECK AMOUNT ($) |
|---|---|---|
| Boyd's Supply | | $3,000 |
| | | |
| | | |
| | | |

*The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D. C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.*

☐ ORIGINAL ☐ COUNTY OFFICE COPY ☐ AUTHORIZED LSA or LOAN CLERK COPY ☐ PRODUCER'S COPY

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Continued on the next page

**C**
**Distributing CCC Cotton A-5**

Distribute CCC Cotton A-5 as follows:

- attach original copy to CCC-Cotton A
- cotton clerks shall keep second copy for their records
- give the third copy to the producer.

## 124 Required Loan Documents and Supporting Documentation

**A**
**Responsibility**

CCC will not assume responsibility for any loss of executed CCC-Cotton A's and supporting documentation before the County Office receives them.

If the person delivering loan documents wants a receipt from the County Office, that person must provide the receipt in duplicate.

**Note:** Do not use CCC-825 except when loan amounts are advanced by the cotton clerk, approved financial institution, or entity.

**B**
**Where to Send**

The cotton clerk shall mail or deliver loan documents and supporting documentation to the County Office that keeps the program records for the farm on which the cotton was produced.

Continued on the next page

**C**
**What Is Required**

The following must be mailed or delivered to the applicable County Office:

- CCC Cotton A-5 prepared according to paragraph 123
- classification data according to paragraph 82
- acceptable warehouse receipts according to paragraph 80
- CCC-Cotton A prepared according to paragraph 125
- if applicable:

  - *--CCC-825 according to paragraph 260--*
  - CCC-Cotton A Continuation according to paragraph 126
  - CCC-674 if applicable according to paragraph 111
  - SF-LLL if applicable according to paragraph 111
  - FSA-211 or signature authority according to Part 1, Section 2
  - statement of charges according to paragraph 81
  - statement of marketing fees according to paragraph 81.

## 125 Completing CCC-Cotton A

**A**
**Description**

CCC-Cotton A is a computer-generated form printed during the APSS loanmaking procedure. The applicable supervisory County Office shall provide blank CCC-Cotton A's to cotton clerks.

Continued on the next page

**B Completion Instructions**

Complete CCC-Cotton A according to this table.

| Circle Number | Instructions |
|---|---|
| 1 | ENTER "X" if more space is needed:<br><br>• to enter producer information (circle number 9)<br>• for producer signatures (circle number 12). |
| 2 | Enter name and address of contact producer indicated by the producer. |
| 3 | Enter warehouse code.<br><br>**Note:** All bales pledged for 1 loan must have the same warehouse code. |
| 4 | Enter State and county codes and farm number where produced. |
| 5 | Leave the "Loan No." field blank.<br><br>Enter the following:<br><br>• applicable crop year<br><br>• commodity code as follows:<br><br>  • "UP" for upland cotton<br>  • "ELS" for ELS cotton<br><br>• gin code number for upland cotton loans; leave blank for ELS<br><br>  **Note:** All upland cotton pledged for 1 loan must be ginned at the same gin.<br><br>• preparation code using either of the following:<br><br>  • "3" if loan amounts are not advanced<br>  • "4" if loan amounts are advanced<br><br>  **Note:** If electronic receipts are applicable, add "E" suffix.<br><br>• number of bales (warehouse receipts)<br><br>• loan quantity, which is total net pounds from the warehouse receipts. |

Continued on the next page

**B Completion Instructions (Continued)**

| Circle Number | Instructions |
|---|---|
| 6 | Enter the following:<br><br>• gross loan amount<br><br>**Computation:** This is the cumulative total of all bales' loan rates, adjusted for premiums and discounts, times the net weight.<br><br>• gross loan amount used to figure research and promotion fees on upland cotton loans; leave blank for ELS<br><br>**Note:** This is equal to the gross loan amount.<br><br>• storage charges if applicable according to paragraph 87<br><br>• receiving charges listed on the warehouse receipt, unless receipt is stamped showing charges having been prepaid or waived.<br><br>**Note:** If charges for providing new bale ties is applicable, see paragraph 87. |
| 7 | Enter the following:<br><br>• loan amount<br><br>**Computation:** (Gross loan amount) - (storage charge) - (receiving charge)<br><br>• clerk fee if applicable according to paragraph 90<br><br>• service fee according to paragraph 87<br><br>• research and promotion fee according to paragraph 89. Leave blank for ELS. |

Continued on the next page

**B Completion Instructions (Continued)**

| Circle Number | Instructions |
|---|---|
| 8 | Enter total disbursement.<br><br>**Computation:** (Loan amount) - (clerk fee) - (service fee) - (research and promotion) |
| 9 | Enter name of each person or firm to receive any of the loans proceeds, including those listed on CCC Cotton A-5. |
| 10 | Enter each producer's ID, as applicable. |
| 11 | Enter producer's share of loan. |
| 12 | Each producer who pledged production for the loan or persons authorized to sign for producers shall sign.<br><br>**Important:** Give each producer or authorized agent a copy of CCC-601 (Exhibit 21) and instruct them to read both CCC-601 and CCC-Cotton A before signing.<br><br>**Note:** Obtain spouse's signature if required by State law. |
| 13 | Enter date each producer or authorized agent signed. |
| 14 | Leave blank. |
| 15 | Enter applicable County Office name, address, and telephone number. |

Continued on the next page

**B Completion Instructions (Continued)**

*--

READ THE ENTIRE INSTRUMENT BEFORE SIGNING (See CCC-601 for the Privacy Act Statement). Form Approved - OMB No. 0560-0074

**CCC-Cotton A** (07-25-96) **U.S. DEPARTMENT OF AGRICULTURE** Commodity Credit Corporation

Form CCC-COTTON A Continuation is incorporated into this Form CCC-COTTON A when this box is marked: ☐ (1)

**COTTON PRODUCER'S NOTE AND SECURITY AGREEMENT**

| Name and Mailing Address of Contact Producer | Warehouse Code | St. & Cty. Codes & Farm No. Where Produced |
|---|---|---|
| Sam Jones<br>Rt. 1, Box 630<br>Same City, SS 12345 (2) | (3) 936066 | 13-113-202 (4) |

(5)

| | | | |
|---|---|---|---|
| Loan No. : | | | |
| Crop Year : | 9X | | |
| Commodity : | UP | | |
| Gin Code : | 12345 | Gross Loan Amount : | 648.63 |
| Prep. Code : | 3 | | |
| | | Gross Loan Amount for R&P: | 648.63 |
| No. Bales : | 3 | Storage Deduction : | |
| Loan Quantity: | 1,383.00 | Rec. Charge Reduction : | |

(6)

| | |
|---|---|
| Loan Amount | :648.63 |
| Clerk Fee | : |
| Service Fee | : 3.24 |
| Research and Promotion | : 6.24 |

(7)

TOTAL DISBURSEMENT:639.15 (8)

| PRODUCER -A- | ID NO. -B- | PRODUCER SHARE -C- |
|---|---|---|
| Sam Jones (9) | 441-77-6788 (10) | 1.0000 (11) |

The terms and conditions of the Note and Security Agreement are set forth in this Form CCC-Cotton A ("Note") and Form CCC-601, "Commodity Credit Corporation Note and Security Agreement Terms and Conditions," and any appendix thereto. By signing this Form CCC-Cotton A, each producer agrees to all terms and conditions specified in these forms and acknowledges receipt of Form CCC-601 and any appendix thereto. By signing this form, the producer agrees that: (1) the interest rate applicable to the loan will be determined in accordance with 7 CFR Part 1405 and will be the rate of interest charged by the U.S. Treasury, plus 1 percent, for funds borrowed by CCC on the date the loan proceeds are disbursed to each producer; and (2) the maturity date of the loan will be the last day of the tenth calendar month after the first day of the month in which such loan proceeds are disbursed. CCC may at any time accelerate the maturity date of this loan upon demand of payment. The loan disbursement date, actual interest rate and maturity date for the loan may be obtained at the County FSA Office listed below.

The producer hereby sells, assigns, and mortgages, to CCC as collateral for the payment of this Note plus charges and interest, all of the commodity described in this Note and attached Form CCC-Cotton A-1, Schedule of Pledged Cotton, and Form CCC-Cotton A Continuation, if any, together with all authorized replacements, substitutions, additions, and accessions thereto, which is stored in this warehouse specified in this Note.

| Signature | Date |
|---|---|
| */s/ Sam Jones* (12) | *11-9-9X* (13) |

| APPROVED FOR CCC BY | DATE | Name and Address of County FSA Office |
|---|---|---|
| | (14) | South County FSA Office<br>Rt. 1, Box 240<br>Same City, SS 12345 (15)<br><br>TELEPHONE NO. (111) 692-8111 |

This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability.

--*

Continued on the next page

## 125 Completing CCC-Cotton A (Continued)

**C**
**Custody**

Send the original copy of CCC-Cotton A to the applicable County Office with supporting documentation attached.

**Note:** Cotton clerk shall keep a copy and provide 1 copy to the contact producer with a written statement, if applicable, about all proceeds that are shown on CCC-Cotton A as payable to the cotton clerk or the employer. Cotton clerk fees shown on CCC-Cotton A do not have to be included.

## 126 Completing CCC-Cotton A Continuation

**A**
**Description**

CCC-Cotton A Continuation is a computer-generated form printed during the APSS loanmaking procedure. The applicable supervisory County Office shall provide blank CCC-Cotton A Continuations to cotton clerks.

CCC-Cotton A Continuation is needed when there are more than 3 *--producer's signatures required or if there are more producers than are--* allowed to be printed on CCC-Cotton A.

Continued on the next page

**B**
**Completion Instructions**

Complete CCC-Cotton A Continuation according to this table.

| Circle Number | Entry |
|---|---|
| 1 | Enter State and county codes. |
| 2 | Leave blank. |
| 3 | Enter applicable crop year. |
| 4 | Enter commodity code as follows:<br><br>• "UP" for upland cotton<br>• "ELS" for ELS cotton. |
| 5 | Enter name of each person or firm to receive any of the loans proceeds, including those listed on CCC Cotton A-5. |
| 6 | Enter producer ID. |
| 7 | *--Enter producer's share of loan.--* |
| * * * | * * * |
| 8 | Each producer who pledged production for the loan or persons authorized to sign for the producers shall sign.<br><br>**Date * * *:** Each signature must be * * * dated by the signer.<br><br>**Important:** Give each producer or authorized agent a copy of CCC-601 (Exhibit 21) and instruct them to read CCC-601, CCC-Cotton A, and CCC-Cotton A Continuation before signing.<br><br>**Note:** Obtain spouse's signature if required by State law. |

Continued on the next page

# 126 Completing CCC-Cotton A Continuation, *Continued*

*B*
**Completion Instructions,** *Continued*

*--

READ THE ENTIRE INSTRUMENT BEFORE SIGNING (See CCC bill for the Privacy Act Statement) Form Approved - OMB No. 0560-0074

| CCC-Cotton A Continuation (02-16-94) | U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation | 1. ST. & CO. CODE (1) 13-113 | 2. LOAN NO. (2) |
|---|---|---|---|
| CCC-COTTON A CONTINUATION SHEET | | 3. CROP YEAR (3) 9X | 4. COMMODITY (4) UP |

| PRODUCER -A- | ID NUMBER -B- | PRODUCER SHARE -C- |
|---|---|---|
| Jane Doe (5) | 402-66-7699 (6) | .1333 (7) |

5. NAMES AND SIGNATURES OF ADDITIONAL PRODUCERS AGREEING TO THIS LOAN AS SPECIFIED ON CCC-COTTON A.

(8) Any signatories below agree to all terms and conditions specified in Form CCC-Cotton A and any other Form CCC-Cotton A Continuation with the same loan number stated in Section 2 of this CCC-Cotton A Continuation.

| Signature | Date |
|---|---|
| /s/ Jane Doe | 11-23-9X |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

This program will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, sex, marital status, or disability.

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*Continued on the next page*

## 126 Completing CCC-Cotton A Continuation (Continued)

**C**
**Custody**

Send the original copy of CCC-Cotton A Continuation to the applicable County Office with supporting documentation attached.

**Note:** Cotton clerk shall keep a copy and provide 1 copy to the contact producer with a written statement about all proceeds that are shown on CCC-Cotton A as payable to the cotton clerk or the employer. Cotton clerk fees shown on CCC-Cotton A do not have to be included.

## 127 Cotton Clerk Advancing Loan Note Amounts to Producers

**A**
**Background**

If approved on CCC-810, cotton clerks may advance loan amounts to producers:

- directly from their own accounts or accounts of their employer
- through the accounts of an entity or firm that is not a bank or an association organized pursuant to Federal or State law and supervised by Federal or State banking authorities
- through a financial institution that is a bank in the United States that accepts demand deposits or an association organized pursuant to Federal or State law and supervised by Federal or State banking authorities.

**Notes:** STC may require funds to be advanced by certified or cashier's check. See subparagraph 2 C.

Cotton clerks shall not prepare loan document or advance
*--funds to producers who are indebted to CCC, FSA, or--*
other Government agency. In addition, cotton clerks shall **not** advance loan proceeds to producers:

- with an outstanding seed cotton loan
- who are in bankruptcy or receivership.

---

**B**
**Amount Advanced**

Cotton clerks shall advance the entire note amount to the producer, including payments for charges, including marketing fees, according to paragraph 81 except for:

- the applicable fees according to paragraph 87
- the applicable research and promotion fees computed according to paragraph 89

  **Note:** County Offices shall collect the research and promotion fee and submit it to the Cotton Board.

- any authorized cotton clerk fees according to paragraph 90.

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Continued on the next page

**C**
**Preparing Loan Documents**

The approved cotton clerk, who is the person who made the loan advance to the producer according to subparagraph A, shall prepare and send loan documents according to paragraph 124.

---

**D**
**Reimbursement and Interest Earned**

Cotton clerks, who advance loan amounts, shall:

- be reimbursed from the loan proceeds by the County Office after it processes the loan in APSS according to paragraph 151

- earn and be paid interest according to paragraph 262.

---

***--E**
**Advance of Loan Funds Is Not Loan Approval**

Cotton clerks shall notify producers that:

- any advance of loan funds from the cotton clerk **does not** constitute loan approval by CCC

  **Note:** Although a producer may have received an advance of loan funds from the cotton clerk, CCC must receive all appropriate loan documents according to paragraph 124 and approve the loan before the loan is considered to exist.

- CCC must have approved the loan before a request for a loan repayment can be accepted.

