FSA
HANDBOOK

Cotton Loans and Loan Deficiency Payments

To access the transmittal page click on the short reference.

For All KC Offices and Cotton
State and County Offices

SHORT REFERENCE

7-CN
(Revision 15)

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

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

Cotton Loans and Loan Deficiency Payments 7-CN (Revision 15)	Amendment 43

Approved by: Acting Deputy Administrator, Farm Programs

Amendment Transmittal

A Reason for Amendment

Subparagraph 3 A has been amended to remove reference to 1-PL, and subparagraphs 100 L and 181 B have been amended to replace 1-PL references with 4-PL, because the procedure has been moved to 4-PL.

Paragraph 43 has been amended:

- to clarify that commodity certificate exchanges are available for any 2009-crop loan bale, but are **not** available for any 2010 and subsequent crop loan bale
- because payment limitations no longer apply to MAL gains.

Subparagraphs 43 C, 100 A, and 181 B have been amended to replace references to CCC-526 with CCC-926.

Paragraph 44 has been amended to note that payment limitation for loan gains and LDP's is terminated after the 2008 crop.

Paragraph 54 has been amended substantially because using CCC-770 CottonMAL's and CCC-770 LDP/eLPD's is no longer mandatory.

Subparagraph 58 A has been removed to eliminate inconsistencies with CCC-770 CottonMAL and CCC-770 LDP/eLPD procedure.

Subparagraph 100 A has been amended to remove reference to person determination, actively engaged, and permitted entity share for consistency with current policy.

Subparagraph 100 B has been amended to provide explicit policy about BI and the holdership of cotton EWR's when a producer loses BI before receiving MAL or LDP.

Subparagraph 109 has been withdrawn because it no longer applies.

A Reason for Amendment (Continued)

Subparagraph 118 B has been amended to clarify that producers **must** have maintained continual BI in cotton for the cotton to be eligible at the time of loan or LDP request.

Subparagraph 124 L has been amended to provide that producers may pay lien search and UCC filing fees, but lien search and UCC filing fee payments made by producer are nonrefundable.

Subparagraphs 181 B and 223 C have been amended to remove references to CCC-502 that does not apply to cotton for 2009 and subsequent years.

Subparagraph 197 A has been amended to clarify that any loan repayment after the maturity date must be at principal plus interest and is ineligible for certificate exchange.

Subparagraph 344 A has been amended to restore Release Code 6 that is used to reset bales for which CCC is **not** the current holder. Release Code 6 allows COPS to receive a holdership file from the EWR Provider on the re-set bales.

Page Control Chart		
TC	**Text**	**Exhibit**
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Part 1 General Information and Administrative Provisions

Section 1 General Information

1 Purpose and Authorities

A Handbook Purpose

This handbook provides instructions for administering the:

- Cotton Loan Program, which includes upland cotton and ELS cotton
- Cotton LDP Program
- recourse Seed Cotton Loan Program.

B Authority and Responsibility

PSD has the authority and responsibility for the programs prescribed in this handbook.

C Sources of Authority

Following are the sources of authority for the Cotton Loan, Cotton LDP, and the recourse Seed Cotton Loan Programs:

- the Agricultural Act of 1949, as amended
- *--the Food, Conservation, and Energy Act of 2008--*
- the Commodity Credit Corporation Charter Act, as amended
- 7 CFR Part 1427.

2 Program Objectives

A Cotton Loan and LDP Programs

The objectives of the Cotton Loan and Cotton LDP Programs are to:

- provide interim financing to assist with the orderly marketing of the cotton crop
- minimize loan forfeitures and market disruptions that could occur when loan rates exceed market prices.

B Recourse Seed Cotton Loan Program

The objectives of the recourse Seed Cotton Loan Program are to:

- extend the ginning season to reduce harvesting, handling, and ginning costs
- provide interim financing to producers while they wait for their cotton to be ginned.

3 Related Handbooks

A Related FSA Handbooks

FSA handbooks related to Cotton Loan, Cotton LDP, and recourse Seed Cotton Loan Programs include:

- 9-AO for investigating program violations
- 1-APP for appeals
- 7-AS for County Office correspondence
- 1-CM for common provisions relating to signature requirements, power of attorney, maintaining the name and address file, and assignments
- 2-CM for common farm and program provisions
- 1-CMA for CMA and LSA loan and LDP procedures
- 14-CN for handling cotton loans prepared by cotton clerks
- 21-CN for CCC-automated cotton loan reporting for CMA's and LSA's
- 22-CN for CCC's LSA program
- 2-CP for acreage reporting
- 6-CP for HELC and WC provisions
- 7-CP for misinformation and misaction provisions

*** * ***

- 3-FI for depositing remittances

3 Related Handbooks (Continued)

A Related FSA Handbooks (Continued)

- 50-FI for interest rates
- 58-FI for claims and withholdings
- 61-FI for Prompt Payment Act provisions
- 62-FI for reporting data to IRS

*** * ***

- 3-PL for web-based subsidiary files

•*****--4-PL for payment eligibility and AGI--*****

- 12-PS for processing seed cotton loan repayments
- 20-PS for State Office APSS operations.

4 Related Web Sites

A Cotton Web Sites

The following web sites provide information used to administer cotton loans and LDP's.

Web Site Content	Web Site Address
COPS	**https://dlnt01.fsa.usda.gov**
Reports of loan and LDP activity by national, date, and county level for cotton and other commodities (a PSD web site)	**http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=psr**
Cotton AWP, LDP Rates, and CCA (weekly table)	***--http://www.fsa.usda.gov/FSA/epasReports?area=home&subject=ecpa&topic=fta-uc--***
* * *	* * *
Loan Rates: Cotton (and other commodities) by State/county	**http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=lor**
Specifications for Cotton Bale Packaging Materials of JCIBPC	**http://www.cotton.org/tech/bale/index.cfm**
Forms: FFAS Employee Site	**http://intra3.fsa.usda.gov/dam/ffasforms/forms.html** (CLICK "**Find Current Forms Using Our Form Number Search**")
Notices	**http://www.fsa.usda.gov/FSA/notices?area=home&subject=lare&topic=not&setflag=FORMURL&getData=None** (from the "Subject" drop-down menu, CLICK "**Cotton Program**")
eAuthentication	**http://www.eauth.egov.usda.gov/**
Warehouses: List of approved cotton warehouses Receiving and storage rates	**https://dlnt01.fsa.usda.gov** (COPS web site) (CLICK "**Home Pages**", then "**Warehouse Home**", then "**Online Lists**", and then "**Tariff Rates**")
AMS: Weekly Cotton Market Report	**http://www.ams.usda.gov/cotton/mncs/index.htm**
National Cotton Council: industry news	**http://www.cotton.org**
Price Support Training Modules	**http://www.fsa.usda.gov/Internet/FSA_File/eldp_training_modules.pdf**

*--5 Alphabetical Index

A Index for This Handbook

Exhibit 3.5 provides an alphabetical index to cotton program policy and instructions provided in this handbook. This index can be used as a supplement to the Table of Contents.

Suggestions for this index should be sent to PSD by e-mail to **gene.rosera@wdc.usda.gov**.--*

6-8 (Reserved)

Section 2 Responsibilities

9 National Office Responsibilities

A CCC Board and Executive Vice President, CCC Responsibilities

[7 CFR 1427.2] [7 CFR 1427.161] 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:
    - Kansas City Offices
    - STC's and COC's
    - State and County Office personnel
    - approved cotton clerks
    - LSA's.

B PSD Responsibilities

PSD shall:

- administer the programs under DAFP's general supervision and direction
- enter into agreements with approved CMA's and LSA's
- supervise the CMA and LSA program activity.

10 Kansas City Office Responsibilities

A Kansas City Organization

FSA Kansas City offices primarily involved with cotton are as follows:

•*****--KCCO, CMD:

- Merchandising Branch
- SCB

- ITSD, APD, Cotton Operations Processing Staff

- ADC, Price Support and Commodity Applications Office, Commodity Loans Group

- OTC

- FSC.

B ITSD Responsibilities

ITSD shall:**--***

- provide users and contractors with procedures, directives, methods, and analyses in support of the following:

  - ACRS
  - APSS
  - COPS

  *** ****

- advise and collaborate in making recommendations to the National Office to adjust or modify operating policy and procedures because of changes in programs, organization, equipment, data processing systems, and techniques

- coordinate systems user requirements for assigned areas

10 Kansas City Office Responsibilities (Continued)

--B ITSD Responsibilities (Continued)--

- conduct research analysis to determine the impact of changes in relation to available resources and established target dates

- maintain ADP processing for CMA functions as follows:

  - loan/LDP processing
  - error resolution
  - IRS reporting
  - EWR's
  - duplicate validation
  - producer collection invoice generation
  - provider fee processing

- develop acceptance tests; lead and participate in system testing in cooperation with the users to ensure implementation readiness and comprehensive requirements processing.

C KCCO Responsibilities

KCCO shall:

•*--approve and administer cotton loan transfers--*

- approve and suspend storage agreements with warehouse operators

- advise State Offices of approved warehouses and related receiving and storage charges

- dispose of CCC-owned inventory through periodic sales or donations

- handle loan and CCC-owned cotton reconcentrations

- request investigations of suspected program violations

- notify the State Office when there is reported damage or loss of cotton under loan at a warehouse.

10 Kansas City Office Responsibilities (Continued)

*--D ADC Responsibilities

ADC shall:--*

- develop software to process price support loans and LDP's in County Offices
- maintain national level systems to process cotton research and promotion fees collected on loans and LDP's
- maintain national level reporting systems and provide loan/LDP data and summary reports of loan/LDP activity to State and National Offices.

*--E OTC Responsibilities

OTC shall:--*

- perform acceptance testing of software for use in processing price support loans and LDP's in County Offices
- provide technical support for software and equipment problems through the National Help Desk.

10 Kansas City Office Responsibilities (Continued)

*--F FSC Responsibilities

FSC shall:--*

- maintain subsidiary records for:
  - loans made
  - loans repaid
  - other related transactions
- provide loan data and summary reports of loans to National Offices
- provide to each applicable State Office, by State and County Office for each type of cotton, a weekly Summary of CCC Loans Report (MDR-223), from the State Office Reporting System, that provides the following:
  - the number of loans made
  - bales for ginned cotton or pounds for seed cotton
  - value of loans made, repaid, and outstanding
- maintain ACRS to tract the daily, weekly, and monthly operations of cotton loans and cotton LDP's made by cotton cooperatives or loan servicing agents serving cotton farmers nationwide
- collaborate with contractors and FSA divisions to add, delete, and modify loan software routines to support processing, accounting, and reporting of cotton loan operations
- reconcile disbursements and collections processed through FRB by cotton cooperatives and loan servicing agents for cotton loans and LDP's with transactions reported by using ACRS to the CORE Accounting System and APSS.

11 STC Responsibilities

A General Responsibilities

[7 CFR 1427.2(c)] [7 CFR 1427.161(c)] STC shall:

- determine Statewide policy consistent with this handbook
- administer the programs in County Offices through DD's, COC's, and CED's
- require COC to correct or withhold any action that violates program provisions **[7 CFR 1427.2(c)(1)]**
- remove approved cotton clerks, according to 14-CN, who violate program provisions or who are no longer eligible to serve if COC does **not** remove these clerks
- notify County Offices and, if applicable, adjoining State Offices of:
  - persons CCC has suspended or debarred
  - other persons and firms who have violated program provisions to the extent that their agreements with CCC were terminated.

*** * ***

B Seed Cotton Responsibilities

STC shall:

- ensure that qualified County Office employees and COC's:
  - determine the quantity and quality for loan
  - make periodic inspections of seed cotton
- establish maturity dates if State or local quarantine regulations conflict with the regular maturity date
- approve County Offices to make individual loans without measurement if it is determined that State or County Offices have the necessary experience to carry out the program without inspecting each loan.

11 STC Responsibilities (Continued)

C Suspected Violations

STC shall:

- request investigations of suspected program violations according to 9-AO by:
  - producers
  - approved cotton clerks
  - other program participants

- *--report to KCCO, CMD, SCB cases of suspected program violations by approved--* warehouse operators

- report to PSD suspected program violations by approved cotton cooperatives and cooperating ginners.

D Repayment of Loans

To protect CCC's interests, STC may require guaranteed remittance for all repayments or on a countywide or Statewide basis.

If COC determines to require guaranteed remittances, the County Office shall:

- request authority from STC for a countywide policy
- if approved, apply the policy to all repayments
- continue to follow 3-FI for dishonored checks.

E Maximum Bales for LDP Based on Rate Lock-in

STC may request DAFP to approve for their State a different maximum number of bales per storage unit (either higher or lower than 20 bales per module) that is consistent with locally used field storage equipment.

STC may approve LDP payments based on locked-in rate for bales that exceed the established maximum number of bales per module on a case-by-case basis.

12 SED Responsibilities

A Responsibilities

SED shall:

- carry out day-to-day program operations at the State level under STC's direction, with the help of State and County Office employees and COC's
- provide training, as necessary, to ensure that County Offices, cotton clerks, and others working with the program understand and follow program provisions
- coordinate the flow of information and documents between County Offices, Kansas City offices, and others, as necessary.

13 COC Responsibilities

A Responsibilities

COC shall:

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

  *** * ***

- approve cotton clerks and provide instruction, training, forms, and supervision according to 14-CN
- annually document in COC minutes reasonable estimates of yield for upland and ELS cotton based on conditions in the county for the year
- determine whether a loan will be called
- determine the beginning of harvest in the COC minutes for upland cotton
- approve gins to participate in the recourse Seed Cotton Loan Program
- document in COC minutes any discrepancies found as a result of a spot check.

B Approving CED Loans

COC shall approve loans for CED.