  **Example:** If a producer requests from a cotton clerk a loan and requests to repay the loan on the same day, the repayment rate will be the rate in effect on the date that CCC approves the loan application.**--***

---

## 128 Redeeming Loans

**A**
**Rule**

All cotton loan redemptions shall be handled by the County Office that disbursed the loan.

**129-149 (Reserved)**

## 150 Tare Weights

**A**
**Definition of Tare Weight**

Tare weight means the weight of the cotton bale packaging materials, which when deducted from the gross bale weight yields the net bale weight.

**B**
**Valid Tare Weights**

The following are valid tare weights that can be entered when processing cotton loans through APSS:

- *--3--*
- 4
- 5
- 6
- 7
- 8
- *--9--*
- 10
- 11
- 12.

* * *

## *--150.5 Compression Status

**A**
**Definition of Compression Status**

Compression status refers to the density of the bale of cotton. In APSS, the compression status of a bale is expressed as an alpha code, called the "compression code".

**B**
**Valid Compression Codes**

This table lists valid compression codes that can be entered when processing cotton loans through:

- APSS
- cotton PC software, according to 23-CN.

| Valid APSS Code | Valid Cotton PC Code | Code Explanation |
|---|---|---|
| F | 1 | Flat Uncompressed Bales |
| GH | 4 | Gin High Density Bales |
| GS | 3 | Gin Standard Density Bales |
| GU | 5 | Gin Universal Density Bales |
| M | 2 | Modified Flat Bales |
| SD | 7 | Standard Density Bales |
| SS | 8 | Standard Density Short Bales |
| SU | 9 | Universal Density Short Bales |
| WU | 6 | Warehouse Universal Density Bales |

--*

## 150.6 Preparation Codes

**A**
**Definition of Preparation Codes**

Preparation codes indicate:

- who prepared the documents required for the loan
- the method by which the documents were prepared.

**B**
**Valid Preparation Codes**

*--This table lists preparation codes. Enter a code when processing cotton loans through APSS.

| Preparation Code | Code Explanation |
|---|---|
| 1 | Documents were prepared in the County Office using paper receipts with electronic classing data that was provided by AMS. |
| 1E | Documents were prepared in the County Office using EWR's. |
| 2P | Documents were prepared in the County Office using paper receipts with classing data provided by punched AMS class card. |
| 3 | Documents were prepared by a cotton clerk using paper receipts, but funds were disbursed by the County Office. |
| 3E | Documents were prepared by a cotton clerk using EWR's, but funds were disbursed by the County Office. |
| 4 | Documents were prepared and funds were disbursed by a cotton clerk using paper receipts. |
| 4E | Documents were prepared and funds were disbursed by a cotton clerk using EWR's. |

**Important:** The correct code must be entered to ensure that National Office loanmaking reports are accurate.--*

**A**
**Receiving and Reviewing Documents**

When documents are received from the cotton clerk, immediately notate the date received on the package and verify that the following required documents are received and conduct a cursory review for completeness:

- CCC Cotton A-5
- CCC-Cotton A

  **Note:** Do not verify computations until ready to process the loan.

- CCC-679, if applicable

  **Note:** If CCC-679 is not included, the lien search does not have to be completed until the loan is ready to be processed.

- statement of charges, including marketing fees, according to paragraph 81, if applicable

Continued on the next page

**A**
**Receiving and Reviewing Documents (Continued)**

- CCC-825, if applicable

  **Notes:** Verify that CCC-Cotton A's and related documents are received for loans listed on CCC-825.

  Stamp all copies of CCC-825 to indicate date the documents were received.

- CCC-674 or SF-LLL, if applicable

- warehouse receipts and classing information, including, if applicable, bale data diskette.

---

**B**
**Missing or Unacceptable Documents**

If a document is missing, the County Office shall request that the cotton clerk provide the document.

If documents are determined to be incorrect or unacceptable, immediately return the entire package to the cotton clerk with an explanation of why it is being returned.

***--Note:** Because of rounding, documents shall be considered acceptable if the disbursement amount is within $0.01 per bale. For example, a 200 bale loan can be off up to $2.00 before the documents are determined unacceptable.**--***

---

**C**
**Processing the Loan**

Process loans from cotton clerks in the order received along with loan requests received directly from producers.

**Note:** Do not give priority to cotton clerk loans.

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Continued on the next page

**C Processing the Loan (Continued)**

Process the loans received from cotton clerk according to the following table.

| Step | Action |
|---|---|
| 1 | Verify that CCC Cotton A-5 and CCC-Cotton A are signed and, if applicable, witnessed correctly.<br><br>**Note:** Cotton clerks shall not sign as witness to the producer's signature on:<br><br>• the cotton clerk's own loan documents<br><br>• CCC-Cotton A if for the cotton clerk's spouse<br><br>• CCC-Cotton A that the cotton clerk signs as agent or other representative capacity. |
| 2 | Verify that the producer and the cotton are eligible for loan.<br><br>***--Note:** For 1996 through 2002 crop cotton, when determining eligibility, also refer to 7-CN, paragraph 271.**--*** |
| 3 | Make a lien search on all cotton being pledged for loan at the appropriate recording official's office.<br><br>**Note:** If the lien search reveals that an outstanding lien exists on the cotton being pledged and a proper lien waiver has not be obtained, advise the cotton clerk that loan documents will be returned if a properly executed lien waiver is not provided. |

Continued on the next page

**C**
**Processing**
**the Loan**
**(Continued)**

| Step | Action |
|---|---|
| 4 | Process the loan using the supplied diskette according to 7-CN, paragraph 273.<br><br>**Notes:** If the information on Screen PLC12005 does not reflect the information shown on CCC-Cotton A provided by the cotton clerk, continue to the Price Support - Completion Selection Menu PLA005 and select option 2.<br><br>Resolve any discrepancies using the printed CCC Cotton A-1. If the discrepancies cause the loan document to be returned to the cotton clerk, reaccess the saved loan and delete. |
| 5 | If cotton clerk fees are applicable, follow 1-FI for paying fees.<br><br>**Note:** Amounts due may be paid weekly or monthly, according to the arrangement between the County Office and the cotton clerk. |
| 6 | *--If the cotton clerk has advanced note amounts, County Offices shall follow:<br><br>• paragraph 261 for completing CCC-825<br>• paragraph 262 for paying earned interest.--*<br><br>**Note:** If an advance was made, enter as the disbursement date the date documents were received in the County Office. See paragraph 88 if documents are received by mail. |

**152-200 (Reserved)**

# Part 4 Preparing and Making LDP's

## 201 Overview

### A Cotton Clerk Instructions

This part provides instructions to cotton clerks:

- for preparing required LDP documents
- on the allowable fees that cotton clerks shall charge for services performed on behalf of the producer
- if applicable, for advancing LDP amounts to producers.

### B County Office Instructions

This part provides instructions to County Offices for:

- handling LDP documents prepared by cotton clerks
- paying applicable cotton clerk fees
- disbursing LDP amount to producers
- reimbursing cotton clerks, financial institutions, or entities that have advanced LDP amounts to producers.

## 202 Before Processing LDP Documents

### A Producers for Whom Cotton Clerks Cannot Advance LDP Amounts

Cotton clerks shall not advance LDP amounts to producers who:

- are involved in bankruptcy or are in receivership
- are indebted to CCC, FSA, or other government agency for which an offset is applicable
- have outstanding seed cotton loans
- will be denied LDP amounts because of payment limitation provisions
- have a current CCC-36 on file in the County Office.

**Note:** Cotton clerks may prepare LDP documents in the normal manner.

*--Cotton clerks for multi-county producers must send the loan, LDP, or module lock-in request to the producer's Administrative County for processing.--*

### B Determining Eligibility

Cotton clerks shall verify with the applicable County Office that the producer and the cotton are eligible for LDP according to Part 2, Section 1, before processing LDP documents.

Continued on the next page

**C**
**Forms and Documentation Required to Prepare LDP**

When a producer requests a cotton LDP through a cotton clerk, the cotton clerk shall provide the applicable County Office:

- CCC-Cotton AA completed by the producer according to paragraph 203

- CCC-Cotton AA-1 completed according to paragraph 204

- acceptable production evidence according to paragraph 101

**Notes:** Cotton clerks must provide the County Office bale data * * * on a properly formatted diskette prepared by a private entity.

Cotton clerks shall refer persons interested in providing bale data on diskettes to the supervisory County Office.

*--Cotton clerks shall contact the supervisory County Office about the data that is required to process LDP's using electronic warehouse receipts.--*

- CCC-825 if the cotton clerk advanced funds.

## 203 Completing CCC-Cotton AA

**A**
**Request for Payment**

LDP's must be requested on CCC-Cotton AA:

- by all producers having an interest in the cotton
- before beneficial interest in the cotton is lost
- on or before the final loan availability date.

**Note:** One payment may be made for more than 1 farm, or multiple payments may be made for 1 farm.

---

**B**
***--Approval Dates**

For LDP applications for ginned cotton, CCC-Cotton AA shall be approved by CCC on the date that CCC-Cotton AA, signed and dated by all applicable producers and accompanying production evidence, **are both received at the County Office**. If CCC-Cotton AA and production evidence are provided on separate days, the approval date is the later date.

For applications for a lock-in of AWP on unginned cotton:

- CCC-Cotton AA shall be approved by CCC on the date that CCC-Cotton AA, signed and dated by all applicable producers is **received at the County Office**

- if CCC-Cotton AA is transmitted after the date received by the clerk, the date of the AWP lock-in will be the **day the application is received by the County FSA Office**

- the LDP application is not approved for payment until the corresponding bales are identified.

  **Note:** Interest is not payable for the period between the AWP lock-in and submission of bale information.

For all requests, if properly executed CCC-Cotton AA's and all other required production evidence and documents, including diskettes, are received by mail from a cotton clerk, County Offices shall use AWP and coarse count adjustments in effect at 12:00:01 a.m. e.t. on the date these documents are received in the County Office. The postmark date is not used to determine the date received in the County Office.**--***

---

Continued on the next page

**C**
**Completion Instructions**

Complete CCC-Cotton AA according to this table.

| Item or Part | Instructions |
|---|---|
| 1 | *--Enter:<br><br>• applicable crop year<br>• LDP number. |
| 2 | Enter applicable farm numbers. |
| 3 | Enter file sequence number and bale count. |
| **Part B** | |
| | Leave blank. Part B is used to lock-in LDP rate for cotton before ginning **only**. |
| **Part C** | |
| 1 | Obtain the signature of each producer having a share of the production. |
| 2 | Enter the percent share of production for each producer. |
| 3 | Enter date of producer's signature. |
| **Part D** | |
| 1 | Enter CCC representative's signature. |
| 2 | Leave blank. Date submitted used only for LDP lock-in. |
| 3 | Enter date approved. |
| 4 | Enter AWP on date submitted. |
| 5 | Enter County Office name and address. |
| 6 | Enter County Office telephone number (optional).--* |

Continued on the next page

***--D Completing CCC-Cotton AA for AWP Lock-in and LDP Requested on Unginned Cotton**

Use CCC-Cotton AA to process LDP applications when the following 3 conditions are met:

- producers request to "lock-in" AWP
- producer's eligible cotton has been harvested
- the cotton has not been ginned.

Such requests lock in the LDP payment rate that will be provided after the cotton is ginned and bale information is provided. Lock-in requests will expire if bale information is not provided within 30 calendar days after the final date of availability (May 31).

**Note:** Requests for LDP's based on a locked-in rate, once submitted, may not be canceled or revised by the producer. However, cotton for which the lock-in is provided, but LDP is not provided because of payment limitation, is eligible to be pledged for loan. **Any initial AWP lock-in on CCC-Cotton AA does not apply to such loan.**

Complete CCC-Cotton AA according to this table if producers request a lock-in of AWP for harvested cotton in storage before ginning.

| Item or Part | Instructions |
|---|---|
| 1 | Enter:<br>• applicable crop year<br>• LDP number. |
| 2 | Enter applicable farm numbers. |
| 3 | Enter file sequence number when production evidence is provided. |
| **Part B** | |
| 1 | Enter gin code. |
| 2 | Enter the type of storage unit from the following:<br>• "rick"<br>• "module"<br>• "trailer". |
| 3 | Enter the rick, module, or trailer number as assigned by the gin for each unit of storage. This is a permanent assigned number that cannot be changed by the ginner or producer. |

--*

Continued on the next page

***--D Completing CCC-Cotton AA for AWP Lock-in and LDP Requested on Unginned Cotton (Continued)**

| Item or Part | Instructions |
|---|---|
| **Part C** | |
| 1 | Obtain the signature of each producer having a share of the production. |
| 2 | Enter percent share of production for each producer. |
| 3 | Enter date of producer's signature. |
| **Part D** | |
| 1 | Enter representative's signature. |
| 2 | Enter date lock-in was submitted. |
| 3 | Enter date approved. |
| 4 | Enter AWP on date submitted (the lock-in rate). |
| 5 | Enter County Office name and address. |
| 6 | Enter County Office telephone number (optional). |

**Note:** If the modules or trailers:

- are divided among producers, give each producer on the farm an opportunity to choose whether to obtain LDP
- are **not** divided, a joint LDP must be requested.

Interest is not payable for the period between the AWP lock-in and the presentation of production evidence (the list of bales corresponding to the module for which lock-in is provided).**--***

Continued on the next page

## 203 Completing CCC-Cotton AA (Continued)

### E Completion Instructions (Continued)

*--

This form is available electronically. Form Approved - OMB No. 0560-0129

**CCC-Cotton AA** (09-09-02) **U.S. DEPARTMENT OF AGRICULTURE** Commodity Credit Corporation

**UPLAND COTTON PRODUCER'S LOAN DEFICIENCY PAYMENT APPLICATION AND CERTIFICATION**

*Privacy Act and Public Burden Statements on Page 2.*

1. CROP YEAR AND LDP NO.: 2002
2. FARM NO.: 5432
3. FILE SEQUENCE NO. AND BALE COUNT: 610008 / 100

**PART A - APPLICATION**

The undersigned producer(s) ("Producer"), hereby make application for a loan deficiency payment (LDP) in accordance with 7 CFR Part 1427 with respect to the upland cotton produced on the farm indicated above during the crop year indicated above. As a condition to receiving such loan deficiency payment, the Producer hereby represents and agrees as follows:

1. The Producer agrees (1) that the production for which LDP is requested is eligible to be pledged as collateral for a CCC loan and does not reflect production previously used for an LDP and has not been or will not be pledged in the future as collateral for a CCC loan unless the LDP is denied due to payment limitation.
2. The Producer is eligible to obtain a CCC loan with respect to their share of the upland cotton indicated on the attached production evidence provided by the Producer in the capacity of landlord, landowner, tenant, or sharecropper.
3. With respect to the cotton indicated on the production evidence provided by the Producer,
   a. The Producer has and always had beneficial interest in such cotton in accordance with the regulation governing the cotton loan program for the above indicated crop year,
   b. Such cotton has not been acquired directly or indirectly from a share tenant or sharecropper,
   c. If the Producer is a share tenant or sharecropper, each landlord who has an interest in such cotton has jointly signed this application,
   d. Such cotton is in existence and is not false-packed, water-packed, mixed-packed reginned, or repacked.
4. The Producer understands that (1) this application is subject to a determination by CCC of the Producer's eligibility to receive an LDP, and that this application and CCC's determination are subject to 7 CFR Part 1427; (2) CCC may require copies of all sales contracts applicable to the production represented by this application; (3) if CCC determines that the producer has misrepresented the eligibility of the production covered by this agreement, CCC shall require repayment of the entire LDP plus interest from the date of payment and assess liquidated damages in accordance with 7 CFR Part 1427.
5. The Producer agrees that if this LDP application occurs after the cotton has been ginned, the LDP rate will be the rate in effect on the date (on or after the date of the last producer signature) that this application, **having been accurately completed** is received by FSA (submitted).
6. Entry of information in Part B of this Application and Certification constitutes an irrevocable application for the AWP to be locked-in on the date **an accurately completed** application is received by FSA (submitted.) For such applications, the producer agrees that the LDP rate will be based on the locked-in AWP. Such LDP rate will apply to the cotton bales produced from the unginned cotton identified in Part B. The Producer agrees to submit gin-provided documentation identifying the bales produced from the module/storage unit for which the AWP lock-in applies and agrees to pay liquidated damages for applications based on a locked-in-rate not supported by bale-identifying documentation.
7. The Producer agrees this request for LDP is irrevocable and cannot be canceled or revised unless the LDP is denied due to payment limitation.

**PART B - MODULE IDENTIFICATION OF SEED COTTON**

This Part to be completed if application is for AWP lock-in before ginning.

| 1. GIN CODE | 2. MODE OF STORAGE | 3. GIN-ASSIGNED MODULE OR TRAILER NUMBER |
|---|---|---|
| 54321 | Mocule | 16, 17, 18 |
| | | |
| | | |
| | | |
| | | |
| | | |

**PART C - PRODUCER CERTIFICATION**

I certify that all information on this document and any supporting documentation is true and correct:

| 1. SIGNATURE OF PRODUCER(S) | 2. % SHARE | 3. DATE | 1. SIGNATURE OF PRODUCER(S) | 2. % SHARE | 3. DATE |
|---|---|---|---|---|---|
| /s/ Joe Farmer | 100 | 11-15-2002 | | | |
| | | | | | |
| | | | | | |

**PART D - VERIFICATION OF ELIGIBLE QUANTITY AND APPROVAL**

| 1. APPROVED FOR CCC BY | 2. DATE SUBMITTED (MM-DD-YYYY) | 4. AWP ON THE DATE SUBMITTED | 5. NAME AND ADDRESS OF COUNTY FSA OFFICE |
|---|---|---|---|
| | 11-15-2002 | | |
| | 3. DATE APPROVED (MM-DD-YYYY) | 38.29 | 6. TELEPHONE NO. (Area Code) |

*The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D. C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.*

--*

Continued on the next page

**F**
**Distributing CCC-Cotton AA**

Send the original copy of CCC-Cotton AA and 1 copy to the applicable County Office with supporting documentation attached.

**Note:** The cotton clerk shall keep a copy and provide 1 copy to the contact producer.

## 204 Completing CCC-Cotton AA-1

**A**
**Using CCC-Cotton AA-1**

Cotton clerks shall complete CCC-Cotton AA-1 according to subparagraph B and attach to the applicable CCC-Cotton AA.

Continued on the next page

**B**
**Completion Instructions**

Complete CCC-Cotton AA-1 according to this table. Leave items 8 through 20 blank.

| Item Number | Instructions |
|---|---|
| 1 | Enter State and county codes and farm number where produced. |
| 2 | Enter name and address of contact producer. |
| 3 | Enter warehouse code, if applicable.<br><br>**Note:** Cotton warehoused at different warehouses must be processed as separate LDP's. |
| 4 | Enter gin code.<br><br>**Note:** Cotton ginned at different gins must be processed as separate LDP's. |
| 5 | Leave "LDP No." field blank.<br><br>Enter the following:<br><br>• applicable crop year<br>• preparation code<br>• number of bales<br>• total LDP quantity. |
| 6 | Enter the following:<br><br>• gross LDP amount that was calculated<br>• if applicable, date funds are advanced. |
| 7 | Enter the following:<br><br>• research and promotion fee according to paragraph 103<br>• if applicable, clerk fee according to paragraph 104<br>• if funds are advanced, enter the LDP amount advanced. |

Continued on the next page

## 204 Completing CCC-Cotton AA-1 (Continued)

### B Completion Instructions (Continued)

*--

Page of (See CCC-Cotton AA for the Privacy Act Statement) Form Approved - OMB No. 0560-0129

CCC-Cotton AA-1 (07-25-96)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

SCHEDULE OF LDP FOR UPLAND COTTON

1. ST. & CTY. CODES & FARM NO. WHERE PRODUCED: 40-300-2334

2. NAME & MAILING ADDRESS OF CONTACT PRODUCER
Jim Howard
Route 1, Box 130
Sometown, SS 12345

3. WAREHOUSE CODE: 810534

4. GIN CODE: 12346

5. LDP NO.: 90106
CROP YEAR: 9X
PREP CODE: 1
NO. BALES: 3
LDP QUANTITY: 1500

6. GROSS LDP AMOUNT FOR R&P: $ 155.00
DATE OF DISBURSEMENT: 11-9-9X

7. NET LDP AMOUNT $ 155.00
RESEARCH AND PROMOTION: .78
CLERK FEES
DENIED MARKET GAIN:
TOTAL DISBURSEMENT: $154.22

| Line | 8. WAREHOUSE RECEIPT AND GIN TAG NUMBER | 9. GRADE STAPLE AND MIKE | 10. STRENGTH AND UNIFORMITY | 11. LEAF AND OTHER | APPLICABLE ADJUSTMENTS 12. PREMIUMS | 13. DISCOUNTS | 14. COURSE COUNT AWP ONLY | (CENTS) 15. ADJ LOAN RATE | 16. ADJ AWP | 17. LDP PAYMENT RATE | 18. NET WT. | 19. LDP AMOUNT (DOLLARS) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | / 2 | | | | | | 0 | .5000 | .4000 | .1000 | 1000 | 100.00 |
| 2 | / 1 | | | | | | .0100 | .5000 | .3900 | .1100 | 500 | 55.00 |
| 3 | / | | | | | | | | | | | |
| 4 | / | | | | | | | | | | | |
| 5 | / | | | | | | | | | | | |
| 6 | / | | | | | | | | | | | |
| 7 | / | | | | | | | | | | | |
| 8 | / | | | | | | | | | | | |
| 9 | / | | | | | | | | | | | |
| 10 | / | | | | | | | | | | | |
| 11 | / | | | | | | | | | | | |
| 12 | / | | | | | | | | | | | |
| 13 | / | | | | | | | | | | | |
| 14 | / | | | | | | | | | | | |
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| 16 | / | | | | | | | | | | | |
| 17 | / | | | | | | | | | | | |
| 18 | / | | | | | | | | | | | |
| 19 | / | | | | | | | | | | | |
| 20 | / | | | | | | | | | | | |
| 21 | / | | | | | | | | | | | |
| 22 | / | | | | | | | | | | | |
| 23 | / | | | | | | | | | | | |
| 24 | / | | | | | | | | | | | |
| 25 | / | | | | | | | | | | | |

TOTAL NET WT. 1500 TOTAL LDP AMOUNT $ 154.22

Continued on the next page

## 204 Completing CCC-Cotton AA-1 (Continued)

**C**

**Distributing CCC-Cotton AA-1**

Attach the original copy and 1 copy of CCC-Cotton AA-1 to CCC-Cotton AA and send to the applicable County Office with other supporting documentation.

**Note:** The cotton clerk shall keep a copy and provide 1 copy to the contact producer.

## 205 Required LDP Documents and Supporting Documentation

**A**
**Responsibility**

CCC will not assume responsibility for any loss of executed CCC-Cotton AA's and supporting documentation before the County Office receives them.

If the person delivering LDP documents wants a receipt from the County Office, that person must provide the receipt in duplicate.

**Note:** Do not use CCC-825 except when LDP amounts are advanced by the cotton clerk, approved financial institution, or entity.

**B**
**Where to Send**

The cotton clerk shall mail or deliver the LDP documents and supporting documentation to the County Office that keeps the program records for the farm on which the cotton was produced.

Continued on the next page

## 205 Required LDP Documents and Supporting Documentation (Continued)

**C**
**What Is Required**

The following must be mailed or delivered to the applicable County Office:

- CCC-Cotton AA prepared according to paragraph 203
- CCC-Cotton AA-1 prepared according to paragraph 204
- bale data diskette prepared by a private entity according to paragraph 83

  **Note:** Cotton clerks shall contact the supervisory County Office about the data that is required to process LDP's using EWR's.

- acceptable production evidence according to paragraph 101
- if applicable:

  - *--CCC-825 according to paragraph 260--*
  - CCC-674 if applicable according to paragraph 111
  - SF-LLL if applicable according to paragraph 111
  - FSA-211 or signature authority according to Part 1, Section 2.

## 206 Cotton Clerk Advancing LDP Amounts to Producers

**A**
**Background**

If approved on CCC-810, cotton clerks may advance LDP amounts to producers:

- directly from their own accounts or accounts of their employer
- through the accounts of an entity or firm that is not a bank or an association organized pursuant to Federal or State law and supervised by Federal or State banking authorities
- through a financial institution that is a bank in the United States that accepts demand deposits or an association organized pursuant to Federal or State law and supervised by Federal or State banking authorities.

**Notes:** STC may require funds to be advanced by certified or cashier's check. See subparagraph 2 C.

Cotton clerks shall **not** advance LDP amounts to producers:

- *--who are indebted to CCC, FSA, or other Government--* agency
- with an outstanding seed cotton loan
- who are in bankruptcy or receivership
- with a current CCC-36 on file for the current crop year
- who will be denied LDP amounts because of payment limitation provisions.

Continued on the next page

## 206 Cotton Clerk Advancing LDP Amounts to Producers (Continued)

**B**
**Amount Advanced**

Cotton clerks shall advance the entire LDP amount to the producer, except for:

- the applicable research and promotion computed according to paragraph 103

  **Note:** County Offices shall collect the research and promotion fee and submit it to the Cotton Board.

- any authorized cotton clerk fees according to paragraph 104.

---

**C**
**Preparing LDP Documents**

The approved cotton clerk, who is the person who made the LDP advance to the producer according to subparagraph A, shall prepare and send LDP documents according to paragraph 205.

---

**D**
**Reimbursement and Interest Earned**

*--Cotton clerks, who advance LDP amounts, shall:

- be reimbursed for LDP by the County Office after it processes LDP in APSS according to paragraph 231

- earn and be paid interest according to paragraph 262.--*

---

**207-230 (Reserved)**

## 231 Processing LDP's in APSS

**A**
**Receiving and Reviewing Documents**

When documents are received from the cotton clerk, immediately notate the date received on the package and verify that the following required documents are received and conduct a quick review for completeness:

- CCC-Cotton AA
- CCC-Cotton AA-1

  **Note:** Do not verify computations until LDP is ready to be processed.

* * *

- CCC-825, if applicable

  **Notes:** Verify that CCC-Cotton AA's and related documents are received for LDP's listed on CCC-825.

  Stamp all copies of CCC-825 to indicate date the documents were received.

- CCC-674 or SF-LLL, if applicable
- if applicable, diskette with bale data
- production evidence.

Continued on the next page

**B**
**Approving CCC-Cotton AA**

Approve CCC-Cotton AA on the date received in the County Office if CCC-Cotton AA is signed and dated by all applicable producers and either of the following is included:

- acceptable warehouse receipts
- *--the applicable gin tag list according to paragraph 101.--*

**Note:** If the diskette with bale data fails to work, notify the cotton clerk immediately to provide a new diskette. If an acceptable diskette cannot be provided, process LDP as if a cotton clerk is not involved and immediately remove the cotton clerk according to paragraph 8. Cotton clerks who advanced funds will not be reimbursed from LDP made to the producer.

---

**C**
**Missing or Unacceptable Documents**

If a document is missing, the County Office shall request that the cotton clerk provide the document.

If documents are determined incorrect or unacceptable, immediately return entire package to cotton clerk with an explanation of why it is being returned.

---

**D**
**Processing LDP's**

Process loans from cotton clerks in the order received along with LDP requests received directly from producers.

**Note:** Do not give priority to cotton clerk LDP's.

---

Continued on the next page

**D**
**Processing LDP's (Continued)**

Process LDP's received from cotton clerks according to the following table.

| Step | Action |
|---|---|
| 1 | Verify that CCC-Cotton AA is completed correctly. |
| 2 | Verify that the producer and the cotton are eligible for loan. |
| 3 | Process LDP using the supplied diskette according to 7-CN, paragraph 356.5.<br><br>**Note:** If the information on CCC-Cotton AA-1 provided by the cotton clerk does not match the information on the County Office generated CCC-Cotton AA-1, resolve any discrepancies before issuing CCC-184. |
| 4 | If cotton clerk fees are applicable, follow 1-FI for paying fees.<br><br>**Note:** Amounts due may be paid weekly or monthly, according to the arrangement between the County Office and the cotton clerk. |
| 5 | *--If the cotton clerk has advanced LDP amounts, County Offices shall follow:<br><br>• paragraph 261 for completing CCC-825<br>• paragraph 262 for paying earned interest.--*<br><br>**Note:** If an advance was made, enter as the disbursement date the date CCC-Cotton AA is approved. |

**232-259 (Reserved)**

## *--Part 5 Reimbursements and Earned Interest

### 260 Reimbursement, Earned Interest, and CCC-825 Prepared by Cotton Clerk

**A**
**Reimbursement and Earned Interest**

Cotton clerks, who have advanced loan or LDP amounts, shall:

- be reimbursed by the County Office
- earn interest according to paragraph 262.