14 CED Responsibilities

A Responsibilities

CED shall:

- carry out day-to-day operations of the programs under COC's direction, with County Office employees' help
- approve cotton clerks, with COC concurrence according to 14-CN train and supervise cotton clerks according to 14-CN
- inform, assist, and approve ginners who want to participate as cooperating ginners in bagging producer cotton to be eligible for CCC loans according to specifications in JCIBPC
- notify the State Office of suspected program violations by warehouses, cooperating ginners, cotton clerks, CMA's, and LSA's
- conduct spot checks on no less than 2.5 percent of the requests for a lock-in of the AWP and LDP rate on upland seed cotton in modules according to subparagraph 275 H

•*****--when it is determined that a loan applicant is delinquent in signing CCC-Cotton A:

- void the loan application
- amend the date-documents-received in loan software to no earlier than 15 calendar days from the date the applicant was notified that the note is available for endorsement.--*****

B Redelegation of Authority

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.

Exceptions: Only CED shall approve loans for:

- STC members
- SED's
- State and County Office employees
- COC members.

15-20 (Reserved)

Section 3 Administrative Provisions

21 Amounts of $9.99 or Less

A Handling Payments

[7 CFR 1427.20] Amounts of $9.99 or less will be paid to producers only upon the request of the producer.

Deficiencies of $9.99 or less, including interest, may be disregarded unless demand for payment is made by CCC.

22 AWP and CCA Announcement Times

A Announcement Time

--[7 CFR 1427.25]** AWP, CCA, and FCA will normally be announced by the National Office at 4 p.m. e.t. each Thursday. They become effective for calculations as specified**-- subparagraph B.

If Thursday or Friday, or any number of subsequent days, is a nonworkday in Washington, DC, AWP and CCA shall be announced the next workday at 8 a.m. e.t.

B Effective Time Period

[7 CFR 1427.25] The effective time period for each weekly AWP, CCA, and LDP rate, calculated using the regulatory formula at **7 CFR 1427.25**, is unchanged by any announcement delays that may occur. Announced AWP's and CCA's do **not** remain effective past their normal expiration time if the subsequent AWP **cannot** be announced for any reason.

The effective time period of announced AWP's and CCA's is 12:01 a.m. Friday (a minute past midnight of the Thursday when normally announced) through midnight of the following Thursday whether the prices are announced:

- ***--**at the usual time of Thursday, 4 p.m. e.t.**--***

- on a Friday at 8 a.m. e.t., because the immediately preceding Thursday was **not** a Federal workday in Washington, DC

- on any subsequent day following a Friday; in this case, the delayed-announced AWP and CCA shall be retroactively applicable to what would have been their effective time period had they been announced at the usual Thursday time.

22 AWP and CCA Announcement Times (Continued)

C Accepting Transaction Requests When AWP Not Announced

Effective October 31, 2002, for transactions of all crop years, the "dead hour", the time during which applications for loan repayments and LDP's were **not** accepted, was terminated.

Requests for loan repayments and LDP's may be accepted at all hours subject to the effective AWP and CCA. If there is an extended period during which the current AWP, CCA, and LDP rate are **not** announced for any reason, requests for loan repayments and LDP's shall be accepted at the County Office. Such applications shall be subject to AWP and CCA subsequently announced as effective for the date the application was received.

In the event that a repayment request is made during an extended period when AWP is **not** announced, the loan repayment may be accepted according to subparagraph 202 A as an estimated repayment, and bales released, based upon the higher of either of the following:

- the amount provided for the repayments
- the last announced repayment rate.

The County Office shall obtain from the entity repaying the loan a signed and dated agreement to the following statement:

> "I understand that the loan repayment amount for the cotton loan collateral requested at _____ FSA County Office is subject to recalculation upon announcement of the prevailing loan repayment rate for the cotton. I agree to pay CCC any balance due based on this recalculation."

D Loan Repayments Received by Mail, Courier, or Wire Transfer

If a loan repayment is received by mail, courier, or wire transfer of funds, use AWP and CCA in effect on the date the repayment is received in the County Office.

*--E Accessing Cotton AWP, LDP, and Competitiveness Rates and Adjustments

Upland cotton weekly AWP and LDP rates and CCA's and FCA's are available at **http://www.fsa.usda.gov/FSA/epasReports?area=home&subject=ecpa&topic=fta-uc**.--*

23 Appeals

A Appeal Determinations

Follow 1-APP if a producer contests a determination that affects the producer's right to participate in the Price Support or LDP Programs.

B When Loan Is Called

If a producer appeals a determination involving calling a loan, COC shall:

- suspend all administrative action with respect to the determination
- continue as if the determination had not been made.

Suspension of administrative actions does **not** apply to any:

- subsequent determination to call the loan unless that determination is also appealed
- determination to call any other loan unless that determination is also appealed.

C Appeal Rights Exhausted

If the producer wins the appeal, take no additional actions.

If the producer has exhausted all appeal rights and does not win the appeal, COC, as applicable, shall:

- immediately call the loan and handle in the normal manner

- take no additional actions if loan has been forfeited or settled with repayment of principal plus interest

- require refund of amounts due, including unearned market gain, unearned storage credit, and interest.

24 Bankruptcy Cases

A Contacting Regional Attorney

When a producer who is involved in bankruptcy proceedings requests a loan or LDP, contact the regional attorney, through the State Office, for advice about price support availability.

B Attending Bankruptcy Proceedings

State and County Office employees shall not attend bankruptcy proceedings unless requested by the OGC representative.

Advise regional attorney, through the State Office, of all legal notices received about bankruptcy proceedings.

C Notice of Bankruptcy

After receiving a producer's Notice of Bankruptcy, County Offices shall:

•***--**flag all the debtor's loans as "bankruptcy" according to 12-PS, paragraph 1275**--***

- forward to the State Office, with a summary memorandum, legible copies of completed applicable note and security agreements, financing statements, and any other documentation to support amounts owed to CCC.

D Additional Court Notices

County Offices shall continue to forward all future notices from the court to the State Office.

E State Office Action

State Offices shall:

- inform the regional attorney of the bankruptcy filing
- monitor bankruptcy cases with the regional attorney's assistance
- follow advice of the regional attorney with respect to acceptance of repayment and before taking title to loan collateral.

25 Calculations of LDP and Market Gains

A Market Loan Gain Amount

The market loan gain applicable to the payment limitation is equal to the difference between the loan principal amount and the loan repayment amount, excluding any credits for accrued charges.

B LDP Gain Amount

The gross LDP, before deducting the research and promotion fee, is subject to payment limitation.

C Remaining Payment Limitation Balance

The remaining payment limitation balance shall be the difference between:

- the payment limitation assigned to the producer in the county where benefits are being received
- the sum of the following:
  - LDP amounts previously received in the applicable county
  - market loan gain amounts previously received in the applicable county
  - LDP and market loan gain amounts denied in the applicable county because of percent of cropland factor or permitted entity shares are less than 1.0000.

Note: If the producer is **not** a multiple-county producer, the payment limitation assigned is $75,000. Multiple-county producers are assigned a payment limitation for each county by the control County Office.

*--26 CCA's and FCA's

A Determining CCA's and FCA's--*

[7 CFR 1427.25(f)] CCA is an adjustment intended to make designated lower grades of cotton more competitively priced. CCA is either:

- added to the LDP rate for the cotton
- subtracted from AWP for the cotton, thereby reducing either the cash loan repayment rate or the price of commodity certificates to be exchanged for the loan collateral.

CCA used to adjust the AWP or LDP rate may be less than the level of the announced CCA. Use the following table to determine CCA.

IF the announced AWP is...	**THEN...**	
less than or equal to NALR	CCA is equal to the announced CCA.	
greater than NALR	subtract the announced CCA from the announced AWP.	
	IF the result is...	**THEN CCA is...**
	equal to or greater than NALR	"zero".
	less then NALR	the announced CCA minus the difference between: • the announced AWP • NALR.

*--26 CCA's and FCA's

B Determining FCA's

[7 CFR 1427.259f)(1)(i)] FCA to AWP is announced weekly and may be a separate value for each crop year to which it applies. FCA always is a reduction to the AWP of selected, higher-quality color grades of cotton.

FCA's:

- for loan redemptions, are applied to reduce AWP if the loan rate premium for applicable grades exceed the market-price premium as determined by CCC
- for LDP's, increase LDP rates for applicable grades
- do **not** require any manual intervention at the County Office level because any FCA will be incorporated into loan redemption software calculations.

C FCA Applicable Bales

FCA is applicable to the following color-grades of upland cotton:

Color	Leaf	Staple
SM and Better, 11& 21	1 - 3	35, 36, 37+
Mid 31	1 - 2	35, 36, 37+
	3	36, 37+

--*

--27 CCA: Applicable Bales--

A 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) and Below Grade (81)--	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) and Below Grade (82)--	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) and Below Grade (83)--	All
	Tinged	Strict Low Middling or Better (24, 34, and 44)	All
		--Low Middling (54) and Below Grade (84)--	All
	Yellow Stained	Strict Middling (25)	All
		--Middling (35) and Below Grade (85)--	All

28 Corporations and Partnerships Dissolved and Loan Assumptions

A Corporations

If a corporation is dissolved and an individual stockholder or group of stockholders wants to assume the loan or loans held by the corporation, the individual stockholder or group of stockholders may do so if **all** stockholders in the corporation agree to the assumption on CCC-664.

When an assumption is applicable, see 12-PS, Part 11, Section 1 to correct the names of the producers on the loan agreement.

B Partnerships

If a partnership is dissolved and an individual partner or group of partners wants to assume the loan or loans held by the partnership, the individual partner or group of partners may do so if **all** partners in the partnership agree to the assumption on CCC-664.

C Additional Information

The loan or loans may only be assumed by the stockholders in the corporation or partnership. ***--**The stockholder or partner is **not** required to meet loan eligibility requirements to assume the loan.**--***

Collateral mortgaged for a single loan shall **not** be split among the stockholders or partners.

If all stockholders or partners do **not** sign CCC-664, COC shall call the loan.

D Changing Names on Loan Agreement

Follow 12-PS, Part 11 to change the names of the producers on the loan agreement.

29 Cotton Clerks

A Persons Not Eligible

[7 CFR 1427.3] State Offices shall notify County Offices of persons or firms ineligible to become cotton clerks because they have been suspended or debarred from participating in CCC programs.

B Removing Cotton Clerks

If it is determined that a cotton clerk is not complying with program provisions or is not eligible to serve and the applicable COC does not take removal action, STC shall remove the cotton clerk according to 14-CN.

C Training and Supervision

State Offices shall follow 14-CN to establish criteria for County Offices to follow in approving and training cotton clerks.

30 Finality Rule

A Finality Rule Provisions

See 7-CP for finality rule provisions.

B Statutory Language

The Department of Agriculture Reorganization Act of 1994, Section 281 provides that:

> "Each decision of a State, county, or area committee or an employee of such a committee..., made in good faith in the absence of misrepresentation, false statement, fraud, or willful misconduct shall be final not later than 90 calendar days after the date of filing of the application for benefits, [and] ...no action may be taken...to recover amounts found to have been disbursed as a result of the decision in error unless the participant had reason to believe that the decision was erroneous."

*--31 Lost or Damaged Cotton Loan Collateral

A Background

When a storm, flood, or other natural disaster or inadvertent warehouse event damages or--* destroys bales of cotton that are pledged as collateral for a CCC loan, KCCO shall:

- notify the applicable State Office of the loss
- provide a list of the:
  - loan numbers involved
  - warehouse receipt numbers for the damaged or destroyed bales.

State Offices shall immediately notify the appropriate County Office.

--B Producer's Options After Damage or Destruction--

CCC shall allow the producer, whose cotton loan collateral has been damaged or destroyed by fire, up to 30 calendar days from notification of the loss to either:

- redeem the affected bales from loan
- forfeit the affected bales to CCC.

It may be advantageous to the producer to redeem the affected bales if their actual cash value *--exceeds CCC's redemption value.--*

By electing to forfeit the affected bales to CCC, the producer surrenders all rights to any salvage or insurance proceeds to CCC.

C Notifying Producers

County Offices shall notify producers of * * * losses in a letter that:

- states the date and full extent of the loss
- provides loan numbers and warehouse receipt numbers involved
- details options for action available to the producer
- reminds the producer that, if CCC-605 has been issued to a buyer, the producer must notify the buyer of the loss and options available
- allows the producer 30 calendar days from the date of the letter to take action
- states: "If you take no action, the affected bales will automatically be forfeited to CCC on the 31st calendar day from the date of this letter".

--31 Lost or Damaged Cotton Loan Collateral (Continued)--

C Notifying Producers (Continued)

This is an example of a letter notifying a producer of fire-damaged or destroyed cotton loan collateral.

UNITED STATES DEPARTMENT OF AGRICULTURE
Somecounty FSA Office
Sometown, USA 71222-1234
TEL: 318-555-9442

[Date]

John W. Okley
333 Highway 344
Sometown, USA 71222-1234

Dear Mr. Okley:

On September 16, 1996, we were notified that 4 bales on your 1996 cotton loan number 66, and 4 bales on your 1996 cotton loan number 277 were either damaged or destroyed by fire at the Tinker Compress Warehouse. Following is a list of the loan numbers and warehouse receipts of the damaged or destroyed bales:

Loan Number	Receipt Number	Loan Number	Receipt Number
66	136311	277	183566
66	136313	277	183567
66	136314	277	183568
66	136315	277	183569

You may take either of the following actions:

1. Redeem the affected bales.
2. Forfeit the affected bales to CCC.

It may be advantageous to you to redeem the affected bales if their actual cash value on the date of the fire was more than the CCC redemption value.

By electing to forfeit the affected bales to CCC, you surrender all rights to any salvage or insurance proceeds to CCC.

If you have signed CCC-605 to a buyer allowing the buyer to act as your agent, you must make the buyer aware of the damaged or destroyed bales and options available.

You have 30 calendar days from the date of this letter to either redeem these bales or forfeit them to CCC. If you take no action, the affected bales will automatically be forfeited to CCC on the 31st calendar day from the date of this letter.

Please contact this office if you have any question regarding this matter.

Sincerely,

County Executive Director

32 Graduated Payment Reductions

A Background

Producers who are determined ineligible for program benefits according to 6-CP, Part 7, because of noncompliance with HELC and WC provisions, may request GPR.

B When GPR Is Not Applicable

If noncompliance is determined and the producer does **not** request GPR or GPR is not approved:

the producer is ineligible for loans or LDP's for the crop year for which the noncompliance determination is applicable

after the loan or LDP is made, the producer shall be required to repay, as applicable, the:

loan principal and charges plus interest
market gain plus interest, waived interest, and credits for accrued warehouse charges

LDP plus interest.

C Applying GPR Before Loan or LDP Is Made

For applicable crop year loans and LDP's when noncompliance is determined and GPR is approved, County Office shall, before the loan is disbursed or LDP is made, do either of the following:

collect GPR
offset the GPR amount from the loan disbursement or LDP.

32 Graduated Payment Reductions (Continued)

D Applying GPR After Loan or LDP Is Made

For applicable crop year loans and LDP's, when noncompliance is determined and GPR is approved, County Offices shall notify the producer of the GPR amount according to subparagraph 42 A.

If GPR is not paid within 15 calendar days of the notification letter, County Offices shall take the applicable action in this table.

WHEN there are...	THEN County Offices shall....
outstanding loans	call the loan. **Note:** Follow paragraph 35 for loans that are ineligible for forfeiture.
loans that have been repaid at a market loan repayment rate	*--follow subparagraph 42 C.--*
loans that have been repaid at principal and charges, plus interest	take no action.
loans that have been forfeited or delivered	take no action.
LDP's	*--follow subparagraph 42 C.--*

E Depositing GPR Amounts

Deposit amounts applicable to GPR according to 3-FI.

33 Interest Rates

A Rates

For:

- regular loan interest rates, see 50-FI
- debts, charge interest according to 58-FI.

B Computation for Loans Less Than $500,000

Producers who redeem loans that have original principal amounts of less than $500,000 shall be assessed interest beginning on the loan disbursement date to, but **not** including, the date of repayment.

C Computation for Loans of $500,000 or More

Producers who redeem loans that have original principal amount of $500,000 or more for which the repayment is by:

- check or cash, shall be assessed interest beginning on the loan disbursement date through the day after the date of repayment

- wire transfer, shall be assessed interest beginning on the loan disbursement date up to the second day before the date of repayment.

Note: Follow 3-FI for depositing and recording wire transfers.

D Repayment Date

The repayment date shall be the date repayment is received in the County Office.

E If Different Rates Apply

If different rates apply, compute interest from the applicable beginning date to, but **not** including, the effective date interest changed, and from the date of interest changed to the applicable ending date.

F Overdisbursed or Underdisbursed Loans

--**If a loan that is being repaid at principal plus interest was overdisbursed or**--
underdisbursed, and **not** corrected, adjust the note amount by the amount of the overdisbursement or underdisbursement for interest and repayment computations.

34 IRS Reporting Requirements

A IRS Reporting

--**Market gains from cash loan redemptions, LDP's, storage credits, and forfeitures are reported to IRS for Federal income tax purposes. Market gains from commodity certificate exchanges are **not** reported by FSA, but may be considered taxable income by IRS. For additional**--information on IRS reporting requirements, see 62-FI.

35 Loans Ineligible for Forfeiture

A Applicability

If COC determines that ineligible ginned cotton was placed under loan or the producer is ineligible for loan, the cotton **cannot** be forfeited to CCC in settlement of the loan.

Note: See paragraph 257 for handling abandonment or foreclosure actions on seed cotton loans.

B Immediate Call

If COC determines that the cotton or producer is ineligible for loan, immediately call the loan. Use the letter in subparagraph E to notify the producer of the loan call.

Note: When COC determines that the cotton or producer is ineligible for loan, do **not** allow the loan to be exchanged for commodity certificates or redeemed at a rate less than principal and charges, plus interest, unless the producer appeals the determination according to paragraph 23.

C Failure to Repay Within 30 Calendar Days

If the producer fails to repay the loan within 30 calendar days, notify the producer of the amount due and that foreclosure proceeding will begin. Use the demand letter in subparagraph F to demand payment.

Note: See paragraph 23 if the producer appeals the loan call.

D Foreclosure Action

When a loan is **not** repaid and a claim is established, COC shall:

- sell the cotton according to paragraph 36
- apply the sales proceeds to the claim.

35 Loans Ineligible for Forfeiture (Continued)

*--E Notification of Accelerated Loan Repayment

If COC determines a loan shall be repaid because the cotton or producer is determined ineligible, the County Office shall send the following letter to the producer.

(**Letterhead**)

(**Date**)

Dear_____,

(**Explain the situation that resulted in an acceleration of the loan maturity date, including why the producer or cotton was determined ineligible for loan**.)

The principal, charges and interest to repay the loan are shown below. Your loan will be called if we do not hear from you, or you do not pay the amount due within 30 calendar days from the date of this letter. Your revised maturity date is (**enter 30 calendar days from the date of this letter**).

Note: Because the cotton is ineligible for loan, the cotton cannot be forfeited to CCC in settlement of your loan nor can the loan be repaid at a rate less principal plus interest, plus any applicable charges paid by CCC. In addition, the cotton cannot be redeemed with a CCC Commodity Certificate.

Enter the following:

- (**loan quantity outstanding**)
- (**principal due**)
- (**interest due**)
- (**daily interest rate**)
- (**interest rate**)
- (**other charges paid by CCC**).

Interest will continue to accrue at the daily interest rate shown from the date of this letter until the loan is repaid or transferred to claims. The amounts stated above will be recorded for offset and offset may be taken from any CCC or FSA payment due you.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the County Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the County Committee, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you appeal this determination to County Committee, you may later appeal an adverse determination of the County Committee to the FSA State Committee or National Appeals Division (NAD). To appeal, write to the County Committee at the following address and explain why you believe this determination is erroneous. (**Insert COC address**).

You may contact the County Office to receive a copy of the documents related to this determination.

Sincerely,

(**insert CED name**)
County Executive Director

USDA is an Equal Opportunity Employer

--*

35 Loans Ineligible for Forfeiture (Continued)

*--F Demand Letter for Loan Repayment

If a producer has been sent a demand letter providing a 30-calendar-day repayment opportunity, but repayment has not been received, then if the producer did:

- **not** appeal the notification, send the following letter but delete the paragraph providing appeal rights

- appeal the action, send the following letter if, following the appeal, repayment is still demanded, and include mention of appeal rights to NAD and alternative dispute resolution according to 58-FI and 67-FI.**--***

35 Loans Ineligible for Forfeiture (Continued)

*--F Demand Letter for Loan Repayment (Continued)

United States Department of Agriculture
Farm Service Agency
Lyon County FSA Office
P.O. Box 389
Rock Rapids, IA 51246-0389

October 15, 2007

Thomas Grant
1003 Brees Ave.
Payton, IA 51241-7522

Dear Thomas Grant:

You were notified on (**date of loan maturity notification letter**) that your (**year**)-crop (**commodity type**) loan (**number**) was due payable on or before (**maturity date**). The loan has matured and the debt has not been repaid. Interest will continue to accrue until the amount is repaid. Interest will continue to accrue until the amount due is repaid.

If the principal and charges, plus interest, are not repaid on or before the 30th calendar day from the date of this letter, on the 31st day:

- foreclosure proceedings will begin
- the amount due will be recorded for offset from any FSA or CCC payment due you
- a claim will be established.

If value of the commodity delivered does not liquidate the outstanding balance, you will be expected to remit the deficiency promptly upon notification by CCC.

After the claim is established:

- the claim may be reported to other Federal Agencies for offset from any amounts that may be due you

- late payment interest, based on the rate established by the Department of the Treasury, will be applied to your debt on a daily basis from the date the claim is established until the debt is paid in full.

An additional 3 percent interest shall be assessed on the unpaid balance of the debt retroactively from the date the claim is established, if payment in full is not made within 60 calendar days after the date the claim is established.

We want to work with you to resolve this matter. Depending upon your situation, there is the possibility of paying this debt in installments. If you have any questions regarding this matter, please do not hesitate to contact us.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the County Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the County Committee, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you appeal this determination to the County Committee, you may later appeal and adverse determination of the County Committee to the FSA State Committee or National Appeals Division (NAD). To appeal, write to the County Committee at the following address and explain why you believe this determination is erroneous. (Insert COC address).

You may contact the County Office to receive a copy of the documents related to this determination.

Sincerely,

(**insert CED name**)
County Executive Director

USDA is an Equal Opportunity Employer

--*

36 Local Sales

A Eligible Sales

Cotton eligible for local sale, according to this paragraph, includes cotton determined ineligible for forfeiture and a claim is established according to paragraph 35.

B Sales Authority

The State Office shall:

authorize all local sales before the County Office announces the sale
maintain a register of assigned authorization numbers.

Note: The County Office shall enter these numbers on:

the announcement according to subparagraph F
CCC-639 according to subparagraph H
CCC-638 according to subparagraph I.

C Sales to Employees

Employees may purchase cotton offered for local sale only when the sale of the cotton is based on competitive bids. No purchase may be made, either directly or indirectly, by:

the employee who was formerly accountable for the cotton or who was in any way connected with its sale

State Office employees without prior approval of SED

County Office employees without prior approval of a State Office representative.

D Announcement of Sale

No formal announcement of sale is required, but County Offices shall provide an informal announcement to as many of the known buyers in the area as possible. Post a copy of the announcement in a prominent place in the County Office.

Notes: Paid advertisements to publicize sale may be used if authorized by SED.

See subparagraph F for the format of an informal announcement containing the minimum requirements.

36 Local Sales (Continued)

E Duration of Announcement

Allow at least 15 calendar days but no more than 30 calendar days after the date of the announcement before opening bids unless the State Office specifically waives this requirement.

F Announcement Format

The following is the suggested format for informal announcements. If any other format is used, the format must include the information shown in this announcement.

Offering No. _____ Kind of Commodity _____

The (enter the county name) County FSA Office, located at (enter name of city) hereby announces the contemplated sale of cotton and invites bids on the following lot(s) of cotton subject to the terms and conditions of this Invitation to Bid. Bids will be opened on (enter month, day, and year) at (enter time of day). Bids will not be considered unless received before the opening time.

1. Loan Number Lot No. Number of Bales/Total Pounds Location of Bales

2. All bids must be submitted in writing, signed by the bidder, and specify the price per pound at the storage location.

3. Alternate or tie-in bids will not be accepted.

4. CCC reserves the right to accept or reject in whole or part of any or all bids, and in considering bids to take into account the financial responsibility of the bidder.

5. CCC does not warrant the quality of any cotton in this (these) lot(s) or the fitness of this cotton for any particular use.

6. Payment shall be cash, postal money order, certified check, or draft guaranteed by the banking institution on which shown, or if approved by CED, uncertified personal, or firm check.

7. Payment must be made at the time warehouse receipts are released and no later than 15 workdays after the date of sale.

8. Buyers will be responsible for all unpaid warehouse charges. Warehouse receipts reflect what charges have been paid and the dates for which such charges have been paid.

9. Buyers may make arrangements to inspect any lots offered before bidding by making arrangements with CED.

_____ _____

Date for CCC

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, audiotapes, 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.

36 Local Sales (Continued)

G Handling Bids

Handle bids according to this table.

Subject	Requirement
Format	Bids must be in writing and signed by bidder.
Receipt	Time and date-stamp bids upon receipt in the County Office. Keep bids in a locked file until bid opening.
Record	Record bids: at the time bids are opened on CCC-639 according to subparagraph H.
State Office Approval	State Office verbal approval is required before acceptance of bids on the day bids are opened. **Note:** State Offices shall follow the verbal approval with a written approval within 3 workdays.
Notice of Acceptance	Mail CCC-638, completed according to subparagraph I, or similar letter to the successful bidder on the bid opening date.
Public Notice	When a sale is made, post CCC-639 in the County Office for at least 5 calendar days.

H Completing CCC-639

Complete CCC-639 according to this table.

Item	Instructions
1	Number serially by calendar year.
2	Enter authorization number received from State Office.
3	Enter date bids are opened.
4-6	Self-explanatory.
7	Mark “AS IS” for the type of sale.
8	Use loan number. If sold in more than 1 lot, add the suffix 1, 2, etc.
9-11	Self-explanatory.
12	Enter “AS IS” and the warehouse name.
13-21	Leave blank.
22	Give local market price for base cotton.

36 Local Sales (Continued)

H Completing CCC-639 (Continued)

Prepare original CCC-639 **only** and keep in County Office.

REPRODUCE LOCALLY. *Include form number and date on reproductions.*

CCC-639 (09-12-90) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1. ANNOUNCEMENT NO.	2. SALES NO.(S)	3. DATE
COMPETITIVE BID PRICING WORKSHEET	93-1	26	4-1-9X
	4. LOCATION OF COMMODITY: ABC Warehouse	5. COUNTY: Somecounty	
	6. COMMODITY: Upland Cotton	7. TYPE OF SALE: AS IS [X] GRADE BASIS [ ]	

PART A - BIDS RECEIVED *(If additional space is needed, use reverse side.)*

8. LOT NO. *(Include Loan No. or Bin No.)*	9. NAME AND ADDRESS OF BIDDER *(Check successful bidder(s))*	"✓"	10. TIME AND DATE	11. BID PRICE *(Per Unit)*	12. DELIVERY BASIS *(Location of Commodity)*
92-160	James Baker		11:01 AM 4-1-9X	.5203	As Is ABC Warehouse
92-160	Jim Howard		11:02 AM 4-1-9X	.5300	As Is ABC Warehouse
92-160	Bill Brown		11:03 AM 4-1-9X	.5200	As Is ABC Warehouse
92-160	John Green		11:04 AM 4-1-9X	.5305	As Is ABC Warehouse

PART B - ADJUSTED TERMINAL PRICE(S)

13. Terminal Market					
14. Grade and Quality					
15. Terminal Market Price					
16. Terminal Marketing Charges and Weighing and Inspection 1/					
17. Freight					
18. UGRSA Load Out Charge					
19. Constructed Cost (if applicable)					
20. Other (specify)					
21. Adjusted Terminal Price					

22. LOCAL MARKET INFORMATION .5400

23. REMARKS

1/ Do not deduct these charges if not borne by CCC in the commodity office area.

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.