**B**
**Preparing CCC-825**

Cotton clerks, who have advanced loan or LDP amounts, shall prepare CCC-825 as a transmittal document for either of the following:

- CCC-Cotton A loans
- CCC-Cotton AA LDP's.

**C**
**Distributing CCC-825**

Cotton clerks shall send the original CCC-825 and 2 copies to the County Office.--*

Continued on the next page

## *--260 Reimbursement, Earned Interest, and CCC-825 Prepared by Cotton Clerk (Continued)

**D**
**Completion Instructions**

Cotton clerks shall complete CCC-825 according to this table.--*

| Item No. | Instructions |
|---|---|
| 1 | Enter name and address of the County Office. |
| 2 | Enter the number assigned by the cotton clerk for each County Office.<br><br>**Note:** Start with the number 1 for each crop year. |
| 3 A | Enter the following code to identify the type of document transmitted:<br><br>• "UP" for upland cotton loans<br>• "ELS" for ELS cotton loans<br>• "LDP" for upland cotton LDP's. |
| 3 B | Enter contact producer's name. |
| 3 C | Enter number of bales from either of the following:<br><br>• CCC-Cotton A<br>• CCC-Cotton AA-1. |
| 3 D | Enter total amount invested per loan or LDP transmitted. |
| 3 I | Enter the following totals:<br><br>• number of bales transmitted<br>• amount invested for the transmittal. |
| 5 A to D | • Enter name and address of the cotton clerk or cotton clerk's employer that advanced funds.<br><br>• Obtain the signature, and enter the title and date of signature, of the cotton clerk or cotton clerk's employer. |
| 6 A to D | • Enter name and address of entity or financial institution that allowed credit to the cotton clerk or cotton clerk's employer.<br><br>• Obtain the signature, and enter the title and date of signature, of the person representing the entity or financial institution that allowed credit. |

Continued on the next page

## *--260 Reimbursement, Earned Interest, and CCC-825 Prepared by Cotton Clerk (Continued)

**E**
**Example of CCC-825**

Following is an example of CCC-825 that was completed by the cotton clerk.--*

**CCC-825**
(07-21-93)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

**TRANSMITTAL SCHEDULE OF COTTON LOAN OR LOAN DEFICIENCY PAYMENT DOCUMENTS**

1. TO: *(Name and address of County FSA Office)*

Some County FSA Office
Rt 1, Box 130
Some City, SS 12345

2. TRANSMITTAL NO. *(Number serially for each county office.)*
1

INSTRUCTIONS: Mail or deliver the original and the first two carbon copies of this form and the Form CCC-Cotton A or CCC-Cotton AA with related documents to the County Office which keeps the farm records for the farms on which the cotton was produced.

3. The following Forms CCC-Cotton A or CCC-Cotton AA with related documents are transmitted pursuant to the cotton loan program regulations as amended:

| A TYPE | B PRODUCER | C NO. BALES | D AMOUNT INVESTED | A TYPE | B PRODUCER | C NO. BALES | D AMOUNT INVESTED |
|---|---|---|---|---|---|---|---|
| UP | James Jones | 16 | 4115.90 | | | | |
| ELS | James Jones | 10 | 4202.00 | | | | |
| LDP | James Jones | 25 | 1234.75 | | | | |
| UP | William Smith | 100R | 49,617.50 | | | | |
| | | | | E. TOTAL | → | 151 | 59,179.15 |

**4. FOR COUNTY FSA OFFICE USE ONLY**

| RECEIPT OF DOCUMENTS | | | |
|---|---|---|---|
| A. DATE RECEIVED | B. POSTMARK DATE | D. Less rejections (Indicate by "R") → | |
| C. **Interest earned** → $ | | E. **Total accepted** → | |
| | | F. **Date of Disbursement** → | |

**5. To be completed by cotton clerk or their employer which made ADVANCES to the producers:**

*I certify with respect to the documents covered by this schedule that I have made advances to the producers (including payments to prior lienholders and other creditors) for the full loan value of the cotton as shown on the Form CCC-Cotton A or for the full loan deficiency payment amount shown on the form CCC-Cotton AA except for authorized cotton clerk fees, research and promotion fees, CCC loan service charges, and other approved fees.*

A. NAME AND MAILING ADDRESS OF COTTON CLERK OR THEIR EMPLOYER

JBC Cotton Inc.
P.O. Box 3
Cotton City, SS 71234

B. SIGNATURE
☞ ***/s/ John B. Cotton***

C. TITLE
President

D. DATE
11-04-9X

**6. To be completed by the entity or financial institution if this schedule covers documents for which the entity or financial institution ALLOWED CREDIT to the cotton clerk or their employer identified in item 5:**

*We certify that we have allowed credit to the account of the person or firm identified above for the total amount of this schedule subject to adjustment for the amount invested in any documents not acceptable for disbursement.*

A. NAME AND MAILING ADDRESS OF THE ENTITY OR FINANCIAL

1st National Bank
P.O. Drawer 233
Cotton City, SS 71234

B. SIGNATURE
☞ ***/s/ Harland B. Smith***

C. TITLE
Vice President

D. DATE
11-04-9X

This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability.

## *--261 CCC-825 County Office Entries

**A**
**Background**

When a cotton clerk advances funds, CCC-825 must accompany the loan or LDP documents to notify the County Office who is to be reimbursed.

**B**
**Verifying Information Received**

County Offices shall verify that CCC-Cotton A's or CCC-Cotton AA's and other related documents listed on CCC-825 actually accompanied the applicable CCC-825.

**C**
**County Office Required Entries**

The County Office shall make CCC-825 entries according to this table.

**Important:** Because the date documents were received by the County Office is used in calculating earned interest, the County Office must ensure that CCC-825, item 4 A or 4 B is completed.

| Item No. | Instructions |
|---|---|
| 4 A | Enter the date CCC-825 was hand delivered to a County Office employee. |
| 4 B | Enter the postmark date if CCC-825 was received by mail. |
| 4 C | Enter the amount of interest earned.<br><br>**Note:** Calculate earned interest according to paragraph 262.--* |
| 4 D | Enter the number of bales rejected.<br><br>**Note:** If any loan has a bale that must be rejected, all bales applicable to that loan or LDP shall be considered rejected. Identify the rejected loans or LDP's by entering "R" next to rejected bales. |
| 4 E | Enter the total number of bales accepted. |
| 4 F | Enter the date the loan proceeds or LDP amounts were disbursed to the person or entity indicated on CCC-825. |

Continued on the next page

## *--261 CCC-825 County Office Entries (Continued)

**D**
**Example of CCC-825**

Following is an example of CCC-825 that was completed by the County Office.--*

**CCC-825**
(07-21-93)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

**TRANSMITTAL SCHEDULE OF COTTON LOAN OR LOAN DEFICIENCY PAYMENT DOCUMENTS**

1. TO: *(Name and address of County FSA Office)*

Some County FSA Office
Rt 1, Box 130
Some City, SS 12345

2. TRANSMITTAL NO. *(Number serially for each county office.)*
1

INSTRUCTIONS: Mail or deliver the original and the first two carbon copies of this form and the Form CCC-Cotton A or CCC-Cotton AA with related documents to the County Office which keeps the farm records for the farms on which the cotton was produced.

3. The following Forms CCC-Cotton A or CCC-Cotton AA with related documents are transmitted pursuant to the cotton loan program regulations as amended:

| A TYPE | B PRODUCER | C NO. BALES | D AMOUNT INVESTED | A TYPE | B PRODUCER | C NO. BALES | D AMOUNT INVESTED |
|---|---|---|---|---|---|---|---|
| UP | James Jones | 16 | 4115.90 | | | | |
| ELS | James Jones | 10 | 4202.00 | | | | |
| LDP | James Jones | 25 | 1234.75 | | | | |
| UP | William Smith | 100R | 49,617.50 | | | | |
| | | | | E. TOTAL → | | 151 | 59,179.15 |

**4. FOR COUNTY FSA OFFICE USE ONLY**

| RECEIPT OF DOCUMENTS | | | |
|---|---|---|---|
| A. DATE RECEIVED 11-09-9X | B. POSTMARK DATE | D. Less rejections (Indicate by "R") → | 100 / 49,617.50 |
| C. Interest earned → $ 1.31 | | E. Total accepted → | 51 / 9,561.65 |
| | | F. Date of Disbursement → | 11-10-9X |

**5. To be completed by cotton clerk or their employer which made ADVANCES to the producers:**

*I certify with respect to the documents covered by this schedule that I have made advances to the producers (including payments to prior lienholders and other creditors) for the full loan value of the cotton as shown on the Form CCC-Cotton A or for the full loan deficiency payment amount shown on the form CCC-Cotton AA except for authorized cotton clerk fees, research and promotion fees, CCC loan service charges, and other approved fees.*

A. NAME AND MAILING ADDRESS OF COTTON CLERK OR THEIR EMPLOYER

JBC Cotton Inc.
P.O. Box 3
Cotton City, SS 71234

B. SIGNATURE
☞ ***/s/ John B. Cotton***

C. TITLE
President

D. DATE
11-04-9X

**6. To be completed by the entity or financial institution if this schedule covers documents for which the entity or financial institution ALLOWED CREDIT to the cotton clerk or their employer identified in item 5:**

*We certify that we have allowed credit to the account of the person or firm identified above for the total amount of this schedule subject to adjustment for the amount invested in any documents not acceptable for disbursement.*

A. NAME AND MAILING ADDRESS OF THE ENTITY OR FINANCIAL

1st National Bank
P.O. Drawer 233
Cotton City, SS 71234

B. SIGNATURE
☞ ***/s/ Harland B. Smith***

C. TITLE
Vice President

D. DATE
11-04-9X

Continued on the next page

## *--261 CCC-825 County Office Entries (Continued)

**E--* Distributing CCC-825**

County Offices shall:

- retain the original CCC-825 and 1 copy in a suspense file

  **Note:** When earned interest is paid, send the copy with CCC-184 to the person or entity identified on CCC-825.

- send 1 copy with the loan proceeds or LDP to the applicable person or entity.

## *--262 Earned Interest

### A Basic Information

Cotton clerks, who advance loan or LDP amounts, are entitled to earn interest on the funds invested at the rate that is equal to the rate of interest charged by the U.S. Treasury for funds borrowed by CCC on the date that the loan was disbursed or LDP was made.

**Note:** The U.S. Treasury rate does not include the additional 1 percent that is currently charged for loan repayments.

The earned interest period:

- begins on and includes either of the following dates:
  - date documents were hand delivered to a County Office employee
  - postmark date of the documents received by mail

  **Notes:** Do not recognize a patron postage meter stamp date as a postmark.

  If loan or LDP documents are returned for cause, the date shall be the date corrected documents are received.

- runs to, but does not include, the date loan proceeds or LDP amounts are disbursed by the County Office to the applicable person, entity, or financial institution.

**Note:** This amount shall be entered on CCC-825 according to paragraph 261.

---

### B Payment of Earned Interest by County Office

At the end of each month, the County Office shall issue CCC-184 according to 1-FI to each cotton clerk who earned interest during the month.**--***

**Note:** Amounts of $9.99 or less may accumulate for 2 or more months until the total amount due the payee is more than $9.99.

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## Reports, Forms, Abbreviations, and Redelegations of Authority

**Reports** None

**Forms** This table lists all forms referenced in this handbook.

| Number | Title | Display Reference | Reference |
|---|---|---|---|
| CCC-36 | Assignment of Payment | | 2, 7, 202 |
| CCC-64 | Surety Bond (Minor) | | 16 |
| CCC-184 | CCC Check | | 152, 153, 231, 262 |
| CCC-502C | Farm Operating Plan for Payment Eligibility Review for Corporations, Limited Partnerships or Other Similar Entities | | 23 |
| CCC-601 | Commodity Credit Corporation Note and Security Agreement Terms and Conditions | Ex. 21 | 125, 126 |
| CCC-605 | Designation of Agent - Cotton | 30 | |
| CCC-674 | Certification for Contracts, Grants, Loans, and Cooperative Agreements | Ex. 18 | 111, 124, 151, 205, 231 |
| CCC-679 | Lien Waiver | 66 | 81, 151 |

Continued on the next page

**Forms**
**(Continued)**

| Number | Title | Display Reference | Reference |
|---|---|---|---|
| CCC-810 | Cotton Clerk's Application/Agreement | 5, 6 | Text |
| CCC-814 | Register of Cotton Clerk Fees Withheld | Ex. 16 | 90, 104 |
| CCC-825 | Transmittal Schedule of Cotton Loan or Loan Deficiency Payment Documents | 260, 261 | Text |
| CCC-Cotton A | Cotton Producer's Note and Security Agreement | 125 | Text, Ex. 2, 21 |
| CCC-Cotton A Continuation | CCC-Cotton A Continuation Sheet | 126 | 124 |
| CCC Cotton A-1 | Schedule of Pledged Cotton | | 151 |
| CCC Cotton A-5 | Statement of Eligibility and Information Worksheet | 123 | Text |
| CCC-Cotton AA | Upland Cotton Producer's Loan Deficiency Payment Application and Certification | 203 | Text, Ex. 21 |
| CCC-Cotton AA-1 | Schedule of LDP for Upland Cotton | 204 | Text |
| FSA-211 | Power of Attorney | 30 | Text |
| FSA-578 | Report of Acreage | | 46 |
| SF-LLL | Disclosure of Lobbying Activities | Ex. 19 | 111, 124, 151, 205, 231 |
| SF-LLL-A | Disclosure of Lobbying Activities Continuation Sheet | Ex. 19 | 111 |

Continued on the next page

**Abbreviations** The following abbreviations are listed in this handbook.

| Abbreviation | Term | Reference |
|---|---|---|
| AMS | Agricultural Marketing Service | 49, 82, 83, 150.6, Ex. 2 |
| APSS | Automated Price Support System | 1, 2, 125, 150, 150.5, 150.6, 151, 231, Ex. 2 |
| AWP | adjusted world price | 102, 203 |
| BIA | Bureau of Indian Affairs | 29 |
| CCC | Commodity Credit Corporation | Text, Ex. 2, 23 |
| CED | County Executive Director | 2, 6 |
| CFR | Code of Federal Register | 1, 41 |
| CMC | Community Committee | 3, 17 |
| COC | County Committee | Text, Ex. 16 |
| DAFP | Deputy Administrator for Farm Programs | 2 |
| DD | District Director | 2 |
| ELS | extra loan staple | Text, Ex. 2, 11, 12 |
| EWR | electronic warehouse receipt | Text, Ex. 2 |
| FSA | Farm Service Agency | Text |
| GPR | graduated payment reduction | 2, 7, 122 |
| JCIBPC | Joint Cotton Industry Bale Packaging Committee | 7, 51, 80, Ex. 2 |