36 Local Sales (Continued)

I Completing CCC-638

Complete CCC-638 according to this table for each successful bidder on the day bids are opened.

Item	Instructions
1	Enter authorization number received from State Office.
2	Enter “Informal”.
3	Self-explanatory.
4	Enter date bids were opened.
5	Enter name and location where warehouse receipts are stored.
6	Self-explanatory.
7	Leave blank.
8	Enter pounds as unit of measure.
9	Self-explanatory.
10	Enter from CCC-639.
11	Enter: “Payment must be received in the County Office shown below within 15 calendar days of the date shown in item 4.”
12	Indicate the buyer is to sign the original and return to County Office.
13	Leave blank.
14 and 15	Self-explanatory.
16	CED or designee shall sign for COC.
17	Leave blank.

Distribute CCC-638 as follows:

keep original in the County Office
send 1 copy to buyer.

36 Local Sales (Continued)

I Completing CCC-638 (Continued)

REPRODUCE LOCALLY. *Include form number and date on reproductions.* Form Approved - OMB No. 0560-0087

CCC-638 (04-13-98) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation

CONFIRMATION OF SALE

(See Privacy Act and Public Burden Statements on Reverse)

1. SALES NUMBER: 5
2. TYPE OF SALE: Informal
3. STATE AND COUNTY CODES: 48029
4. DATE ISSUED: 09-25-00
5. DELIVERY POINT *(Include bin site or warehouse number & location or name)*: ABC Warehouse, Bexar, TX
6. NAME AND ADDRESS OF BUYER: Mr. Cotton Buyer, 13579 Cotton Ave., St. Paul TX 12453
7. WEIGH POINT *(if other than delivery point)*:
8. UNIT OF MEASURE: BU. ☐ CWT. ☐ Other *(Specify)*: Pounds
9. COMMODITY: Upland Cotton

10. CCC agrees to sell the lot(s) described below to the buyer subject to the terms and conditions specified herein and any applicable regulations or announcements governing such sales.

A. LOT IDENTITY	B. ESTIMATED QUANTITY	C. DELIVERY BASIS	D. QUALITY BASIS	E. DELIVERY DATE	F. CONTRACT PRICE	G. ADVANCE PAYMENT
92-160	15,000 lbs.	"As Is"		10-05-00	$9000	N/A
					H. TOTAL →	

11. REMARKS
Payment must be received in the County Office shown within 15 calendar days of the date shown in Item 4.

12. BUYER TO SIGN ORIGINAL AND RETURN TO COUNTY OFFICE: X
13. BUYER SIGNATURE NOT REQUIRED: ☐
14. NAME AND ADDRESS OF FSA COUNTY OFFICE: Northcotton County FSA Office, 123 Street, City, TX 43181
15. SIGNATURE OF BUYER | DATE
16. FOR THE FSA COUNTY COMMITTEE *(Signature)* | DATE

17. SETTLEMENT INFORMATION

A. REFERENCE NUMBER	B. NET PREMIUM OR DISCOUNT PER UNIT	C. BIN EMPTYING CREDITS PER UNIT *(Bin Sale Only)*	D. NET PRICE PER UNIT	E. DOCK-AGE	F. NET QUANTITY *(In Units)*	G. NET PROCEEDS *(In Dollars)*	H. FORM CCC-257 *(Numbers and Amounts)*
				I. TOTALS →			

18. FORM 55 NO. *(Bin sales only)*
19. REFUND CHECK NUMBER
20. AMOUNT OF REFUND $
21. TOTAL NET PROCEEDS ADJUSTED FOR DAMAGES $
22. FOR THE OFFICE MANAGER | DATE

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.

36 Local Sales (Continued)

J Completing Sales

Payment must be:

made before warehouse receipts are released

in cash or other acceptable remittance

received in the County Office within 15 calendar days after notification of the successful bid.

K Sales Proceeds

Apply the sales proceeds to the claim amount. Any amount that exceeds the claim amount plus applicable interest shall be paid to the producer.

Notes: Deposit proceeds of sales according to 3-FI.

Maintain a complete record of the transaction in the County Office.

37 Lobbying Disclosure Requirements, Compliance, and Reporting

A Applicability

The disclosure requirement applies to:

cotton loans with a principal value exceeding $150,000, whether this loan collateral is redeemed with cash or exchanged for a commodity certificate

LDP applications exceeding $100,000.

B To Comply 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 payment that exceeds $150,000 or $100,000, respectively:

CCC-674, 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 payment

SF-LLL, if they have or will use monies received to lobby or otherwise influence the actions of a Federal official about a particular loan or payment.

C Providing Forms

Each time a loan exceeding $150,000 or LDP exceeding $100,000 is requested, County Offices shall give the applicant a copy of either of the following:

CCC-674
SF-LLL.

County Offices shall inform the applicant that the applicable form must be returned to County Offices before the loan or payment will be disbursed.

D Disbursing the Loan or Payment

County Offices shall not disburse a loan exceeding $150,000 or LDP exceeding $100,000 until the applicant has returned the completed CCC-674 or SF-LLL.

*** * ***

37 Lobbying Disclosure Requirements, Compliance, and Reporting (Continued)

E Example of CCC-674

This is an example of CCC-674.

REPRODUCE LOCALLY. Include form number and date on reproductions. Form Approved - OMB No. 0348-0046

CCC-674
(08-01-98)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS

NAME AND ADDRESS OF RECIPIENT

John A. Largefarm
1000 Largefarm Road
Vienna, GA 31092

TRANSACTION DOCUMENT *(Loan No., Contract No., CCC-6 No(s)., Check No., etc.)* D0008417
PROGRAM YEAR 2000

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

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 0348-0046. The time required to complete this information collection is estimated to average 5 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.

37 Lobbying Disclosure Requirements, Compliance, and Reporting (Continued)

F Example of SF-LLL

This is an example of SF-LLL.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

Approved by OMB
0348-0046

1. Type of Federal Action:
[D] a. contract
b. grant
c. cooperative agreement
d. loan
e. loan guarantee
f. loan insurance

2. Status of Federal Action:
[B] a. bid/offer/application
b. initial award
c. post-award

3. Report Type:
[A] a. initial filing
b. material change
For Material Change Only:
year _____ quarter _____
date of last report _____

4. Name and Address of Reporting Entity:
[X] Prime [ ] Subawardee
Tier _____, *if known*:
J.A. Moneywell
123 Banker Avenue
Houston, TX 12345
Congressional District, *if known*:

5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:
NA
Congressional District, *if known*:

6. Federal Department/Agency:
USDA/FSA

7. Federal Program Name/Description:
Marketing Assistance Loan
CFDA Number, *if applicable*: 10.051

8. Federal Action Number, *if known*:

9. Award Amount, *if known*:
$ 175,000

10. a. Name and Address of Lobbying Registrant (*If individual, last name, first name, MI*):
Able and Unable
Attorney at Law
1001 Harmony Street
Washington, DC 20018

b. Individuals Performing Services (*including address if different from No. 10a*) (*last name, first name, MI*):
Unable, Jack May B.

11. 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 that $10,000 and not more than $100,000 for each such failure.

Signature: _____
Print Name: _____
Title: _____
Telephone No.: _____ Date: _____

Authorized for Local Reproduction
Standard Form LLL (Rev. 7-97)

37 Lobbying Disclosure Requirements, Compliance, and Reporting (Continued)

F Example of SF-LLL (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. 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 registrant under the Lobbying Disclosure Act of 1995 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. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are 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 OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 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, DC 20503.

38 Market Gain Reports

A General Information

Four market gain reports are available to account for market gain transactions. To access the ***--**following reports, from APSS Administrative Report Menu PAA045, ENTER "**12**":**--***

- Denied Market Gain Report, see subparagraph B
- Total Market Gain Report, see subparagraph C
- Market Gain Report by Loan or LDP, see subparagraph D
- Market Gain Report by Producer, see subparagraph E.

B Denied Market Gain Report

The Denied Market Gain Report prints the total market gain for each producer ID with denied market gain for the selected crop year.

C Total Market Gain Report

The Total Market Gain Report prints the total market gain for each producer ID with market gain for the selected crop year.

D Market Gain Report by Loan or LDP

The Market Gain Report by Loan or LDP prints each market gain transaction for each producer on the selected loan or LDP.

Note: The user will be required to enter the crop year and loan or LDP number.

E Market Gain Report by Producer

The Market Gain Report by Producer prints each market gain transaction for the selected producer for the selected crop year.

Note: The user will be required to enter the crop year and either the producer's last name or ID number.

39 Misinformation and Misaction

A Applicability

Follow 7-CP if an otherwise eligible producer is deprived of benefits, because administration of the program results in:

- errors
- omissions
- misinformation
- misaction.

Note: Overdisbursement and undercollection of loan or LDP proceeds is **not** misaction.

40 Nonresident Producer

A Request

If a loan is requested by a nonresident producer, County Offices shall:

- complete applicable forms and mail them to the producer
- instruct the producer to:
    - sign the applicable forms
    - have the signature witnessed
    - obtain proper lien waivers, if applicable
    - return the forms with the required documents to the County Office.

B Genuine Signatures

CED or designee **must** be satisfied that the producer's signature is genuine before disbursing the loan.

41 Offsets

A Basic Provisions

Offsets are applicable for amounts owed CCC, FSA, or other creditors. The offset amount may be shown on CCC-679 or established as the result of a claim against the producer.

Make administrative offsets from loan or LDP amounts due producers, if appropriate, according to 58-FI, **after** the notification letter has been mailed to the producer, including the notification when a loan is transferred to claims with collateral remaining on the farm.

*** * ***

B Joint Disbursement of Loan Proceeds

The balance of the loan proceeds may be disbursed jointly to the producer and lienholder **after** applicable administrative offsets to CCC, FSA, or other creditor agencies, as applicable, according to 58-FI, have been made when the lienholder requests joint disbursement on CCC-679 for:

- recorded lien
- unrecorded lien, if **actual** notice of lien is given to the County Office.

For other creditor agency claims received in the County Office:

- **before** the filing date of any recorded lien or notification of an unrecorded lien, the lienholder **must** agree to the creditor agency debt offset **before** disbursement of loan proceeds jointly to the producer and lienholder by checking CCC-679, block 8 (3)

- **after** the filing date of any recorded lien or notification of an unrecorded lien, the creditor agency debt shall be offset **only** if the lienholder agrees to disburse the loan proceeds solely to the producer by checking CCC-679, block 8 (1).

41 Offsets (Continued)

C Authorizing Offsets

Offsets may be made for amounts contained on a separate statement of unpaid charges, or for a separate bill for unpaid charges, if the charges:

- are associated with the handling of the commodity represented by the warehouse receipt
- have been approved by DAFP
- are **not** warehouse receiving or warehouse storage charges.

Note: See paragraph 165 for charges attached to warehouse receipts that are commonly approved for offset.

These charges are **not** considered a lien, but **must** be included on CCC-679, block 8 (3), if an ***--**offset will be made for the charges. See subparagraph 124 D for completing CCC-679.**--***

If an offset applies, do **not** disburse the loan unless the lienholder agrees to the offset on CCC-679 by checking block 8 (1) or (3). If any lienholder checks block 8 (2), the loan shall **not** be approved.

D Prior Liens

Deductions are made for applicable fees or charges and amounts due prior lienholders **before** offsets are made.

Do **not** make offsets on loans subject to prior liens unless agreed to by prior lienholders in writing.

E Right to Appeal

The offset does **not** deprive the producer of the right to appeal the justness of the debt.

F Bankruptcy Cases

Consult with the regional attorney, through the State Office, before making offsets when a producer is involved in bankruptcy proceedings.

42 Overdisbursements * * * and Receivables

--A Overdisbursement and Receivable Producer Liability--

A producer is personally liable for repaying:

- any loan amount disbursed or LDP exceeding the amount authorized, including any charges plus applicable interest
- any receivable determined to be due CCC, plus interest, subject to the small-balance write-off amount of $9.99.

  Note: Once a claim is established, the claims process employs a small-balance write-off for amounts of $24.99 or less.

B Notifying Producers

For loans and LDP's, County Offices shall notify producers:

- of the amount due of $10 or more
- immediately after the amount due is determined
- using the computer-generated notification letter in subparagraph C
- of all the applicable appeal options available as determined by the decision-making authority.

42 Overdisbursements * * * and Receivables (Continued)

B Notifying Producers (Continued)

Take action, as applicable, according to this table.

IF...	THEN...

the **overdisbursement** or **overpayment** is **not** the result of a loan or LDP violation, according to Part 6, Section 1	• collect the amount due as follows:
	• for loans, if the amount due is $24.99 or less and is discovered:
	  • before settlement, do **not** collect immediately; however, collect on the next repayment
	  • after settlement, do **not** send the producer a demand letter; immediately write off the small balance according to 12-PS, Part 11, Section 2
	• for LDP's, if the amount due is:
	  • $24.99 or less, write off the small balance according to 12-PS, Part 11, Section 2
	  • $25 or more, follow procedure in 58-FI for demanding payment.

a **receivable** is created as a result of an amount remitted to CCC and is less than the amount required	if the total amount outstanding is: • $24.99 or less, see 12-PS, Part 11, Section 2 • $25 or more with outstanding loan balance, collect on next repayment • $25 or more with no outstanding loan balance, follow procedure in 58-FI for demanding payment.

C Manual Checks

County Offices are **not** authorized to issue any manual check for any purpose. * * *

42 Overdisbursements * * * and Receivables (Continued)

D Notification Letter

Notify the producer, using the following notification letter according to 12-PS, when a determination has been made that an amount is due CCC.

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
LYON COUNTY FSA OFFICE
PO BOX 389
ROCK RAPIDS IA 51246-0389

October 15, 2007

Thomas Smith
1003 Brees Ave
Springfield IA 51241-7522

Dear Thomas Grant:

This is to notify you that the Farm Service Agency has determined that you have a debt arising from:

(**Insert explanation and pertinent facts.**)

The amount you owe consists of:

Principal	Interest	Other Charges	Total

Interest will continue to accrue at a rate of **_____%** until the total amount due is repaid. The amount shown above has been recorded for offset from any FSA, CCC or other Federal Agency payment, which may be due you.

We want to work with you to resolve this matter. Depending upon your situation, there is the possibility of paying this debt in installments. If you have any questions regarding this matter, please do **not** hesitate to contact us.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the County Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the County Committee, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you appeal this determination to the County Committee, you may later appeal an adverse determination of the County Committee to the FSA State Committee or National Appeals Division (NAD). To appeal, write to the County Committee at the following address and explain why you believe this determination is erroneous. (**Insert COC address.**)

You may contact the County Office to receive a copy of the documents related to this determination.

If you should need further assistance, please feel free to contact the FSA Service Center.

Sincerely,

(**insert CED name**)
County Executive Director

USDA is an Equal Opportunity Provider and Employer

42 Overdisbursements * * * and Receivables (Continued)

E Additional Action

If repayment is **not** received after producer has been notified using the letter in subparagraph C, take additional action according to the following table.

IF repayment is...	THEN...
received by the 30th calendar day after the date of the notification letter	record the overdisbursement, overpayment, or receivable repayment according to 12-PS, Part 7.
not received within 30 calendar days after the date of the notification letter	send the producer the applicable computer-generated demand letter in subparagraphs E and F on the next workday.
received by the 30th calendar day after the date of the demand letter	record the overdisbursement, overpayment, or receivable repayment according to 12-PS, Part 7.
not received within 30 calendar days after the date of the demand letter	• transfer to claims the entire amount of the debt, including applicable interest, as determined by APSS according to 12-PS, Part 12 • establish a claim on the 31st calendar day according to 58-FI. **Exception:** The interest start date for the claim is the 31st calendar day after the date of the demand letter. **Note:** Record the claim repayment according to 58-FI.

42 Overdisbursements * * * and Receivables (Continued)

F Demand Letter (No Appeal)

Send the producer the following demand letter when no appeal or reconsideration of the debt has been requested.

(*Date*)

(*Customer Name*)
(*Customer Address*)

Dear (*Customer Name*):

By letter dated (*1*) _____, we notified you that a determination had been made that you owe (*2*) _____, plus interest, as applicable. See attached Statement of Outstanding Debt. The debt is past due. Late payment interest will accrue on your debt at the rate of (*3*) ___% per annum from the date of this letter until the debt is paid or otherwise resolved. FSA/CCC will waive late payment interest on your debt (or any part of your debt) that is paid in the next 30 days. If payment in full is **not** made within 90 days of the date of this letter, an additional 3 percent interest will be assessed on the unpaid balance of the debt retroactively from the date of this letter.

If you are unable to pay the debt in full now, you may qualify for a mutually acceptable installment agreement. If payment in full or settlement arrangements are **not** made within 60 days from the date of this letter, the debt will be referred to the Department of Treasury. The Department of Treasury will offset all eligible Federal payments due you, including tax refunds and social security payments. If the debt is **not** resolved, you may be ineligible for additional Federal financial assistance in the form of a loan, loan guarantee, or loan insurance.

Because this debt may be collected by offset of your federal income tax refunds, you may present, within 60 days from the date of this letter, evidence that all or part of the debt is **not** past due or legally enforceable. To do so, please submit to this office a written explanation of your position that the debt or part of the debt is **not** past due or legally enforceable, and include documentation to support your position.

Under Federal law and regulations, the following additional actions may be taken by USDA and the Department of Treasury to collect delinquent debts:

- assessment of interest, administrative costs, and penalties
- administrative garnishment of wages
- offset of CCC and FSA payments
- reporting the debt to credit reporting agencies
- referral of the debt to private collection agencies and Treasury-designated collection centers
- referral of the debt to agency counsel or the Department of Justice for litigation
- reporting of the debt to the Internal Revenue Service if the debt, or any part of the debt, is discharged.

If you recently filed bankruptcy, notify this office at once, in writing. Provide proof of the bankruptcy filing. The debt will then be resolved according to bankruptcy law.

Please pay your debt now. Make your check payable to "USDA" and send it to this office at the above address. If you remit a check as payment, it may be converted to an Electronic Funds Transfer (EFT) from your account. The check will be voided and destroyed within 14 days of receipt. For additional information, please visit the Farm Service Agency's web site at http://www.fsa.usda.gov/pas/pccnotice.htm.

Please contact this office at (*4*) _____ if you have any questions. We want to work with you to resolve this debt and to discuss repayment options, if necessary. If this debt is **not** resolved within 60 days from the date of this letter, the Kansas City Finance Office will take additional collection action.

Please disregard this letter if you have already paid this debt.

Sincerely,

Attachment

42 Overdisbursements * * * and Receivables (Continued)

G Demand Letter (Appeal)

Send the producer the following demand letter on the 31st calendar day if the producer has responded to the notification letter and requests appeal or reconsideration of the debt.

(*Date*)

(*Producer Name*)
(*Producer Address*)

Dear (*Producer Name*):

By letter dated (*1*) _____, you were notified that the County Committee had determined that you owe (*2*) $_____, plus interest as applicable. You requested an informal review and reconsideration of the debt. The County Committee has reconfirmed the debt determination. The debt is now past-due. Late payment interest will accrue on your debt at the rate of (*3*) ___% per annum starting on the 31st day from the date of this letter until the debt is paid or otherwise resolved.

Please pay your debt now. Make your check payable to "Commodity Credit Corporation" and send it to this office at the above address. If you are unable to pay the debt in full now, you may arrange to establish a mutually acceptable repayment agreement and pay in installments. If payment in full or arrangements to pay the debt in full are **not** made within 60 days from the date of this letter, or upon conclusion of the appeals process, whichever is later, the debt will be sent to the Kansas City Management Office for referral to the Department of Treasury for collection by offset of qualified disbursements and refunds, including any federal income tax refund to which you may be entitled.

Because this debt may be collected by offset of your federal income tax refund, you may present, within 60 days from the date of this letter, evidence that all or part of the debt is **not** past-due or legally enforceable. Submit to this office a written explanation of your position that the debt is **not** past-due or legally enforceable, and include documentation to support your position. Of course, if you are continuing the appeal of the debt under the National Appeals Division procedures, and have included the issues of the past-due nature of the debt and its legal enforceability, we will rely on the final determination in the National Appeals Division process, and **not** make a separate determination on those issues. Please be assured that we will **not** send the debt to the Kansas City Management Office until completion of the National Appeals Division process.

Under Federal law and regulations, the following additional actions may be taken by USDA and the Department of Treasury to collect delinquent debts:

- Assessment of interest, administrative costs, and penalties
- Administrative garnishment of wages
- Offset of CCC and FSA payments
- Reporting the debt to consumer and commercial credit bureaus
- Referral of the debt to private collection agencies and Treasury-designated collection centers
- Referral of the debt to Agency counsel or the Department of Justice for litigation
- Reporting the debt to the Internal Revenue Service if the debt, or any portion of the debt, is discharged.

42 Overdisbursements * * * and Receivables (Continued)

G Demand Letter (Appeal) (Continued)

Our records do **not** indicate that you have filed for bankruptcy protection under Title 11 of the United States Code. If you have filed for bankruptcy, please notify your local USDA Service Center as soon as possible so that we may update our records to reflect the bankruptcy, and proceed to resolve this debt in accordance with bankruptcy procedures.

Please contact this office at (*4*) _____ if you have any questions. We want to work with you to resolve this debt and to discuss repayment options, if necessary. If this debt is **not** resolved within 60 days of the date of this letter, or upon conclusion of the appeals process, the Kansas City Management Office will take additional collection action.

Please disregard this letter if you have already paid this debt.

Sincerely,

County Executive Director

43 Payment Limitation

A Applicability

***--**A payment limitation of $75,000 is:

- applicable to 2008 crop LDP's and MAL gains realized from repaying any MAL at a level lower than the original loan level
- **not** applicable to gains obtained by commodity certificate exchanges for MAL collateral
- **not** applicable to 2009 and subsequent crop cotton LDP's and MAL gains.**--***

43 Payment Limitation

B Using Commodity Certificate Exchanges

***--**Producers may obtain a value equivalent to LDP or MAL gain value by:

- pledging the commodity for MAL
- exchanging commodity certificates for 2008 and 2009 MAL collateral; the value obtained by this exchange is **not** subject to any payment limitation.

Producers may request commodity certificate exchanges for MAL collateral; the resulting gain from the exchange is **not** subject to payment limit. All commodity certificate exchanges are based on repayment rates effective on the date of the exchange.

Note: Commodity certificate exchanges are available for 2008 and 2009 crop cotton loan collateral, but are **not** available for any 2010 and subsequent crop loan collateral. As a result, there will be a period of time (approximately July 2010 through March 2011) during which certificates will be available for 2009 crop loan exchanges, but **not** for 2010 crop exchanges.

C CCC-926 Requirement

Producers requesting cotton LDP's or MAL redemptions with cash at a rate less than the loan rate **must** have a current CCC-926 on file or file CCC-926 within 30 calendar days after such request. CCC-926 is **not** required if MAL is repaid at the loan rate or redeemed using a**--***
commodity certificate exchange.

*** * ***

If applicable, COC shall notify producers in writing that their share of LDP's or MAL gain will be denied unless all required forms are filed.

44 Monitoring Payment Limitation

*--A Payment Limitation Applicability

Payment limitation applicable to loan gains and LDP's is effective for 2008 crop, but does **not** apply to 2009 and subsequent cotton crops.

B Control County Office and Market Gain Reports

Control payment limitations for multiple-county producers according to 4-PL. Do **not--*** establish a control County Office that is different from the control County Office established for other program purposes for cotton LDP's and market gains. *** * ***

Monitor payment limitation by using the market gain reports in paragraph 38.

C Producer Responsibility

Producers are responsible for monitoring their own payment limitation.

It is **not** the responsibility of FSA staff, LSA's, or cotton clerks to keep track of payments to notify producers that payment limitation has been, or is about to be, reached. Thus, if a producer reaches their payment limitation, it is **not**, *per se*, a misaction or misinformation on the part of FSA or a representative of FSA.

If producers request a report on their payment limitation, see paragraph 38 about market gain reports.

When the payment limitation is reached, LDP's can no longer be made, and loans repaid with cash **must** be at a level that is the lesser of the following:

- loan level and charges, plus interest on the bales
- higher of the following:
    - loan level determined for the bales, plus, if applicable, any interest accrued during the extended period
    - AWP, as determined by CCC, in effect on the day the repayment is received by the County Office, plus, if applicable, any interest accrued during the extended period.

Notes: After payment limitation has been reached, storage charges and interest on loans will continue to be forgiven. Thus, accrued warehouse charges that are normally credited to the repayment when AWP is less than principal and charges, plus interest, are **not** subject to the payment limitation and shall be credited in the normal manner.

Commodity certificate exchanges are **not** subject to the payment limitation.

45 Power of Attorney

A FSA-211 * * *

Producers may designate an agent on FSA-211 *** * *** according to 1-CM to act on their behalf in obtaining and repaying loans and obtaining LDP's.

Important: Producers shall **not** use FSA-211 to designate an agent to serve as "Holder" of EWR.

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 it.

*--C Executing CCC-605 to Redeem Cotton Pledged as Collateral

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

- under the FSA and CCC Programs section of FSA-211, the grantor selects 1 of the following:
  - item 1, All current programs
  - item 2, All current and all future programs
  - item 8, Marketing Assistance Loans and Loan Deficiency Payments
- under the Transactions for FSA and CCC Programs section of FSA-211, grantor selects item 7, Other
- under item 7, specifies "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 designating an agent to execute CCC-605's 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.**--***

45 Power of Attorney (Continued)

*--D Nondisclosure

FSA staff shall **not** disclose any information on a submitted FSA-211 to a third party unless such disclosure is requested in writing by all parties on FSA-211.

Disclosure of FSA-211 to any third party is **not** approved because of the following:

- disclosure may violate privacy rights
- CCC is not a party to FSA-211 and, therefore, cannot guarantee the accuracy or validity of such documents to third parties
- CCC may be liable if it discloses FSA-211, whether of not it is valid.**--***

46 Prompt Payment Act

A When Late Payment Interest Is Applicable

Late payment interest is due the producer if:

- applicable documentation is provided
- the applicable payment is **not** made by the due date in subparagraph B
- all eligibility requirements are met.

B Due Dates

Use the following table to determine the payment due date for loans and LDP's.

WHEN there are...	THEN the payment due date is...
loan agreements	30 calendar days after receiving, in the appropriate office, an application with all required documentation and signatures.
LDP's	30 calendar days after the later of the following: • date the request is filed • date the required documentation is submitted to the County Office.
manual loan repayments that result in an overcollection	the first workday after the overcollection is determined to have been made.
payments that are subject of an ongoing judicial action	30 calendar days after the judicial action is completed.

C Additional Information

For additional instructions for administering the provisions of the Prompt Payment Act, see:

- ***--**50-FI for prompt payment interest rates
- 60-FI for prompt payment policy and computations.**--***

47 (Withdrawn--Am. 41)

48 Warehouse Status Notification

A Notifying State and County Offices and Producers

--[7 CFR 1427.10]** SCB shall notify State Offices of the status of a cotton storage**-- warehouse using KC-232. Based on the information provided on KC-232, the State Office may or may **not** provide further notification to the County Office and producers.

Use the following table to determine whether notification to the County Office or producers ***--**is appropriate. SCB shall indicate by a checked box, which is below the signature of the**--*** contracting officer, whether a public announcement is required.