Continued on the next page

**Abbreviations (Continued)**

| Abbreviation | Term | Reference |
|---|---|---|
| KCCO | Kansas City Commodity Office | 48, 87 |
| LDP | loan deficiency payment | Text and Exhibits |
| NALR | national average loan rate | 102 |
| NCC | National Cotton Council | Text |
| POA | power of attorney | 30 |
| PSD | Price Support Division | 1, 2 |
| SED | State Executive Director | 9, 17 |
| SLM | strict low middling | Ex. 7 |
| STC | State Committee | Text |

**Redelegations of Authority**

This table lists redelegations of authority in this handbook.

| Redelegation | Reference |
|---|---|
| CED may redelegate, in writing, the authority to approve all forms and documents prepared according to this handbook, except those in which the person approving has a monetary interest.<br><br>**Exceptions:** Only CED shall approve loans for:<br><br>• STC members<br>• SED's<br>• State and County Office employees<br>• COC members. | Text |

**Definitions of Terms Used in This Handbook**

| | |
|---|---|
| **Acceptable Warehouse Receipt** | An acceptable warehouse receipt is a negotiable receipt, meeting eligibility requirements, that is either of the following:<br>• a pre-numbered and pre-punched machine card type warehouse receipt issued by a CCC-approved warehouse<br>•*--an EWR record issued by a CCC-approved warehouse recorded in a central filing system approved by CCC.--* |
| **Approved Cotton Clerk** | An approved cotton clerk is a person outside the County Office who is approved to prepare loan and LDP documents for producers and, if applicable, advance funds. |
| **Approved Gin Location** | An approved gin location is a location that is approved by CCC. |
| ***--Approved Providers** | Approved providers enter into a user agreement with CCC that ensures that:<br>• EWR's maintained in a central filing system meet loan program requirements<br>• all EWR data is in a format that can be downloaded into APSS through PC's.--* |
| **Approved Warehouse** | A public warehouse for which a CCC storage agreement is in effect is an approved warehouse. |
| **Bagging and Ties** | Bagging and ties are wrapping materials used to secure a bale of cotton. |

Continued on the next page

**Definitions of Terms Used in This Handbook (Continued)**

| | |
|---|---|
| **CCC-Cotton A Loan** | A CCC-Cotton A loan is a cotton loan made to an individual by a County Office. |
| ***--Central Filing System** | A central filing system is an electronic computer system operated and maintained by an approved provider where information relating to EWR's is recorded.**--*** |
| **Class Card** | A class card is a classification memorandum issued by AMS showing the class, grade and staple length, micronaire, and strength reading of a bale of cotton. |
| **Color Groups** | Cotton may be 1 of the following color groups:<br>• White<br>• Light Spotted<br>• Spotted<br>• Tinged<br>• Yellow Stained. |
| ***--Compression Status** | Compression status refers to the density of the bale of cotton. In APSS, the compression status of a bale is expressed as an alpha code called the "compression code".**--*** |
| **Cotton Board** | The Cotton Board is a board that was authorized under the Cotton Research and Promotion Act (80 Stat. 297) to collect the research and promotion fee assessed on upland cotton. |

Continued on the next page

**Definitions of Terms Used in This Handbook (Continued)**

**Debar**

Debar is the prohibition of doing business with CCC.

**Eligible Cotton**

Eligible cotton is upland and ELS cotton that:

- was produced by an eligible producer in the United States in the current crop year
- meets eligibility requirements.

**Eligible Producer**

An eligible producer is any of the following that produces eligible upland or ELS cotton in the capacity of landowner, landlord, tenant, or sharecropper, and meets other requirements:

- individual
- partnership
- corporation
- association
- trust
- estate
- a State or political subdivision of a State
- other legal entity
- an agency of a State or political subdivision.

**Entity**

An entity, for payment limitation purposes, is a corporation, joint stock company, association, limited partnership, irrevocable trust, revocable trust, estate, charitable organization, or other similar organization including any organization participating in the farming operation as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization.

**Note:** A joint operation is not an entity for payment limitation purposes.

Continued on the next page

***--Electronic Warehouse Receipt (EWR)**

EWR is:

- an electronic file in a central filing system that has been identified to an EWR holder and contains warehouse receipt information relative to a bale of cotton
- issued only by licensed cotton warehouse operators
- issued by transmitting all necessary information to an approved provider who maintains EWR's in a central filing system.

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**EWR Holder**

An EWR holder is an individual or entity in possession, in fact or by operation of law, of a receipt and by extension, of the cotton, represented thereby.**--***

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**Extra Long Staple (ELS) Cotton**

Extra long staple cotton or American Pima is 1 of the botanical groups (Gossypium barbadense) of cotton grown in the United States. Staple length is usually longer than upland cotton, 1 3/8 inches or longer.

---

**False Packed Cotton**

False packed cotton is cotton in a bale:

- containing substances entirely foreign to cotton
- containing damaged cotton in the interior with or without any indication of the damage on the exterior
- composed of good cotton on the exterior and decidedly inferior cotton in the interior, but not detectable by customary examination
- containing pickings or linters worked into the bale.

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**Gin Cut Cotton**

Gin cut cotton is cotton that shows damage in ginning through cutting by the saws to an extent that reduces its value more than 2 grades.

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**Joint Cotton Industry Bale Packing Committee (JCIBPC)**

Joint Cotton Industry Bale Packing Committee is the committee selected by the industry that approves and publishes the bale packaging specifications that are acceptable to industry for each crop cotton. To be eligible for loan, CCC requires cotton to be wrapped in materials that meet the specifications approved and published by JCIBPC.

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Continued on the next page

**Definitions of Terms Used in This Handbook (Continued)**

| | |
|---|---|
| **Lint Cotton** | Lint cotton is cotton than has been ginned. |
| **Lint Turnout Factor** | Lint turnout factor is the percentage of lint cotton in a lot of seed cotton. |
| **Loan Commodity** | The term loan commodity means each contract commodity, extra long staple cotton, and oilseeds. |
| **Mixed-Packed Cotton** | ***--**Mixed-packed cotton is cotton in a bale that is assigned a special condition code by AMS indicating a mixture of upland and pima growth types.**--*** |
| **Preparation Codes** | Preparation codes indicate:<br>• who prepared the documents required for the loan<br>• the method by which the documents were prepared. |
| **Reginned Cotton** | Reginned cotton is cotton that, after baling, has been opened for cleaning or any other processing through machinery and then rebaled. |
| **Repacked Cotton** | Repacked cotton is cotton that is composed of factor's, brokers' or other samples, or of loose miscellaneous lots that have been collected and rebaled, or a bale composed of cotton from 2 or more smaller bales or parts of bales that are combined after the cotton leaves the gin. If it was combined at the gin, it is not repacked and may be eligible for a loan or a joint loan if owned by more than 1 eligible producer. |

Continued on the next page

**Definitions of Terms Used in This Handbook (Continued)**

***--Tare Weight**

Tare weight means the weight of the cotton bale packaging materials, which when deducted from the gross bale weight, yields the net bale weight.**--***

**Upland Cotton**

Upland cotton is 1 of 2 botanical groups (Gossypium hirsutum) of cotton grown in the United States. It varies in staple length from about 7/8 inch to 1¼ inches.

**Water Packed Cotton**

Water packed cotton is either of the following:

- a bale of cotton that has been penetrated by water during the baling process, causing damage to the fiber
- a bale of cotton that by exposure to the weather or by other means, while apparently dry on the exterior, has been damaged by the water in the interior.

**Schedule of Premiums and Discounts for Grade, Staple Length, and Leaf for Upland Cotton**

## A Policy

The discount for all grades, length, and leaf content **not** shown in this exhibit is .4000 (40 cents/lb.). Additional discounts may also apply.

The discount for leaf 8 for all color grades is .4000.

***--**For 2009 crop upland cotton, the national average loan rate is $0.52 pound. The minimum**--***
loan rate is zero, and **no** loan rate can be adjusted below zero by any discounts. CCC does **not** provide a loan on a bale unless the computed loan rate is greater than zero.

## B Color Grade Symbols

The following color grade symbols are used in this exhibit to designate the different grades:

- SM - Strict Middling
- MID - Middling
- SLM - Strict Low Middling
- LM - Low Middling
- SGO - Strict Good Ordinary
- GO - Good Ordinary
- BG - Below Grade.

**Schedule of Premiums and Discounts for Grade, Staple Length, and Leaf for Upland Cotton (Continued)**

## C White Cotton

***--**Following are premiums and discounts for 2009 crop upland cotton classed as "White". Coarse count applies to shaded selections.

| | | Staple Length (Inches) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | **13/16 Through 29/32** | **15/16** | **31/32** | **1** | **1-1/32** | **1-1/16** | **1-3/32** | **1-1/8** | **1-5/32 & Longer** |
| **Grade Code** | **Leaf** | **(26-29)** | **(30)** | **(31)** | **(32)** | **(33)** | **(34)** | **(35)** | **(36)** | **(37 & Longer)** |
| SM 11&21 BETTER | 1-2 | -200 | -170 | -160 | -150 | -5 | 200 | 400 | 485 | 495 |
| | 3 | -250 | -185 | -175 | -165 | -10 | 170 | 355 | 425 | 435 |
| | 4 | -305 | -230 | -195 | -185 | -90 | 105 | 245 | 320 | 330 |
| | 5 | -415 | -340 | -325 | -315 | -215 | -50 | 125 | 180 | 195 |
| | 6 | -630 | -530 | -470 | -460 | -390 | -315 | -240 | -220 | -210 |
| | 7 | -705 | -610 | -600 | -590 | -535 | -450 | -390 | -370 | -360 |
| MID 31 | 1-2 | -250 | -185 | -175 | -165 | -15 | 160 | 345 | 420 | 430 |
| | 3 | -300 | -220 | -185 | -175 | -25 | 140 | 330 | 380 | 390 |
| | 4 | -370 | -300 | -225 | -215 | -125 | 65 | 200 | 265 | 275 |
| | 5 | -465 | -390 | -355 | -345 | -235 | -100 | 90 | 135 | 145 |
| | 6 | -675 | -575 | -485 | -475 | -400 | -330 | -270 | -250 | -240 |
| | 7 | -750 | -670 | -620 | -610 | -540 | -460 | -420 | -395 | -385 |
| SLM 41 | 1-3 | -415 | -365 | -285 | -275 | -135 | 45 | 135 | 180 | 180 |
| | 4 | -490 | -415 | -310 | -300 | -200 | **Base** | 90 | 140 | 140 |
| | 5 | -520 | -450 | -425 | -415 | -290 | -210 | -110 | -70 | -65 |
| | 6 | -715 | -620 | -545 | -535 | -470 | -415 | -370 | -355 | -355 |
| | 7 | -790 | -740 | -695 | -685 | -635 | -575 | -550 | -540 | -535 |
| LM 51 | 1-4 | -570 | -520 | -495 | -485 | -315 | -275 | -205 | -185 | -180 |
| | 5 | -595 | -570 | -560 | -550 | -465 | -385 | -320 | -300 | -300 |
| | 6 | -810 | -735 | -680 | -670 | -600 | -555 | -515 | -500 | -500 |
| | 7 | -885 | -835 | -790 | -780 | -750 | -710 | -675 | -665 | -665 |
| SGO 61 | 1-5 | -635 | -625 | -615 | -605 | -540 | -475 | -440 | -440 | -440 |
| | 6 | -835 | -805 | -790 | -780 | -700 | -660 | -640 | -625 | -625 |
| | 7 | -915 | -905 | -895 | -885 | -805 | -745 | -725 | -720 | -720 |
| GO 71 | 1-6 | -990 | -970 | -950 | -940 | -880 | -805 | -785 | -785 | -785 |
| | 7 | -1030 | -1020 | -1010 | -1000 | -940 | -850 | -835 | -835 | -835 |
| BG 81 | 1-8 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |

**--***

**Schedule of Premiums and Discounts for Grade, Staple Length, and Leaf for Upland Cotton (Continued)**

## D Light Spotted Upland Cotton

***--**Following are premiums and discounts for 2009 upland cotton classed as "Light Spotted". Course count applies to shaded selections.

| | | Staple Length (Inches) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | **13/16 Through 29/32** | **15/16** | **31/32** | **1** | **1-1/32** | **1-1/16** | **1-3/32** | **1-1/8** | **1-5/32 & Longer** |
| **Grade Code** | **Leaf** | **(26-29)** | **(30)** | **(31)** | **(32)** | **(33)** | **(34)** | **(35)** | **(36)** | **37 & Longer** |
| SM 12&22 BETTER | 1-2 | -305 | -255 | -225 | -210 | -55 | 80 | 200 | 270 | 285 |
| | 3 | -355 | -300 | -240 | -225 | -70 | 60 | 180 | 240 | 255 |
| | 4 | -400 | -330 | -290 | -280 | -160 | -20 | 105 | 175 | 190 |
| | 5 | -495 | -445 | -430 | -420 | -350 | -205 | -135 | -100 | -90 |
| | 6 | -695 | -620 | -545 | -535 | -485 | -400 | -365 | -360 | -350 |
| | 7 | -775 | -710 | -670 | -660 | -620 | -560 | -530 | -520 | -510 |
| MID 32 | 1-2 | -350 | -300 | -290 | -280 | -135 | -30 | 50 | 105 | 105 |
| | 3 | -400 | -345 | -310 | -300 | -150 | -50 | 25 | 95 | 95 |
| | 4 | -485 | -405 | -380 | -355 | -225 | -150 | -45 | 15 | 15 |
| | 5 | -545 | -515 | -495 | -485 | -405 | -300 | -250 | -220 | -220 |
| | 6 | -730 | -690 | -625 | -600 | -550 | -485 | -450 | -435 | -435 |
| | 7 | -870 | -795 | -740 | -730 | -675 | -635 | -610 | -600 | -600 |
| SLM 42 | 1-3 | -465 | -415 | -390 | -365 | -265 | -185 | -100 | -45 | -45 |
| | 4 | -530 | -470 | -460 | -420 | -285 | -220 | -150 | -100 | -100 |
| | 5 | -595 | -575 | -565 | -540 | -435 | -380 | -315 | -300 | -300 |
| | 6 | -845 | -795 | -725 | -690 | -625 | -530 | -490 | -475 | -475 |
| | 7 | -925 | -875 | -835 | -815 | -750 | -695 | -665 | -660 | -660 |
| LM 52 | 1-4 | -660 | -610 | -560 | -535 | -425 | -405 | -370 | -360 | -360 |
| | 5 | -735 | -685 | -660 | -615 | -545 | -510 | -475 | -475 | -475 |
| | 6 | -960 | -910 | -860 | -795 | -750 | -675 | -650 | -650 | -650 |
| | 7 | -1035 | -985 | -960 | -885 | -855 | -805 | -785 | -780 | -780 |
| SGO 62 | 1-5 | -810 | -790 | -775 | -760 | -710 | -620 | -605 | -605 | -605 |
| | 6 | -985 | -975 | -965 | -955 | -905 | -810 | -795 | -795 | -795 |
| | 7 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |
| BG 82 | 1-8 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |

**--***

**Schedule of Premiums and Discounts for Grade, Staple Length, and Leaf for Upland Cotton (Continued)**

## E Spotted Upland Cotton

***--**Following are premiums and discounts for 2009 upland cotton classed as "Spotted". Course count applies to shaded selections.

| | | Staple Length (Inches) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 13/16 Through 29/32 | 15/16 | 31/32 | 1 | 1-1/16 | 1-1/8 | 1-3/32 | 1-1/8 | 1-5/32 & Longer |
| **Grade Code** | **Leaf** | **(26-29)** | **(30)** | **(31)** | **(32)** | **(33)** | **(34)** | **(35)** | **(36)** | **(37 & Longer** |
| SM 13&23 BETTER | 1-2 | -465 | -365 | -315 | -240 | -185 | -130 | -100 | -90 | -90 |
| | 3 | -465 | -410 | -340 | -265 | -210 | -155 | -125 | -115 | -115 |
| | 4 | -540 | -440 | -415 | -340 | -280 | -205 | -175 | -165 | -165 |
| | 5 | -665 | -585 | -540 | -440 | -415 | -330 | -300 | -290 | -290 |
| | 6 | -765 | -690 | -590 | -540 | -495 | -420 | -380 | -370 | -370 |
| | 7 | -840 | -765 | -675 | -665 | -625 | -565 | -535 | -525 | -515 |
| MID 33 | 1-2 | -560 | -485 | -435 | -315 | -260 | -205 | -195 | -185 | -185 |
| | 3 | -560 | -485 | -435 | -315 | -260 | -205 | -195 | -185 | -185 |
| | 4 | -610 | -560 | -485 | -390 | -330 | -260 | -250 | -240 | -240 |
| | 5 | -710 | -660 | -610 | -510 | -450 | -410 | -380 | -370 | -370 |
| | 6 | -835 | -785 | -685 | -605 | -590 | -500 | -500 | -490 | -490 |
| | 7 | -960 | -860 | -785 | -735 | -680 | -640 | -615 | -605 | -605 |
| SLM 43 | 1-3 | -610 | -580 | -570 | -560 | -445 | -395 | -370 | -350 | -350 |
| | 4 | -660 | -640 | -620 | -610 | -490 | -445 | -395 | -380 | -380 |
| | 5 | -735 | -705 | -695 | -680 | -610 | -600 | -555 | -545 | -545 |
| | 6 | -885 | -835 | -810 | -790 | -740 | -730 | -715 | -710 | -710 |
| | 7 | -985 | -940 | -925 | -915 | -865 | -850 | -835 | -830 | -830 |
| LM 53 | 1-4 | -820 | -755 | -750 | -745 | -660 | -565 | -545 | -540 | -540 |
| | 5 | -895 | -820 | -800 | -795 | -755 | -660 | -635 | -635 | -635 |
| | 6 | -995 | -960 | -955 | -950 | -875 | -785 | -775 | -770 | -770 |
| | 7 | -1070 | -1025 | -1020 | -1015 | -985 | -880 | -870 | -865 | -865 |
| SGO 63 | 1-5 | -1040 | -995 | -980 | -970 | -905 | -810 | -780 | -775 | -775 |
| | 6 | -1120 | -1110 | -1100 | -1090 | -1010 | -915 | -885 | -880 | -880 |
| BG 83 | 1-8 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |

**--***

**Schedule of Premiums and Discounts for Grade, Staple Length, and Leaf for Upland Cotton (Continued)**

## F Tinged Upland Cotton

***--**Following are premiums and discounts for 2009 crop upland cotton classed as "Tinged". Coarse count applies to shaded selections.

| | | | Staple Length (Inches) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 13/16 Through 29/32 | 15/16 | 31/32 | 1-1/16 | 1-1/32 | 1-1/8 | 1-3/32 | 1-1/8 | 1-5/32 & Longer |
| **Grade** | **Code** | **Leaf** | **(26-29)** | **(30)** | **(31)** | **(32)** | **(33)** | **(34)** | **(35)** | **(36)** | **(37) & Longer** |
| SM | 24 | 1-2 | -665 | -565 | -515 | -500 | -425 | -340 | -335 | -320 | -320 |
| | | 3 | -665 | -565 | -515 | -500 | -425 | -340 | -335 | -320 | -320 |
| | | 4 | -790 | -690 | -640 | -570 | -495 | -420 | -420 | -420 | -420 |
| | | 5 | -890 | -790 | -740 | -670 | -620 | -545 | -545 | -545 | -545 |
| | | 6 | -1015 | -940 | -890 | -820 | -770 | -695 | -695 | -695 | -695 |
| MID | 34 | 1-2 | -680 | -580 | -530 | -515 | -440 | -355 | -350 | -335 | -335 |
| | | 3 | -680 | -580 | -530 | -515 | -440 | -355 | -350 | -335 | -335 |
| | | 4 | -805 | -705 | -655 | -585 | -510 | -435 | -435 | -435 | -435 |
| | | 5 | -905 | -805 | -755 | -685 | -635 | -560 | -560 | -560 | -560 |
| | | 6 | -1030 | -955 | -905 | -835 | -785 | -710 | -710 | -710 | -710 |
| SLM | 44 | 1-3 | -800 | -700 | -650 | -580 | -530 | -455 | -455 | -455 | -455 |
| | | 4 | -870 | -775 | -720 | -680 | -580 | -505 | -505 | -505 | -505 |
| | | 5 | -970 | -870 | -825 | -755 | -680 | -605 | -605 | -605 | -605 |
| | | 6 | -1095 | -1020 | -970 | -900 | -850 | -775 | -775 | -775 | -775 |
| LM | 54 | 1-4 | -900 | -800 | -775 | -755 | -670 | -580 | -580 | -580 | -580 |
| | | 5 | -995 | -895 | -850 | -800 | -760 | -670 | -640 | -640 | -640 |
| | | 6 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |
| | | 7-8 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |
| BG | 84 | 1-8 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |

**--***

**Schedule of Premiums and Discounts for Grade, Staple Length, and Leaf for Upland Cotton (Continued)**

## G Yellow Stained Upland Cotton

***--**Following are premiums and discounts for 2009 crop upland cotton classed as "Yellow Stained". Coarse count applies to shaded selections.

| | | Staple Length (Inches) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 13/16 Through 29/32 | 15/16 | 31/32 | 1 | 1-1/32 | 1-1/16 | 1-3/32 | 1-1/8 | 1-5/32 & Longer |
| **Grade Code** | **Leaf** | **(29/32)** | **(30)** | **(31)** | **(32)** | **(33)** | **(34)** | **(35)** | **(36)** | **37 & Longer** |
| SM 25 Yellow Stained | 1-2 | -865 | -765 | -715 | -700 | -625 | -540 | -535 | -520 | -520 |
| | 3 | -865 | -765 | -715 | -700 | -625 | -540 | -535 | -520 | -520 |
| | 4 | -990 | -890 | -840 | -770 | -695 | -620 | -620 | -620 | -620 |
| | 5 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |
| | 6 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |
| | 7-8 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |
| MID 35 Yellow Stained | 1-2 | -880 | -780 | -730 | -715 | -640 | -555 | -550 | -535 | -535 |
| | 3 | -880 | -780 | -730 | -715 | -640 | -555 | -550 | -535 | -535 |
| | 4 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |
| | 5 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |
| | 6 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |
| | 7-8 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |
| BG 85 | 1-8 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 | -4000 |

**--***

**Schedule of Discounts For Extraneous Matter in Upland Cotton**

***--**The following discounts for extraneous matter apply to 2009 crop upland cotton.

**Note:** The discounts for bark vary by State.

| Extraneous Matter Codes and Discounts (Points per Pound) | | |
|---|---|---|
| **Description of Code** | **Extraneous Matter Code** | **Discount (Points per Pound)** |
| No Extraneous Matter | (00) | 0 |
| Preparation | | |
| Level 1 | (01) | -90 |
| Level 2 | (02) | -705 |
| Bark | | |
| Kansas, New Mexico, Oklahoma, Texas | | |
| Level 1 | (11) | -225 |
| Level 2 | (12) | -450 |
| All other States | | |
| Level 1 | (11) | -375 |
| Level 2 | (12) | -725 |
| Grass | | |
| Level 1 | (21) | -375 |
| Level 2 | (22) | -725 |
| Seed Coat Fragments | | |
| Level 1 | (31) | -375 |
| Level 2 | (32) | -725 |
| Oil | | |
| Level 1 | (41) | -375 |
| Level 2 | (42) | -725 |
| Spindle Twist | | |
| Level 1 | (51) | -375 |
| Level 2 | (52) | -725 |
| Other | | |
| Level 1 | (61) | -375 |
| Level 2 | (62) | -725 |

**--***

**Schedule of Premiums and Discounts for Uniformity in Upland Cotton**

***--**The following premiums and discounts for uniformity apply to 2009 crop upland cotton in all **--***
States. Uniformity is expressed as a percent and no other code is used.

| **Uniformity (Percent)** | **Points** |
|---|---|
| 77.4 & Below | ***--** -100**--*** |
| 77.5 – 78.4 | -85 |
| 78.5 – 79.4 | -75 |
| 79.5 – 80.4 | 0 |
| 80.5 – 81.4 | 0 |
| 81.5 – 82.4 (Base Level) | 0 |
| 82.5 – 83.4 | +20 |
| 83.5 – 84.4 | +30 |
| 84.5 – 85.4 | +40 |
| 85.5 & Above | +50 |

**Schedule of Premiums and Discounts for Strength for Upland Cotton**

***--**The following are the premiums and discounts for strength for 2009 crop upland cotton.**--***

| **Strength (Grams per Tex)** | **Discounts and Premiums (Points per Pound)** |
|---|---|
| 18.4 or Less | -500 |
| 18.5 - 19.4 | -275 |
| 19.5 - 20.4 | -275 |
| 20.5 - 21.4 | -275 |
| 21.5 - 22.4 | -225 |
| 22.5 - 23.4 | -180 |
| 23.5 - 24.4 | -155 |
| 24.5 - 25.4 | -135 |
| 25.5 - 26.4 | 0 |
| 26.5 - 27.4 (Base Level) | 0 |
| 27.5 - 28.4 (Base Level) | 0 |
| 28.5 - 29.4 | 0 |
| 29.5 - 30.4 | +25 |
| 30.5 - 32.4 | +45 |
| 32.5 and Higher | +45 |

**Schedule of Premiums and Discounts for Micronaire of Upland Cotton**

The minimum loan rate is zero, and no loan rate can be adjusted below zero by any discounts. CCC does **not** provide a loan on a bale unless its computed loan rate is greater than zero.

***--**The following are the micronaire premiums and discounts for 2009 crop upland cotton.

| Micronaire Reading | Discounts and Premiums (Points per Pound) |
|---|---|
| 2.4 and below | -930 |
| 2.5 through 2.6 | -920 |
| 2.7 through 2.9 | -660 |
| 3.0 through 3.2 | -340 |
| 3.3 through 3.4 | -175 |
| 3.5 through 3.6 | 0 |
| 3.7 through 4.2 | +15 |
| 4.3 through 4.9 | 0 |
| 5.0 through 5.2 | -220 |
| 5.3 and above | -325 |

**--***

**Note:** The premiums apply only to:

- White Grades:
  - 11 through 41, leaf 1 through 6
  - 51, leaf 1 through 5
- Light Spotted Grades:
  - 12 through 32, leaf 1 through 5
  - 42, leaf 1 through 4
  - 52, leaf 1 through 3.

**Schedule of Loan Rates for ELS Cotton (American-Pima) by Color, Leaf, and Staple**

***--**The following schedule of loan rates is applicable for eligible qualities of 2009 crop ELS cotton--* stored in approved warehouses at all locations. ELS cotton with a staple length of less than 44/32 is ineligible for loan. For 2008 crop ELS cotton, the national average loan rate is $0.7977 per pound. ***--**

| Color | Leaf | Staple Length (Inches) | | |
|---|---|---|---|---|
| | | **1-3/8 Inches (44/32)** | **1-7/16 Inches (46/32)** | **1-1/2 Inches (48/32) and Longer** |
| 1 | 1-2 | 80.35 | 83.75 | 83.95 |
| | 3 | 76.90 | 80.30 | 80.50 |
| | 4 | 76.75 | 80.15 | 80.35 |
| | 5 | 76.65 | 80.05 | 80.25 |
| | 6 | 76.55 | 79.95 | 80.15 |
| | 7 | 76.55 | 79.95 | 80.15 |
| 2 | 1-2 | 79.70 | 83.10 | 83.60 |
| | 3 | 76.25 | 79.65 | 80.15 |
| | 4 | 76.10 | 79.50 | 80.00 |
| | 5 | 76.00 | 79.40 | 79.90 |
| | 6 | 75.90 | 79.30 | 79.80 |
| | 7 | 75.90 | 79.30 | 79.80 |
| 3 | 1-2 | 69.10 | 72.50 | 75.85 |
| | 3 | 65.65 | 69.05 | 72.40 |
| | 4 | 65.50 | 68.90 | 72.25 |
| | 5 | 65.40 | 68.80 | 72.15 |
| | 6 | 65.30 | 68.70 | 72.05 |
| | 7 | 65.30 | 68.70 | 72.05 |
| 4 | 1-4 | 49.05 | 52.75 | 52.75 |
| | 5 | 45.35 | 49.05 | 49.05 |
| | 6 | 45.25 | 48.95 | 48.95 |
| | 7 | 45.25 | 48.95 | 48.95 |
| 5 | 1-5 | 42.10 | 42.95 | 42.95 |
| | 6 | 38.30 | 39.15 | 39.15 |
| | 7 | 38.30 | 39.15 | 39.15 |
| 6 | 1-6 | 34.50 | 34.65 | 34.65 |
| | 7 | 30.70 | 30.85 | 30.85 |
| 7 | 1-7 | 30.00 | 30.00 | 30.00 |

**--***

**Notes:** The combined premiums for micronaire (29 points) and strength (66 points), that total 95 points or 95 cents per pound, is reflected in the loan rates for the eligible qualities of ELS. The adjusted NALR reflected in this schedule is 80.72 cents per pound.