IF KC-232 indicates…	THEN the State Office shall…	AND the County Office shall…
"Approved", "New Agreement"	notify the County Office	issue a news release only if directed according to instructions on KC-232.
"Approved", "Addition - New Code"	notify the County Office	issue a news release only if directed according to instructions on KC-232.
"Approved", "Capacity Change"	notify the County Office only if KC-232 requests public announcement	issue a news release only if directed according to instructions on KC-232.
"Removed From List" (suspended) **Note:** This is a temporary status. No new loans are permitted.	notify the County Office	issue a news release: • if indicated by the checked box • according to subparagraph B.
"Terminated" **Note:** No new loans are permitted. Existing loans are to be redeemed or transferred to an approved warehouse.	notify the County Office	issue a news release if directed according to instructions in subparagraph C.
"Deleted" **Note:** This status follows termination if a warehouse is closing or will remain unapproved for loan cotton storage.	notify the County Office	issue a news release only if directed according to instructions on KC-232.
"Reinstated" **Note:** Warehouse is re-approved after being in "Removed/ Suspended" status.	notify the County Office	issue a news release if directed according to instructions in subparagraph E.
"Other" **Note:** These changes generally do **not** affect loan eligibility and are for information only for State and County Offices.	do nothing **Note:** Generally, notification of the County Office is **not** required unless KC-232 specifies public announcement.	do nothing. **Note:** Generally, no release is needed. Issue a news release only if specifically by instructions on KC-232.

--*

48 Warehouse Status Notification (Continued)

B Removed/Suspended Warehouses

"Removal" of a warehouse is synonymous with "suspension". It is **not** "termination". When ***--**notifying State Offices that a warehouse has been removed, SCB shall provide:**--***

- reason for the removal from the list of approved warehouses**--***
- if a public announcement should be made.

If a public announcement is required, State Offices shall notify the appropriate County Offices to issue a public press release announcing the removal by sending a copy of KC-232 to the County Office.

Note: See subparagraph D for a suggested press release.

County Offices shall:

- **not** process new loans for cotton stored at a suspended warehouse

- ***--**send a copy of the published release to the State Office and SCB

- if the newspaper refuses to publish the press release, notify the State Office and SCB**--***

- refer inquiries on the reasons for the removal, other than those listed on KC-232, to either of the following:

  - ***--**SCB**--***
  - the manager of the warehouse.

Note: See subparagraph F for KCCO mailing address.

Following is a suggested press release for a warehouse suspension announcement:

> "CCC announced today the suspension of (enter name of warehouse). This action was taken because (enter reason provided on KC-232). During this suspension period, CCC will **not** provide any new loans for cotton stored at this warehouse. Loans that have been provided before this suspension are **not** affected by this suspension."

48 Warehouse Status Notification (Continued)

C Terminated Warehouses

Before a Cotton Storage Agreement is terminated for a warehouse for failure to comply with its terms and conditions or at the request of the warehouseman:

- ***--**SCB shall provide affected State Offices with instructions for identifying all**--*** outstanding loans in the warehouse to be terminated

- State Offices shall immediately identify and notify County Offices with outstanding loans in the warehouse to be terminated

- County Offices shall identify loans in the subject warehouse and do the following:

  - offer producers the option of redeeming their loans or agreeing to a transfer of loan cotton at the expense of the producer or producer's agent

  - after redemptions and/or transfers are completed, issue a press release, similar to subparagraph D, announcing the termination of the Cotton Storage Agreement.

Note: For producers who have filed for bankruptcy, County Offices shall send a letter explaining the situation to the regional attorney and follow the regional attorney's advice.

D Termination Press Release

The following is a suggested press release for a warehouse termination announcement.

> Any cotton put into storage in the (*name of warehouse*) will **not** be eligible for CCC loans during the period this warehouse is terminated from the list of warehouses approved by the Commodity Credit Corporation, the (*State or County*) Farm Service Agency Office said today.
>
> Termination action was taken by the Farm Service Agency Commodity Office at Kansas City, Missouri. Such action was taken because (*enter reason stated on KC-232*).
>
> For additional information, contact the (*enter name of County Office*).

48 Warehouse Status Notification (Continued)

E When Warehouse Is Reinstated

--**If the warehouse is reinstated, SCB shall notify the State Office.**--

The State Office shall notify the County Office to issue a press release announcing the reinstatement of the warehouse if a press release was issued announcing the removal. The following is a suggested press release for a reinstated warehouse announcement.

> Cotton stored in the (*name of warehouse*) at (*city*) is again eligible for CCC loans since the warehouse has been restored to the list of warehouses approved by the Commodity Credit Corporation, the (*State or County*) Farm Service Agency Office said today.
>
> Suspension of the warehouse, date (*insert date*), has been lifted by the Farm Service Agency Commodity Office at Kansas City, Missouri. The warehouse is now fully complying with the provisions of the Cotton Storage Agreement controlling the storage of Government interest cotton.

F KCCO Mailing Address

Use the following KCCO address for handling notification of warehouse status:

--**KCCO, CMD, SCB**--
STOP 8748
PO BOX 419205
KANSAS CITY MO 64141-6205.

48 Warehouse Status Notification (Continued)

*--G Example of KC-232

The following is an example of KC-232.

See reverse side for Privacy Act, Public Burden, and Nondiscrimination Statements.

KC-232 (01-24-03)

U. S. DEPARTMENT OF AGRICULTURE
Farm Service Agency
Post Office Box 419205
Kansas City, Missouri 64141-6205

NOTICE OF APPROVAL OR CHANGE IN STATUS OF STORAGE AGREEMENT OR CONTRACT

Agrmt. Type						
X	CSA		PSA	AGREEMENT NO.	NOTICE DATE
	HSA		SSA		7-Jun-06
	PCSA		UGRSA		

WAREHOUSE CODE	FEDERAL LICENSE NO.	INITIATOR'S REFERENCE LINE
123456		BCD/SCB/KWD

NAME AND ADDRESS OF WAREHOUSE OPERATOR
Murray Compress and Bait Shop
P.O. Box 123
Herndon, VA

WAREHOUSE LOCATION (City, County, State)
Murray Compress
Main Street
Herndon, VA

	APPROVED	Capacity
	New Agreement	
	Addition - New Code	
	Capacity Change - From:	
	To:	

X **OTHER** (See explanation below.)

REMOVED FROM LIST
The warehouse(s) described above is being removed from CCC's List of Approved Warehouses as of this date for conditions explained below. Until further notice, no additional CCC-owned or loan commodities, or commodities delivered to CCC for purchase under a price support program subject to the terms of the above agreement can be stored or handled through this warehouse(s).

TERMINATED
The above Storage Agreement is being terminated as of this date, under conditions explained below, reserving to CCC and other interested parties all rights and privileges which may have accrued under the agreement.

DELETED
The above warehouse(s) is being deleted from the above Storage Agreement as of this date, under conditions explained below, reserving to CCC and other interested parties all rights and privileges which may have accrued under the agreement.

REINSTATED
The warehouse(s) described above is being reinstated to CCC's List of Approved Warehouses as of this date. CCC owned or loan commodities, or commodities delivered to CCC for purchase under a price support program subject to the terms of the above agreement can, until further notice be stored or handled through this warehouse(s).

EXPLANATION OF CHANGE
To recognize a change from a U.S. Warehouse Act Licensed facility to an Alabama State Licensed facility.

COMMODITY CREDIT CORPORATION: BY: _____
CONTRACTING OFFICER

TO:	SED, Alabama	State FSA Office	**PUBLIC ANNOUNCEMENT**
FROM:	Director, Kansas City Commodity Office		X Should be made (please notify interested counties)
COPIES TO:			Should **NOT** be made

DISTRIBUTION (Check all applicable designations)

X	SED, Alabama	State FSA Office		KC-1117
X	Alabama	State Licensing Authority		
X	Warehouse Licensing & Examination Division - EB and/or LB			GIMS:
X	Contract Reconciliation Division - FRB			PCIMS:
X	Contract File Copy			Other:
X	Reading File Copy			
X	01028			

--*

49 Warehouse Storage and Other Charges

A Payment of Charges

Warehouse storage charges that accrue during the period of the loan (from the **date all documents required from the producer for the loan** are provided to the County Office **through** the date of redemption or forfeiture):

- may be fully or partially credited against the loan repayment amount (that is, will reduce the loan repayment amount) when a loan is repaid
- shall be paid by CCC to the storing warehouse if the loan collateral is forfeited.

The producer is responsible for paying any warehouse:

- **storage charges** that accrued **before** the date all documents required from the producer for the loan were provided to the County Office
- unpaid **receiving charges**.

B Redemptions During the Initial 10-Month Period

If applicable, a storage credit rate shall be used to calculate accrued warehouse charges on upland cotton loans when loan collateral is redeemed before the original maturity date.

49 Warehouse Storage and Other Charges (Continued)

C Warehouse Charges Payable Upon Forfeiture of Cotton Loan Collateral.

***--**Producers who forfeit loan cotton to CCC in satisfaction of their loan obligation are responsible to pay the following:

- unpaid warehouse compression; if, at the time of forfeiture a bale EWR indicates that any warehouse compression charge is **not** paid, the amount of that charge will be included on the producer collection invoice

- excess storage credit; storage credits are provided based on the lower of the following:

  - submitted tariff rate for the year
  - warehouse 2006 tariff rate
  - maximum storage credit rates, for the following:

    - 2008-2011 crops that are:

      - $3.933 per bale/month for California and Arizona
      - $2.394 per bale/month for all other States where stored

    - 2012 crop that are:

      - $3.496 per bale/month for California and Arizona
      - $2.128 per bale/month for all other States where stored.

Note: Notwithstanding these loan obligation responsibilities, using 2007-crop maximum storage credit rates will continue until software is completed to implement the reduced maximum storage credit rates.

In **all** cases, these storage credits continue to be calculated on the daily-rate equivalent of monthly rates.

Example: A bale has been stored in a warehouse having a loan-cotton storage rate of $3 per month and a maximum storage credit rate of $2.25 per month. For a bale forfeited at the end of a 10-month loan period, the producer would be billed for the storage paid to the warehouse exceeding the maximum rate as follows:
10 months x ($3 - $2.25) = $7.50 per bale.

In addition to these charges, producers are also billed for the following:

- unpaid warehouse receiving charges

- accrued warehouse storage charges for any pre-loan period up to the “date documents received date” for the loan.**--***

49 Warehouse Storage and Other Charges (Continued)

C Warehouse Charges Payable Upon Forfeiture of Cotton Loan Collateral (Continued)

In addition to these charges, producers are also billed for:

- unpaid warehouse receiving charges
- accrued warehouse storage charges for any pre-loan period up to the "storage start date" for the loan.

50 Notifications During NITC Failure

A Backup Notifications

Only at times when NITC and associated CCC electronic systems are **not** operational, CMA's, LSA's, and merchants who are authenticated to use CCR may use CCC-734 to establish a record with CCC of a requested transaction.

Upon NITC becoming operational, CCC uses CCC-734 as the basis for establishing the effective rates for the requested loan redemptions, certificate exchanges, or LDP's.

CCC-734 is accepted by CCC only when NITC is **not** operational. This notification **cannot** be submitted when electronic transactions fail for reasons other than NITC system failures such as the failure of a merchant's own transmission hardware/software.

B Instructions

Complete CCC-734 according to the following instructions.

Item	Instructions
2	Enter applicant name and address.
3	Enter phone number of the applicant.
4	***--**CHECK (✓) box to indicate if FAXed to ITSD or PSD. Submit to: • ITSD, ADC, PSCAO, CLG • PSD, **for backup, emergency use only**, when FAX transmissions to ITSD, ADC, PSCAO, CLG **cannot** be completed.**--***
5	Enter tape numbers for which CCC-734 is submitted. In each column, enter the tape number as column heading and the number of bales on that tape for each transaction category.
6	Enter signature and title/relationship of the applicant.
7	Enter date of signature.

50 Notifications During NITC Failure (Continued)

C Example Notification of Pending Redemption

*--

This form is available electronically.

CCC-734
(09-08-09)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

NOTIFICATION OF PENDING REDEMPTION AND/OR LDP REQUEST

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1427, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.*

The information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO THE ADDRESS IN ITEM 4.***

1. Terms of Notification:
   A. Applicant certifies that this notification is made due to NITC or other CCC system being inoperative or running slow.
   B. Applicant agrees that liquidated damages apply if the pending transactions explained in Item 5 of this notification are not completed by applicant.
   C. The date and time of this notification shall be the date and time when received by CCC.
   D. The processing of applications based upon the content of this notification is: 1) subject to approval by CCC; 2) based upon rate effective on the date this notification is received, or for loan gains, on the date loan repayment funds are received; 3) not applicable for requested bales having unresolved COPS errors at the time of this request.

2. Applicant Name and Address *(Include Zip Code)*	3. Applicant Phone *(Include Area Code)*
Fancy Cooperative 24 Blue Jeans Highway Lubbock, Texas 34567-8678	605-678-5678

4. Forward To: *(CCC Addressee)*

[X] **PRIMARY:** ITSD- ADC-PSCAO-CLG P.O. Box 419205 Kansas City, MO 64141-6205 FAX: 816-448-5855 or alternate FAX: 816-926-6981	[ ] **BACK UP ONLY:** PRICE SUPPORT DIVISION USDA-FSA 1400 Independence Ave., SW STOP 0512 Washington, DC 20250-0512 FAX: 202-690-3307

5. Notification: The applicant shall submit Tape Number(s) 00345, 00346,00347 containing the following number of bales by transaction and requests CCC to use the upland cotton adjusted world price effective on the date CCC receives this notification for the number of bales indicated below for cash redemptions(C), LDP(D), and certificate exchanges(N).

Transaction Type	Tape #: 00345	Tape #: 00346	Tape #: 00347	Tape #:
Cash Redemptions (C)	10,500	25,800	100,350	
LDP (D)	500		75	
Certificate (N)	125,400	35,700	15,750	
Advance (A)	350		3875	
Forfeiture (F)	0		16	
Trust (T)	15		534	
Ineligible (I)	25		6	
Unqualified (U)	0		10	
Correction (X)	18		5	
6. Tape total bales	136,808	61,500	120,621	

7A. Applicant Signature (By)	7B. Title/Relationship *(Individual Signing in the Representative Capacity)*	7C. Date *(MM-DD-YYYY)*
/s/ Tom Jones	Executive Vice President	06/15/2009

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To file a complaint of Discrimination, write to USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 845-6136 (Spanish) or (800) 877-8339 (TDD) or (866) 377-8642 (Federal-relay). USDA is an equal opportunity provider and employer.

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*--51 Soldiers' and Sailors' Civil Relief Act of 1940

A Applicable Borrowers

Applicable MAL borrowers are persons who are either:

- on active duty anywhere in the world and are active duty members of any of the following:
  - U. S. Army
  - U. S. Navy
  - U. S. Marine Corps
  - U. S. Air Force
  - U. S. Coast Guard
- officers of the Public Health Service detailed by proper authority for duty with the U. S. Army or the U. S. Navy.

Notes: Active duty members include members of Reserve or National Guard Units who have been called to active duty status.

Additionally, active duty includes those members of the referenced branches in training or education under U. S. supervision preliminary to induction into the military service. The term "active duty" also includes the period during which a person in military service is absent from duty because of sickness, wounds, leave, or other lawful cause.

B Applicable Loans

CCC MAL's and farm storage facility loans secured with commodities or personal or real property and entered into **before** the borrower entered active military service, affected by the Soldiers' and Sailors' Civil Relief Act of 1940 are for:

- grains, soybeans, minor oilseeds, and rice
- dry peas, chickpeas, and lentils
- upland and ELS cotton
- peanuts
- wool, mohair, and honey.**--***

51 Soldiers' and Sailors' Civil Relief Act of 1940 (Continued)

C Relief Available

Types of relief offered include the following.

- Relief from foreclosure, sale, or seizure of property for nonpayment of a loan obligation, during the period of active military service or within 3 months thereafter, unless done according to an agreement with CCC or through a court order.

--Example:** Cotton under loan may be voluntarily forfeited at loan maturity to settle an outstanding loan. However, if the producer does not settle the loan, either by cash repayment or forfeiture, CCC may not take foreclosure action to acquire the cotton to settle a loan.**--

- Treasury and internal administrative offsets will be discontinued once a producer is ordered to report for induction or military service, and any payments received as a result of offset after the date the borrower was called to active duty will be refunded.

- Interest rates for applicable loans may not exceed 6 percent during the period of active military service.

*--52 Accessing COPS

A COPS Home Page

The COPS Home Page contains the following links:

- "User Guide" that provides detailed, step-by-step instructions for using the COPS web site

- "Experiencing Problems" that provides a list of potential problems a user may experience along with suggested solutions or links to documents that contain information to solve the problems

- "News Bulletins" that provides information related to changes in COPS availability and enhancements that appear as news bulletins

- "System Access Request" that provides the capability for:

  - new users to request system access to COPS by furnishing the following:

    - reason for request
    - entity request type
    - contact/mailing information

  - current users to:

    - add county codes
    - submit notification of a move from 1 county to another.

B Requesting COPS Access

To access COPS, each user **must**:

- have NITC user ID and password
- request COPS access.

After the user submits the access request from COPS Home Page, it is approved by State Office price support specialist.

After the State Office authorizes and approves the request, the application will be sent to a security official. The security official will issue NITC user ID and COPS password by e-mail to the new user or approve current user for additional county access.**--***

52 Accessing COPS (Continued)

B Requesting COPS Access (Continued)

Users shall access COPS according to the following table.

Note: Instructions and illustrations can also be found in the COPS User Guide, Section 1.6. On COPS Home Page, CLICK "System Access Instructions" link under the "Administrative" tab.

Step	Action		Result
1	Access COPS Home Page at *--**https://dlnt01.fsa.usda.gov**.--*		COPS Sign On Screen will be displayed.
2	On the **Sign On Screen**, new users CLICK "**Guest Logon**".		COPS Home Page will be displayed.
3	On **COPS Home Page**, under "Administrative" tab, CLICK "**System Access Request**".		System Access Request Screen will be displayed. Go to step 4.
4	On the **System Access Request** Screen do the following.		
	IF the user…	**THEN CLICK…**	
	new	"**New User**"	A pop-up dialog box will be displayed that advises that a current user is **not** to use this option if they are having a problem with their COPS login. Go to step 5.
	current	"**Current User**".	System Access Request Form Screen will be displayed with the current user's information. Go to step 6.
5	Read the pop-up box and CLICK "**OK**".		The System Access Request Form Screen will be displayed. Go to step 6.

*--52 Accessing COPS (Continued)

B Requesting COPS Access (Continued)

Step	Action		Results
6	On the **System Access Request Form** Screen do the following.		
	IF the user is…	**THEN…**	
	new	• select a reason for request • select an entity reason types • enter type codes, contact information, and mailing address information • CLICK "Submit".	**Access Request Confirmation** Screen will be displayed with information about the new user request. Go to step 7.
	current	• select a reason for request • select an entity request type • enter the new county codes • CLICK "Submit".	**Access Request Confirmation** Screen will be displayed with information about the current user request. Go to step 7.
	To clear all the information, CLICK "Reset".		**System Access Request Form** fields will be: • cleared for a new user • reset for current user. Continue with this step.
	To close the System Access Request Form Screen, CLICK "Cancel".		**COPS Home Page** will be displayed.
7	On the **Request Confirmation** Screen, CLICK "Continue".		**COPS Home Page** will be displayed.

--*

*--52 Accessing COPS (Continued)

C State Office Approval Process

State Office price support specialist will:

- receive an e-mail notifying them that a pending user requires State Office approval for access to COPS
- follow the steps in this table to approve the request.

Step	Action		Results
1	On the **COPS Home Page**, CLICK "**User Maintenance**" link under the "**Administrative**" tab.		**State User Maintenance** Screen will be displayed.
2	On the **State User Maintenance** Screen: • sort by "Show all Counties" • CLICK "List".		**User Maintenance List** Screen will be displayed. **Print** User Maintenance List.
3	On the **User Maintenance List** Screen place the cursor on the Administrative tab on the menu bar and CLICK "Request Review" on the drop box.		**Request Review List** Screen will be displayed.
4	On the **Request Review List** Screen, CLICK "Pending User Number" of the person you want to approve or delete.		**Pending User Details** Screen will be displayed.
5	**Review the Pending User Details** Screen (county code) against the printed User Maintenance Screen List as needed.		
	IF the user is…	**THEN…**	
	not listed on the User Maintenance List and is requesting access to COPS as a new user	• ensure that data entered is correct, especially the e-mail address; make necessary corrections, if required • CLICK "Approve 1".	Approve 1 Confirmation Screen will be displayed to verify that the pending user has been updated to "Approve 1" status. The approval process for a new user is completed.

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***--52 Accessing COPS (Continued)**

C State Office Approval Process (Continued)

Step	Action		Results
5 (Cntd)	**IF the user is…**	**THEN…**	
	a current user requesting authorization to add additional county codes	• review the request on the Pending User Details Screen, COPS Access Information Block **Note:** County codes the user already has access to will show in COPS Access Information Block • new county codes are shown on the Request Type • CLICK "Approve 1".	Approve 1 Confirmation Screen will be displayed to verify that the pending user has been updated to "Approve 1" status. The approval process for a current user county code addition is completed.
	a current user requesting authorization to move from 1 county to another	• review the request on the Pending User Details Screen, COPS Access Information Block **Note:** County codes the user previously had access to will show in COPS Access Information Block. • new county will be displayed in the Request Type Block • CLICK "Approve 1" for the new county request • contact Janet DeLancey by telephone at 816-926-2638 or e-mail at **janet.delancey@kcc.usda.gov** advising the name of the user and the State and county codes requiring deletions.	Approve 1 Confirmation Screen will be displayed to verify that the pending user has been updated to "Approve 1" status. The approval process for a current user county code deletion is completed. Kansas City will delete the user from the invalid county.

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***--52 Accessing COPS (Continued)**

C State Office Approval Process (Continued)

Step	Action		Results
5 (Cntd)	**IF the user is…**	**THEN…**	
	a current user attempting to come in as a new user and is listed on the User Maintenance List	• the user will have an expired NITC ID or COPS password **Note:** Do **not** approve. • State Office shall instruct County Office user to contact the National Help Desk at 800-255-2434, Option 5, or call the Security Office at 816-926-6537, and request to have their NITC ID reinstated or have their COPS password reset • CLICK "Delete" at the bottom of the Pending User Details Screen.	A pop-up box will be displayed with the question, "Are you sure you want to delete this user?" CLICK "Yes". A Delete Confirmation Screen will be displayed that advises that the pending user has been deleted. The deletion process is completed.

--*

52 Accessing COPS (Continued)

D Password Expiration

COPS passwords expire after 30 calendar days and can be reset by the user at the COPS Sign-On screen. If **not** reset, the COPS password will be:

- revoked after 36 calendar days
- suspended after 90 calendar days
- put on the delete list after 120 calendar days
- deleted after 180 calendar days.

If users have **not** accessed COPS recently, it may be necessary to update the password. Instructions are in the COPS User Guide, Section 1.3. On COPS Home Page, CLICK "System Access Instructions" link under the "Administrative" tab.

A pop-up box will appear on COPS if a user tries to change a password that does **not** conform to the new rules. The screen will identify the specific error, such as "does **not** include a numeric character."

A new button labeled "Password Rules" has been added to the Secure System Password Reset Screen. Users can click "Password Rules" to obtain details of the new password requirements.

Three attempts to change the password will be allowed before the password is suspended. If problems are encountered while resetting a password, contact FSA Security Office at 816-926-6537.

53 Eligibility Review

A Review

A second party review of eligibility requirements for loan and LDP applications shall be performed before disbursement. The reviewer **must** initial the loan or LDP application when ***--**the review is completed. **Before** a loan or LDP is issued, CCC-770 CottonMAL or CCC-770 LDP/eLDP **must** be completed according to paragraph 54.

Notes: The program technician shall **not** do both of the following:

- accept MAL or LDP/eLDP requests
- initial as the second party reviewer

It is recommended that CED's in 2-person County Offices:

- initial as second party reviewer
- sign as approving official, as designated by COC.**--***

54 CCC-770 CottonMAL's and CCC-770 LDP/eLDP's

*--A Using CCC-770 CottonMAL's and CCC-770 LDP/eLDP's

CCC-770 CottonMAL's and CCC-770 LDP/eLDP's shall be considered management tools to help address deficiencies identified by a review or spot-check of whether program policies or procedures are being followed before issuing various farm program payments.**--***

*** * ***

--54 CCC-770 CottonMAL's and CCC-770 LDP/eLDP's (Continued)--

B Instructions for CCC-770 CottonMAL

Complete CCC-770 CottonMAL according to the following table.

Item	Instructions
1	Enter name of the loan applicant.
2	Enter loan number.
3	Enter State Office name.
4	Enter County Office name.
5	Enter farm number.
6	Enter crop year.
7 - 12	Enter check under "YES", "NO", or "N/A", as applicable for each entry. * * *
13	Enter any remarks that may explain special circumstances or explanation for items checked as "NO".
14A and B	Any employee that initials 1 or more items from items 7 through 12 shall certify by signing as preparer and entering date of signature.
15A, B, and C	**Note:** This item will be completed if CCC-770 CottonMAL is selected for spot check. CED or designated representative shall certify by: • in item 15A, indicating concurrence or not if CCC-770 CottonMAL items have been verified and completed • in item 15B, signing as Second Party Reviewer • in item 15C, entering date of signature.
16A, B, and C	**Note:** This item will be completed if CCC-770 CottonMAL is selected for spot check. If CCC-770 CottonMAL is selected for spot check, STC designee shall certify by: • in item 16A, indicating concurrence or not if CCC-770 CottonMAL items have been verified and completed • in item 16B, signing as spot-checker • in item 16C, entering date of signature; this item remains blank if CCC-770 CottonMAL is **not** selected for spot check.

*--54 CCC-770 CottonMAL's and CCC-770 LDP/eLDP's Continued)

C Example CCC-770 CottonMAL

Following is an example CCC-770 CottonMAL.

This form is available electronically.

CCC-770 CottonMAL (01-08-09) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1. Applicant's Name: John Smith	2. Loan Number: 00147
OUTSIDE-STORED ELS, WAREHOUSE-RECEIPTED COTTON, AND SEED COTTON MARKETING ASSISTANCE LOAN CHECKLIST	3. State Office Name: Texas	4. County Office Name: Gaines
	5. Farm Number: 1521	6. Crop Year: 2008

Note: Complete this checklist for each individual loan application. Provisions of 7-CN are applicable.