All grades of ELS cotton are subject to loan adjustments for micronaire, extraneous, and strength matter as shown in Exhibit 11. For 2009 crop ELS cotton, the loan rate **cannot** be adjusted below zero. CCC does **not** provide a loan on a bale unless it is computed loan rate is greater than zero.

**Schedules of Discounts for ELS Cotton**

## A ELS Micronaire Discounts

***--**The following are the micronaire discounts for 2009 crop ELS cotton.

| Micronaire Reading | Points per Pound |
|---|---|
| 2.6 and below | -1355 |
| 2.7 through 2.9 | -940 |
| 3.0 through 3.2 | -545 |
| 3.3 through 3.4 | -380 |
| 3.5 and above | 0 |

## B ELS Extraneous Matter Discounts

The following are the extraneous matter discounts for 2009 crop ELS cotton.

| Description of Code | Code and Discounts (Points per Pound) | |
|---|---|---|
| | Code | Discount |
| No Extraneous Matter | (00) | 0 |
| Preparation | | |
| Level 1 | (01) | -610 |
| Level 2 | (02) | -895 |
| Grass | | |
| Level 1 | (21) | -515 |
| Level 2 | (22) | -835 |
| Spindle Twist | | |
| Level 1 | (51) | -515 |
| Level 2 | (52) | -835 |
| Bark, Seed-Coat Fragments, Oil, Other | | |
| Level 1 | (11), (31), (41), (61) | -515 |
| Level 2 | (12), (32), (42), (62) | -835 |

## C ELS Strength Discounts

The following are the strength discounts for 2009 crop ELS cotton.

| Strength Reading (Grams per Tex) | Points per Pound |
|---|---|
| 37.5 and above | 0 |
| 36.5 – 37.4 | -550 |
| 35.5 – 36.4 | -800 |
| 35.4 and below | -1050 |

**--***

**CCC-814, Register of Cotton Clerk Fees Withheld**

| | |
|---|---|
| **A**<br>**Preparing CCC-814** | CCC-814 shall be prepared as a payment authorization document for cotton clerk fees withheld from loans and LDP that are payable to cotton clerks. |
| **B**<br>**Use of CCC-814** | County Offices shall prepare CCC-814 for each cotton clerk for each payment period according to the arrangement between the County Office and cotton clerk. The arrangement can be either a weekly or monthly arrangement. |

Continued on the next page

**C**
**Completion Instructions**

Complete CCC-814 according to this table.

| Item | Instructions |
|---|---|
| 1 | Enter name and address of cotton clerk. |
| 2 and 5 | Enter date loan or LDP was made. |
| 3 and 6 | Enter the loan or LDP number.<br><br>**Note:** If a loan, use the suffix "L".<br>If LDP, use the suffix "LDP". |
| 4 and 7 | Enter the cotton clerk fee amount. |
| 8 | Enter the total dollar amount due the cotton clerk for the applicable payment period. |
| 9 | Representative of COC shall sign and date. |
| 10 | Enter check number and date of disbursement. |

Continued on the next page

# CCC-814, Register of Cotton Clerk Fees Withheld, *Continued*

*C*
**Completion Instructions,**
*Continued*

REPRODUCE LOCALLY. *Include form number and date on reproductions.*

CCC-814 (11-12-93)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

1. NAME AND ADDRESS OF COTTON CLERK
Jane Cotton
Rt 1, Box 130
Some City, SS 12345

REGISTER OF COTTON CLERK FEES WITHHELD

| 2. DATE | 3. LOAN / LDP NO. | 4. FEE | 5. DATE | 6. LOAN / LDP NO. | 7. FEE |
|---|---|---|---|---|---|
| 10-15-9X | 145 L | $ 30.40 | | | $ |
| 10-17-9X | 152 LDP | 21.00 | | | |
| 10-17-9X | 153 LDP | 3.50 | | | |
| 10-18-9X | 160 L | 30.40 | | | |
| 10-19-9X | 162 LDP | 26.00 | | | |
| | | | 8. | TOTAL FEES | $ 111.30 |

9. APPROVED FOR COUNTY COMMITTEE BY
/s/ Harvey Jones

DATE

10. CHECK NO.
12345678

DATE
11-1-9X

# CCC-674, Certification for Contracts, Grants, Loans, and Cooperative Agreements

This is an example of CCC-674.

REPRODUCE LOCALLY. *Include form number and date on reproductions.*

Form Approved - OMB No. 0348-0046

CCC-674
(05-17-90)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS,
AND COOPERATIVE AGREEMENTS

NAME AND ADDRESS OF RECIPIENT

| TRANSACTION DOCUMENT *(Loan No., Contract No., CCC-6 No(s)., Check No., etc.)* |
|---|
| PROGRAM YEAR |

*To comply with lobbying disclosure requirements (31 U.S.C. 1352), applicants for and recipients of: 1) A Federal loan exceeding $150,000; or 2) A Federal contract, grant, or cooperative agreement payment exceeding $100,000 must file, with the disbursing office:*

*A. If they have not or will not use monies received for lobbying purposes, CCC-674.*
*B. If they have or will use monies received for lobbying purposes, SF-LLL.*

CERTIFICATION

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

RECIPIENT SIGNATURE

DATE

Public reporting burden for this collection is estimated to average 5 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

*This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or handicap.*

# SF-LLL, Disclosure of Lobbying Activities

This is an example of SF-LLL.

Approved by OMB
0348-0046

DISCLOSURE OF LOBBYING ACTIVITIES
Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

| 1. Type of Federal Action: | 2. Status of Federal Action: | 3. Report Type: |
|---|---|---|
| ☐ a. contract<br>b. grant<br>c. cooperative agreement<br>d. loan<br>e. loan guarantee<br>f. loan insurance | ☐ a. bid/offer/application<br>b. initial award<br>c. post award | ☐ a. initial filing<br>b. material change<br>For Material Change Only:<br>year _____ quarter _____<br>date of last report _____ |

| 4. Name and Address of Reporting Entity: | 5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: |
|---|---|
| ☐ Prime ☐ Subawardee<br>Tier _____, *if known*<br><br>Congressional District, *if known:* | Congressional District, *if known:* |
| **6. Federal Department/Agency:** | **7. Federal Program Name/Description:**<br><br>CFDA Number, *if applicable:* _____ |
| **8. Federal Action Number,** *if known:* | **9. Award Amount,** *if known:*<br>$ |
| **10. a. Name and Address of Lobbying Entity** *(if individual, last name, first name, MI):* | **b. Individuals Performing Services** *(including address if different from No. 10a) (last name, first name, MI):* |

(attach Continuation Sheet(s) SF-LLL-A, if necessary)

| 11. Amount of Payment (*check all that apply*): | 13. Type of Payment (*check all that apply*): |
|---|---|
| $ _____ ☐ actual ☐ planned | ☐ a. retainer<br>☐ b. one-time fee<br>☐ c. commission<br>☐ d. contingent fee<br>☐ e. deferred<br>☐ f. other, specify: _____ |
| **12. Form of Payment** (*check all that apply*): | |
| ☐ a. cash<br>☐ b. in-kind, specify: nature _____<br>value _____ | |

**14. Brief Description of Services Performed or to be Performed and Date(s) of Service, Including officer(s), employee(s), or Member(s) contacted, for Payment Indicated in Item 11:**

(attach Continuation Sheet(s) SF-LLL-A, if necessary)

**15. Continuation Sheet(s) SF-LLL-A attached:** ☐ Yes ☐ No

| 16. | |
|---|---|
| Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure. | Signature: _____<br>Print Name: _____<br>Title: _____<br>Telephone No.: _____ Date: _____ |
| **Federal Use Only:** | Authorized for Local Reproduction<br>Standard Form - LLL |

## SF-LLL, Disclosure of Lobbying Activities, *Continued*

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.

    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

11. Enter the amount of compensation paid or reasonable expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.

12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.

13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.

14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.

15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.

16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

*Continued on the next page*

## SF-LLL-A, Disclosure of Lobbying Activities Continuation Sheet

This is an example of SF-LLL-A.

DISCLOSURE OF LOBBYING ACTIVITIES
CONTINUATION SHEET

Approved by OMB
0348-0046

Reporting Entity: _____ Page _____ of _____

Authorized for Local Reproduction
Standard Form - LLL-A

## CCC-601, Commodity Credit Corporation * * * Note and Security Agreement Terms and Conditions

This is an example of CCC-601.
*--

**CCC-601**
(07-26-96)

**Form Approved OMB No. 0560-0087**

**U.S. DEPARTMENT OF AGRICULTURE**
Commodity Credit Corporation

### COMMODITY CREDIT CORPORATION
### NOTE AND SECURITY AGREEMENT TERMS AND CONDITIONS

**1. GENERAL.**

**(a)** **Definitions**. The following definitions shall apply to this form, CCC-601, and any appendix thereto.

(i) **"Amount Due"** means that amount of the loan due CCC on the maturity date which is (A) the sum of: (1) the total loan amount; (2) any applicable charges; and (3) interest which has accrued on such amounts computed on a daily basis from the date of disbursement to, but not including, the date of repayment (7 CFR Part 1405), or (B) at CCC's discretion, an amount that is less than the sum of the amount of the loan principal plus charges and applicable interest. However, on any loan that has a total aggregate principal amount of $500,000 or more, interest, if applicable, will be charged beginning on the loan disbursement date through the day after the date of the repayment unless repayment is made by a wire transfer in a manner approved by CCC in which event interest will be computed on a daily basis beginning on the date of disbursement up to the second day before the date of repayment.

(ii) **"CCC"** means the Commodity Credit Corporation.

(iii) **"Collateral"** means the commodity described in the Note which has been pledged as security for a CCC loan.

(iv) **"Note"** means any CCC Note and Security Agreement which by reference incorporates this form.

(v) **"Regulations"** means the regulations in Title 7 of the Code of Federal Regulations which are applicable to the crop of the commodity described in the Note.

(vi) **"Schedules of Premiums and Discounts"** means the premiums and discounts established by CCC which are applicable to the grade of the commodity as determined from the grading factors reflected on a: (A) warehouse receipt or (B) Federal Grain Inspection Service official grading certificate. These premiums and discounts shall be used in the settlement of a nonrecourse loan if the producer does not repay the loan as required by the program regulations. Copies of the schedules of premiums and discounts are available in State or county Farm Service Agency offices.

(vii) **"Total Loan Amount"** means the amount so identified in the Note.

(viii) **"Loan Service Fee"** means the service fee deducted at loan disbursement and is calculated as follows: (A) for wheat, feed grains, oilseeds, peanuts, rice, and seed cotton, the smaller of 1/2 of 1 percent (.005) times the gross loan amount or $45 per loan plus $3 for each storage structure, warehouse receipt, rick or module, as applicable, over 1; (B) for ginned cotton, the smaller of 1/2 of 1 percent (.005) times the gross loan amount or $7.50 per loan plus 90 cents for each bale; (C) for sugar, $60 per loan; and (D) for distress loans, $45 per loan.

(ix) All other words and phrases shall have the meanings assigned to them in the regulations found at 7 CFR Parts 718, 1400, 1403, 1421, 1425, 1427, and 1435.

**(b)** **Joint and Several Liability.** Each producer signing the Note is jointly and severally liable for payment of the amount due.

**(c)** **Notification.** Several of the terms and conditions of the Note require the producer to notify CCC of actions to be taken by the producer. Any such notification must be made by notifying a representative of CCC at the Farm Service Agency county office that prepared the Note. All notices which CCC must provide to the producer will be mailed to the producer at the address maintained by that office. The producer will be deemed to have received such notice upon deposit, as first class or priority mail, in the U.S. Mail.

--*

Continued on the next page

## CCC-601, Commodity Credit Corporation * * * Note and Security Agreement Terms and Conditions (Continued)

*--

CCC-601, (07-26-96) Page 2

(d) **Applicable Sections.** Except as may otherwise be stated herein: (i) Sections 1 through 3, 5 through 8 and 12 are applicable to all loans; (ii) Section 4 is applicable to only nonrecourse loans; (iii) Section 9 is applicable to only farm-stored nonrecourse loans; (iv) Section 10 is applicable to only warehouse-stored nonrecourse loans; (v) Section 11 is applicable to only recourse loans.

(e) **Applicable Regulations.** The Note evidences a CCC loan made in accordance with Title 7 of the Code of Federal Regulations. Applicable parts of Title 7 of the Code of Federal Regulations are incorporated by reference as a part of the Note.

2. **EQUAL OPPORTUNITY.** Participation in CCC Programs is open to all eligible applicants without regard to race, color, religion, national origin, age, sex, marital status, or disability.

3. **LOAN MATURITY.** The Note will mature at the earlier of the maturity date stated in the Note or any earlier date determined by CCC. If CCC makes demand for payment before the stated maturity date, the producer will be notified in writing of the accelerated maturity date.

4. **LIQUIDATION OF NONRECOURSE LOANS.** On or before the loan maturity date, the producer may repay the loan by paying the amount due. If the producer repays the loan at a rate less than the sum of the loan principal plus charges and interest, the producer must provide to CCC evidence of production of the commodity which had been pledged as collateral for the loan. In lieu of repayment of the amount due, the producer may, in accordance with Sections 9 and 10, deliver the collateral to CCC. In the case of farm-stored loans, the producer shall bear all expenses of the delivery of the collateral to the delivery point stated in the delivery instructions issued by CCC. The producer will pay to CCC any costs incurred by CCC if the producer fails to deliver the collateral in accordance with such instructions. In no event will CCC pay to any party any amount which is received from the sale of the collateral if the sales proceeds are in excess of the amount required to settle the loan based on the quantity and quality of the commodity delivered to CCC as determined in accordance with the schedule of premiums and discounts. CCC will reimburse the producer for receiving charges paid by the producer to the warehouse upon delivery of the loan collateral except: (i) such payment by CCC will not exceed the receiving charge which CCC has agreed to pay to the warehouse; and (ii) no payment shall be paid by CCC if the warehouse has paid a premium to the producer for delivery of the loan collateral to the warehouse. If the producer has not paid such charges to the warehouse, the producer agrees to assign such payment to the warehouse and CCC shall issue such payment to the warehouse for the producer's account.

5. **WAIVER OF PRESENTMENT.** The producer waives presentment for payment, demand, protest, notice of protest, and notice of non-payment of the Note.

6. **COLLATERAL.** The kind, class, type, and quantity of the commodity which has been pledged by the producer as collateral for the satisfaction of the loan is described in the Note. With respect to farm-stored loans, the collateral consists of the entire quantity of the commodity which is stored as identified in the Note and any authorized replacement of such quantity. With respect to warehouse-stored loans, the collateral consists of the commodity represented by the warehouse receipts identified in the Note and any required supporting documents.

7. **PRODUCER'S RESPONSIBILITY.**

(a) **General.** The producer must be in compliance with all applicable program requirements and must have beneficial interest in the commodity pledged as collateral for the loan.

(b) **Liens.** The producer must pledge commodities which are eligible for loan and which are free and clear of all liens, security interests, and other encumbrances. No additional liens or encumbrances shall be placed on the loan collateral after the loan is approved.

(c) **Movement of Collateral.** The producer will not move any collateral from the location stated in the Note without prior written approval of CCC and then only in accordance with instructions issued by CCC. If such movement is not completed as instructed by CCC and the producer's movement of loan collateral prevents CCC from obtaining a first lien on such collateral or the collateral is disposed of, CCC may at its discretion call the loan, assess liquidated damages as specified in Section 7(f), and take other administrative actions, as determined appropriate by CCC, including denial of future farm-stored loans.

(d) **Access to Collateral.** The producer will allow CCC to enter the premises and inspect the collateral. In the case of high moisture collateral stored in oxygen-limiting structures, the producer must open the facility when requested by CCC to permit inspection of the collateral. If safe access to the collateral is not provided or if the inspection cap on the facility is not opened to permit visual inspection of the collateral, the loan will be called.

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## CCC-601, Commodity Credit Corporation * * * Note and Security Agreement Terms and Conditions (Continued)

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(e) **Certification.** When the producer certifies to the quantity of the commodity to be pledged as collateral for a loan, the producer must provide an accurate certification of such eligible quantities. If CCC determines that the producer has filed an incorrect certification of such eligible quantity, CCC may at its discretion call the loan, assess liquidated damages, as specified in Section 7(f), and take other administrative actions, as determined by CCC, including denial of future farm-stored loans.

(f) **Liquidated Damages.** If CCC determines that the producer has violated provisions of Sections 7(c), 7(e), or 8(a), liquidated damages may be assessed on the quantity of the commodity which is involved in the violation. For each violation, CCC will review the actions of the producer to determine if the producer acted in good faith to comply with such provisions. If CCC determines that the producer:

(i) Acted in good faith, liquidated damages may be assessed by multiplying the quantity involved in the violation by, (A) 10 percent of the loan rate for the first offense or (B) 25 percent of the loan rate for the second offense. The producer shall pay such liquidated damages plus the principal amount of the loan and charges plus interest with respect to the quantity involved in the violation, within 30 days of notification by CCC, or CCC will call the loan involved in the violation.

(ii) Did not act in good faith with regard to the violation, or for cases other than the first or second offense, CCC will call the loan involved in the violation and may assess liquidated damages computed by multiplying the quantity involved in the violation by 25 percent of the loan rate. The producer shall pay such liquidated damages plus the principal amount of the loan and charges plus interest.

**8. LIABILITY OF PRODUCER.**

(a) **Fraud or Conversion**. If the producer has made a fraudulent representation in obtaining the loan or has engaged in or aided in the conversion of the collateral, the producer will be liable for the amount of the loan, for any additional amounts paid to the producer, and for all costs which CCC would not have incurred had it not been for the fraudulent representation or conversion, plus interest on such amounts. In addition, CCC may assess liquidated damages, as specified in Section 7(f), and take other administrative actions, as determined by CCC, including denial of future farm-stored loans.

(b) **Poisonous Substances and Contamination**. The producer will be liable for any damage resulting from tendering to CCC any commodity, whether or not accepted by CCC, containing mercurial compounds, toxin producing molds or other substances poisonous to humans or animals.

(c) **Overdisbursement or Undercollection**. If the amount disbursed under the Note exceeds the amount authorized by the applicable regulations or a repayment made by the producer is insufficient to repay the amount due, the producer will be liable for repayment of such amounts and charges, if any, plus interest.

(d) **Claims.** If the producer fails to settle the loan within 30 calendar days from the maturity date of the loan, or such other date as CCC may agree to, a claim for the amount due will be established in accordance with 7 CFR Part 1403.

(e) **Ineligible Commodities.** If at any time CCC determines that the commodity pledged as collateral is ineligible to be pledged as collateral for the loan, the producer shall be liable for the amount of the loan or if the producer repaid the loan at a rate less than the sum of the loan principal plus charges and interest for the ineligible quantity, the producer must repay to CCC the difference between such sum and the repayment amount, plus interest on such amounts. If the producer has received credit from CCC for storage, such amount must also be repaid. Ineligible commodities may not be delivered to CCC in satisfaction of the amount due, except as may be determined by CCC. If CCC allows the producer to deliver the commodity to CCC in satisfaction of the amount due, the value of the commodity shall be determined as specified in Section 11 (f).

**9. FARM-STORED NONRECOURSE LOANS.**

(a) **General.** This section is applicable to a loan which is made with respect to collateral which is stored in CCC-approved storage under the control of the producer and not in a public warehouse.

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## CCC-601, Commodity Credit Corporation * * * Note and Security Agreement Terms and Conditions (Continued)

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(b) **Settlement.** (i) If the producer elects to deliver the collateral to CCC in satisfaction of the amount due in accordance with Section 4, CCC will not accept delivery of any quantity of commodity in excess of 110 percent of the eligible outstanding loan quantity, at time of settlement, as determined by CCC. If a quantity in excess of the eligible quantity is included on the warehouse receipt tendered to CCC for such delivery, the producer shall provide for the correction of such warehouse receipt and other applicable documents. If the producer does not take action to correct such warehouse receipt, CCC shall provide for such corrected documents and any charges incurred by CCC shall be for the account of the producer. The collateral shall be delivered in bulk form except as determined by CCC. If the loan collateral is delivered to CCC in satisfaction of the amount due, in accordance with Section 4, the value of the collateral for purposes of settlement will be determined using the applicable schedules of premiums and discounts on the basis of the quality of the collateral for the quantity which is delivered to CCC. (ii) Settlement of corn which is collateral will be made on a shelled corn basis. (iii) The producer is responsible for any loss in quantity or quality of the collateral. If the value of the collateral at settlement is less than the amount due, the producer will pay to CCC the amount of such deficiency and charges, plus interest on such deficiency from the date of disbursement. (iv) If the value of the collateral at settlement is greater than the amount due, such excess will be retained by CCC and CCC will have no obligation to pay such amount to any party. (v) If at any time prior to the maturity date of the loan the collateral can no longer be properly stored due to deterioration or for any other reason, the producer may authorize CCC to sell such collateral on behalf of the producer. (vi) Title to the collateral will vest in CCC only after delivery of the collateral to CCC in accordance with Section 4.

**10. WAREHOUSE-STORED NONRECOURSE LOANS.**

(a) **General.** This section is applicable to a loan which has been made with respect to eligible commodities pledged as loan collateral which is stored in a warehouse approved by CCC under a Uniform Grain and Rice Storage Agreement.

(b) **Rights of CCC.** At any time prior to the date CCC takes title to the collateral or the date the producer redeems such collateral, in order to protect its interest, CCC may move the collateral from one storage location to another storage location or otherwise handle the collateral including the compression of cotton. Any charges incurred by CCC as the result of such action will be paid by the party redeeming such collateral.

(c) **Settlement.** (i) If the producer elects to forfeit the collateral in satisfaction of the amount due in accordance with Section 4, the value of the collateral for purposes of settlement will be determined using the applicable schedules of premiums and discounts on the basis of the weight, grade, and other quality factors stated on the warehouse receipt or supporting documents. (ii) The producer is responsible for any loss with respect to the quantity or quality of the collateral to the extent that such loss is caused by action or inaction of the producer. If the producer is responsible and, the value of the collateral at settlement is less than the amount due, the producer will pay to CCC the sum of the amount of such deficiency plus charges, and interest which has accrued on such deficiency from the date of disbursement. (iii) If the value of the collateral at settlement is greater than the amount due, the amount of such excess will be retained by CCC and CCC will have no obligation to pay such amount to any party. (iv) Title to the collateral will vest in CCC on the day following the loan maturity date.

(d) **Cotton Loan Settlement.** If the producer elects to forfeit either upland cotton or ELS cotton loan collateral to CCC in satisfaction of the amount due in accordance with Section 10(a), the producer shall pay to CCC, at rates that are specified in the storage agreement between the warehouse where the cotton is stored and CCC, (A) all warehouse storage charges associated with the forfeited cotton that accrued before the cotton was pledged as collateral for the loan, and (B) any accrued warehouse receiving charges associated with the forfeited cotton, including, if applicable, charges for new bale ties.

**11. RECOURSE LOANS.**

(a) **General.** CCC may make recourse loans available to eligible producers of high moisture corn, high moisture grain sorghum, seed cotton, sugar, and other commodities, as determined by CCC. If such loans are available, the producer is liable for the entire amount due and may not deliver the collateral to CCC in satisfaction of the amount due, except as may be determined by CCC.

(b) **Availability of Nonrecourse Loans.** In limited circumstances, CCC may allow the producer to pledge as collateral for a nonrecourse loan the commodity which has been previously pledged as collateral for a recourse loan. The maturity date for such loans shall be as determined by CCC. If this option is made available by CCC, the producer must immediately repay the entire amount due under the recourse loan.

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## CCC-601, Commodity Credit Corporation * * * Note and Security Agreement Terms and Conditions (Continued)

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(c) **High Moisture.** Producers of corn and grain sorghum who normally harvest all or a portion of their crop in a high moisture condition may obtain recourse loans from CCC. High moisture means moisture content in excess of: (i) for corn, 15.5 percent; and (ii) for grain sorghum, 14.0 percent. Producers of such high moisture commodities who deliver such commodities to a feedlot, feed mill, or commercial or on farm high moisture storage that does not meet CCC's requirements for approved storage may acquire, in the same county, a like quantity of such commodity to replace the applicable quantity of high moisture feed grains to obtain a loan. Such producers must: (i) complete the applicable CCC forms and (ii) provide to CCC: (A) certified scale tickets which adequately describe the commodity, the weight of the commodity and the moisture content of the commodity; or (B) if such scale tickets are not available, measurements of the high moisture feed grain made while the commodity was in the field or in storage. Such loans will be made on a quantity of feed grains of the same crop acquired by the producer equivalent to a quantity not to exceed the quantity determined by multiplying: (i) the acreage of the feed grain in a high moisture condition harvested on the producer's farm; by (ii) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which such high moisture feed grains were obtained.

(d) **Seed Cotton.** The producer may, prior to the maturity date, with the written approval of CCC move seed cotton from the location where stored to a gin in order to gin such cotton and sell the cottonseed obtained therefrom. (i) If prior to the maturity date the amount due has not been paid, the producer will pay to CCC an amount equal to the proceeds obtained from the sale of the cottonseed and the lint cotton or, if a loan or loan deficiency payment is made by CCC with respect to the lint cotton, CCC will deduct the amount due from any such proceeds which are disbursed. (ii) If prior to the maturity date the amount due has not been paid or the collateral has not been ginned, the producer must, as instructed by CCC, move the collateral to a gin at the producer's expense. If the producer fails to move the collateral as instructed by CCC, CCC may enter the premises and remove, gin, and sell the collateral. Any proceeds from the sale of the collateral will be retained by CCC and applied to the amount due. (iii) If the amount due has not been paid and warehouse receipts have been issued with respect to lint cotton obtained from the collateral, the producer will deliver the receipts to CCC or allow CCC to obtain from any person such receipts. CCC may sell such cotton and retain any proceeds which are obtained, if the amount due has not been paid by the maturity date.

(e) **Discretionary Loans.** Commodities which are pledged as collateral for a non-recourse loan as provided in Sections 9 and 10 but which are determined to be ineligible to be pledged as collateral for such a loan due to the quality of the commodity or other factors affecting value of the commodity; or the storage of the commodity is unapproved storage, may, at CCC's sole discretion, be pledged as collateral for a recourse loan.

(f) **Settlement.** (i) If CCC allows the producer to deliver to CCC in satisfaction of the amount due the quantity of the collateral which is described in the Note, the value of the collateral for purposes of settlement will be equal to the proceeds received from the sale of the commodity. Title to the collateral will vest in CCC only after delivery of the collateral to CCC in accordance with Section 4. (ii) The producer is responsible for any loss with respect to the quantity and quality of the collateral. If the value of the collateral at settlement is less than the amount due, the producer will pay to CCC the amount of such deficiency plus charges, and applicable interest with respect to such deficiency from the date of disbursement up to, but not including, the date of repayment. (iii) If the proceeds received from the sale of the commodity are greater than the sum of the amount due plus any costs incurred by CCC in conducting the sale of the commodity, the amount of such excess will be paid to the producer or, if applicable, to any secured creditor of the producer.

**12. ADMINISTRATIVE AND JUDICIAL REVIEW.**

The producer may obtain an administrative hearing in accordance with 7 CFR Part 780 with respect to a dispute arising between CCC and the producer concerning the Note, and must exhaust such administrative remedy prior to initiating a judicial action in a court of competent jurisdiction.

**Note:** *The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the information to be supplied on this form is the Federal Agriculture Improvement and Reform Act of 1996, and the Commodity Credit Corporation Charter Act, as amended. The information on the attached Note and Security Agreement will be used to determine eligibility and the amount of program benefits. The information may be furnished to other USDA agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to orders of a court magistrate or administrative tribunal. Furnishing the requested information is voluntary; however, failure to furnish the correct complete information will result in a determination of ineligibility for program benefits. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to information provided by the producer on this form. Public reporting burden for this collection of information is estimated to average 21 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Department of Agriculture, Clearance Officer, OIRM, STOP 7630, Washington, D.C. 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0560-0087), Washington, D.C. 20503.* **RETURN COMPLETED FORMS TO YOUR FSA COUNTY OFFICE.**

This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability.

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