7. Loan Request *(ELS Outside-Stored Only)*	Handbook or Other Applicable References	YES	NO	N/A
A. Are CCC Cotton A-5 and CCC-601 ELS Appendix completed, signed by producer, and signed and dated (date received) by CCC representative?	7-CN, paragraphs 182, 222.7, 223.8 and 224			X
B. Are bales represented by warehouse receipts? (If "YES", cotton is ineligible for outside-stored loan.)	7-CN, paragraph 189			X
C. Is CCC-10 on file? (except for turn-around loans)	7-CN, paragraphs 181 and 223.7			X
D. Is the cotton located in an area approved for outside storage?	7-CN, Exhibit 18.5			X
8. Loan Request *(Warehouse-Stored, ALL Types)*				
A. Is CCC Cotton A-5 completed, signed by producer, and signed and dated (date received) by CCC representative?	7-CN, paragraphs 182, 222.7, 223.8 and 224	X		
B. Is CCC-10 on file? (except for turn-around loans)	7-CN, subparagraph 181B	X		
9. Loan Request *(Seed Cotton, Recourse)*				
A. Is CCC-877 completed, signed by inspector	7-CN, subparagraph 238A			X
B. Is CCC-683 provided to applicant or inspector?	7-CN, subparagraph 239A			X
C. Is UCC-1 filed for the loan?	7-CN, subparagraph 124J			X
10. Producer/Commodity Eligibility				
A. Has the FSA-578 been properly completed and filed?	7-CN, subparagraph 118B	X		
B. Has the CCC-770 Eligibility checklist been completed and verified?	7-CN, subparagraph 53A	X		
C. Did the producer answer "NO" to the question, "Are you or any co-applicant delinquent on any Federal non-tax debt on CCC Cotton A-5?	7-CN, subparagraph 101B	X		
D. Is the quantity requested within the COC-established reasonable yield for the commodity? **County Offices MUST run queries.**	7-CN, subparagraph 119B	X		
E. Has a second party review been properly completed? Ensure that the loan application was initialed by the reviewer.	7-CN, subparagraph 182A	X		
11. MAL Processing /Approval				
A. Has lien search been performed for each application?	7-CN, subparagraph 124A	X		
B. Has CCC-679 (lien waiver) been obtained from all parties with a security interest in the producer's crop?	7-CN, subparagraph 163C	X		
C. If producer is signing in a representative capacity, was indicator "by" or "for" used?	7-CN, paragraph 189	X		
D. Has "date documents received" (Item A8 of Cotton A-5) been determined based on the latter of either: • date CCC Cotton A-5 is received and all other forms (such as lien waiver, CCC-10) are received • date CCC is made holder of EWR's	7-CN, subparagraph 182B	X		
E. If applicable, has form CCC-674 or SF-LLL been obtained for loans greater than $150,000?	7-CN, subparagraph 37A			X

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*--54 CCC-770 CottonMAL's and CCC-770 LDP/eLDP's (Continued)

C Example CCC-770 CottonMAL (Continued)

CCC-770 CottonMAL (01-08-09) Page 2

12. Distribution of Loan Documents				
A. Has CCC Cotton A-5 or CCC-877, as applicable, been distributed as follows? • copy in County Office records • copy to producer • copy to cotton loan clerk, if applicable	7-CN, paragraph 193	X		
B. Are the following documents filed in a locked, fireproof custody file? • original signed and approved CCC Cotton A and Continuation, if applicable • original CCC Cotton A-1 • original transaction summary report, if applicable	7-CN, subparagraph 193B	X		
C. Are the following documents filed in the producer's loan folder? • copy of signed and approved CCC Cotton A • copy of signed CCC Cotton A Continuation, if applicable • copy of CCC Cotton A-1 • copy of transaction summary report • other documents signed by producer pertaining to this loan • original of Producer's Disbursement Transaction Statement • all printouts from Cotton PC, including Validation Review Reports, Classing Data, and Bale Recap Listings	7-CN, subparagraph 193C	X		
D. Have the following documents been provided to the producer? • copy of signed and approved CCC Cotton A • copy of signed CCC Cotton A Continuation, if applicable • copy of CCC Cotton A-1 • copy of transaction summary report generated by APSS • copy of Producer's Disbursement Transaction Statement • CCC-601 or CCC-601 ELS (as applicable) • copies of other documents signed by producer pertaining to this loan	7-CN, subparagraph 193A	X		

13. Remarks

Certifications:
I (we) the undersigned certify the above items have been verified or updated accordingly.

14A. Signature of Preparer(s)	14B. Date (MM-DD-YYYY)
/s/ Program Technician Signature	01/13/2009

15A. I concur/do not concur the above items have been verified or updated accordingly. ☐ Concur ☐ Do Not Concur

15B CED Signature for Spotcheck	15C. Date (MM-DD-YYYY)
/s/ CED's Signature	01/30/2009

16A. I concur/do not concur the above items have been verified or updated accordingly. ☐ Concur ☐ Do Not Concur

16B. STC Designee Signature for Spotcheck	16C. Date (MM-DD-YYYY)

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*--54 CCC-770 CottonMAL's and CCC-770 LDP/eLDP's (Continued)

D Instructions for CCC-770 LDP/eLDP

Complete CCC-770 LDP/eLDP according to this table.

Item	Instructions
1	Enter name of the producer.
2	Enter date of application.
3	Enter State Office name.
4	Enter County Office name.
5	Enter crop year.
6	Enter LDP or eLDP number.
7	Enter farm number.
8	Enter commodity/class/type.
9 - 13	Enter check under "YES", "NO", or "N/A", as applicable for each entry. **Note:** Item 10H is **not** applicable to cotton; leave blank.
14	Enter any remarks that may explain special circumstances or explanation for items checked as "NO".
15A and B	Any employee that answers 1 or more items from items 9 through 13 shall certify by signing as preparer and entering date of signature.
16A, B, and C	**Note:** This item will be completed if CCC-770 LDP/eLDP selected for spot check. CED or designated representative shall certify by: • in item 16A, indicating concurrence or not if CCC-770 LDP/eLDP items have been verified and completed • in item 16B, signing as Second Party Reviewer • in item 16C, entering date of signature.
17A, B, and C	**Note:** This item will be completed if CCC-770 LDP/eLDP selected for spot check. If CCC-770 LDP/eLDP is selected for spot check, STC designee shall certify by: • in item 17A, indicating concurrence or not if CCC-770 LDP/eLDP items have been verified and completed • in item 17B, signing as spot-checker • in item 17C, entering date of signature; this item remains blank if CCC-770 LDP/eLDP is **not** selected for spot check.

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*--54 CCC-770 CottonMAL's and CCC-770 LDP/eLDP's (Continued)

E Example CCC-770 LDP/eLDP

Following is an example CCC-770 LDP/eLDP.

This form is available electronically.

CCC-770 LDP/eLDP (12-23-08) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1. Producer/Applicant Name: John Smith	2. Date of Application (MM-DD-YYYY): 01-05-2009
LOAN DEFICIENCY PAYMENT (LDP) AND eLDP PROGRAM REVIEW CHECKLIST	3. State Office Name: Texas	4. County Office Name: Gaines
	5. Crop Year: 2008	6. LDP or eLDP Number: 00155
	7. Farm Number: 1602	8. Commodity/Class/Type: Cotton/UPL

NOTE: Properly completed forms mean completed according to the applicable procedure. This shall include proper signature, shares, ID numbers, addresses, date stamp, etc.

9. LDP Request/Application	Handbook or Other Applicable References	YES	NO	N/A
A. Is there a properly completed and signed CCC-633 EZ Page 1 on file? *Explain "NO" answer:*	8-LP, paragraph 301.5 7-CN, paragraph 261F, 261.5	X		
B. Was the CCC-633 EZ Page 1 filed prior to loss of beneficial interest? *Explain "NO" answer:*	8-LP, paragraph 301.5 7-CN, paragraph 261.5, 275.5	X		
C. Has the CCC-633 EZ, Page 1 been forwarded to other county offices, if applicable?	8-LP, paragraph 301.5 7-CN, subparagraph 261G			X
D. Was the completed CCC-633 EZ, Page 1 and applicable LDP benefit request page (page 2, 3 or 4) received in the county office on or before the final loan/LDP availability date?	8-LP, paragraph 127 7-CN, paragraph 263	X		
E. Are CCC-633 EZ, Page 1 and Pages 2, 3, or 4 date-stamped?	8-LP, subparagraph 301E 7-CN, paragraph 263	X		
F. Did the producer answer the question, "Are you or any co-applicant delinquent on any Federal non-tax debt?"	8-LP, subparagraph 101B 7-CN, subparagraph 100.5	X		
G. Has a second party reviewer verified and initialed the applicable LDP benefits page (CCC-633 EZ, Page 2, 3 or 4) to ensure the applicable LDP request was properly completed and ready for approval and processing?	8-LP, paragraph 136 7-CN, paragraph 271A, 274J	X		

10. Producer/Commodity Eligibility *(Continuation)*	Handbook or Other Applicable References	YES	NO	N/A
A. Is there a properly completed and timely filed FSA-578 on file for the applicable crop year, with all cropland reported? *Explain "NO" answer:*	8-LP, paragraphs 100 and 128 7-CN, paragraph 100A 2-CP, paragraph 15	X		
B. Has producer eligibility been verified on the CCC-770 Eligibility Checklist?	8-LP, paragraph 100 7-CN, paragraph 53A	X		
C. Is the quantity requested for LDP within the COC-established reasonable yield for the commodity? **NOTE:** County Office must run price support queries or determine reasonableness based on maximum eligible quantity as applicable.	8-LP, paragraph 132 7-CN, paragraph 119B	X		
D. If the requested quantity exceeded COC established reasonable yield, did the COC determine the quantity was reasonable? *Explain "NO" answer:*	8-LP, paragraph 132 7-CN, subparagraph 119C			X
E. Did the producer have risk of producing the crop?	8-LP, paragraph 100 7-CN, paragraph 100	X		
F. If LDP is based upon date beneficial interest is lost, was acceptable production evidence provided and was the LDP rate verified? *Explain "NO" answer:*	8-LP, paragraph 129A, 303 7-CN, paragraph 262			X

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*--54 CCC-770 CottonMAL's and CCC-770 LDP/eLDP's (Continued)

E Example CCC-770 LDP/eLDP (Continued)

CCC-770 LDP/eLDP (12-23-08) Page 2

10. Producer/Commodity Eligibility *(Continuation)*	Handbook or Other Applicable References	YES	NO	N/A
G. Is LDP rate correct for request date and county where marketed or stored, if beneficial interest is maintained? *(N/A for cotton)*	8-LP, paragraph 303	X		
H. Is LDP rate correct for "dates of Delivery", if LDP requested based on date of delivery? *(N/A for cotton)*	8-LP, paragraph 303	X		
11. LDP Processing				
A. Has form CCC-674 or SF-LLL been obtained, if applicable? (LDP greater than $100,000)	8-LP, paragraph 17 7-CN, paragraph 37			X
B. Has the Financial Services System been updated to reflect assignments, if applicable? **NOTE:** All assignments should be on file and recorded in Financial Services as "LDP" and "LDP Web", for e-mails. ***(Not applicable to CMA's)***	63-FI, Parts 3 and 4			X
12. eLDP Processing				
A. Has eLDP customer profile been established? ***(Not applicable to CMA's).***	15-PS, paragraph 251 7-CN, paragraph 282B	X		
B. Has eLDP application been submitted and printed?	15-PS, Part 3 7-CN, paragraph 285.2	X		
13. Cotton – Specific LDP Processing				
A. If request is for a module-lock-in LDP, is the request date after the beginning-of-harvest-date for the County?	7-CN, paragraph 261.5 and subparagraph 274			X
B. If request is for a module-lock-in LDP, does production evidence from the gin indicate that the bales were produced from the modules identified on the original application.	7-CN, subparagraph 275B			X
C. Has CCC-Cotton AA-1 been printed, filed in LDP folder and given to producer?	7-CN, subparagraph 278C	X		

14. Remarks

Certification: I (we) the undersigned certify the above items have been verified or updated accordingly. I also certify that the applicable LDP documents will be filed in accordance with Handbook 25-AS and that the producer will receive the applicable LDP documentation according to policies and procedures found in Handbook 8-LP.

15A. Signature of Preparer(s)	15B. Date *(MM-DD-YYYY)*
/s/ Program Technician's Signature	1/13/2009

16A. I concur/do not concur the above items have been verified or updated accordingly. ☒ Concur ☐ Do Not Concur

16B. CED Signature for Spotcheck	16C. Date *(MM-DD-YYYY)*
/s/ CED's Signature	1/30/2009

17A. I concur/do not concur the above items have been verified or updated accordingly. ☐ Concur ☐ Do Not Concur

17B. STC Designee Signature for Spotcheck	17C. Date *(MM-DD-YYYY)*

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54 CCC-770 CottonMAL's and CCC-770 LDP/eLDP's (Continued)

F Instructions for CCC-770 Eligibility

An example CCC-770 Eligibility and instructions for its completion are provided in 3-PL, paragraph 3.

*--G Using CCC-770 CottonMAL's and CCC-770 LDP/eLDP's in State and County Offices

SED's, STC or designee, DD's, or CED's shall determine the following:

- when County Offices are to complete CCC-770 CottonMAL's and CCC-770 LDP/eLDP's if apparent internal control deficiencies are found during STC representatives, DD, or CED reviews
- if the applicable CCC-770 is necessary to avoid findings indicated by CORP reviews
- when additional internal controls are necessary to reduce improper payments.--*

* * *

55, 56 (Reserved)

57 Program Violations

A Purpose

Whenever program violations are suspected or brought to the attention of State Offices, the State Offices shall follow this paragraph.

B Additional Information Required

State Offices shall request services of OIG according to 9-AO if information is **not** available to State Offices to make a correct determination.

C Fraud Is Not Evident

If a determination is made that ineligible cotton has been pledged for loan but fraud is **not** evident, instruct County Offices to do either of the following:

- for HELC or WC violations, follow paragraph 32
- for all other loan and LDP violations, follow Part 7.

D Fraud Is Evident

If a determination is made that fraud is evident, or if claims for valid unwaived prior liens are received, immediately refer the case to the OGC representative. State Offices shall take action according to OGC instructions.

E Reporting to KCCO

State Offices shall report in writing to KCCO, CMD, cases of alleged or suspected program violations by approved warehouses and others whose program activity is supervised by KCCO. Mail reports to:

--**KCCO, CMD, SCB**--
STOP 8748
PO BOX 419205
KANSAS CITY MO 64141-6205.

Note: State Offices shall send a copy of the report to PSD.

F Reporting to PSD

State Offices shall report in writing to PSD cases of alleged or suspected program violations by CMA's and LSA's.

58 Supervision

* * *

A Overseeing County Offices

State Offices shall require County Offices to:

- provide fast and efficient loan service
- closely supervise cotton clerks and program operations outside of County Offices
- complete effective and timely spot checks
- keep required records
- care for warehouse receipts, class cards, or other documentation.

59 Approving County Offices to Make Seed Loans Without Measurement

A
Determination

State Offices shall determine whether County Offices have sufficient knowledge and experience with seed cotton to make loans without inspecting and measuring seed cotton before making a seed cotton loan.

B
Notification

State Offices shall notify approved County Offices:

- to follow paragraph 236 for inspecting seed cotton
- of the percentage of loans that must be inspected.

60-63 Reserved

64 Automated Procedures

A Automation Used in This Handbook

Follow the instructions in this handbook when using APSS to accomplish the following types of loan activity:

- updating county gin tables
- preparing loan documents
- disbursements
- loan repayments
- reconcentration
- paying accrued warehouse operator charges
- settlements and forfeitures
- LDP's
- corrections
- recording loan and LDP violations.

B Where Are Automation Tips Located

Throughout this handbook, automation guidelines and instructions immediately follow policy and procedures that require an automated process.

* * *

65 County Office-Maintained Table Files

A Introduction

County Offices shall maintain and update the table files in subparagraph B before beginning the Cotton Loan Program.

Note: Before a cotton loan or LDP can be processed through APSS, the system requires that shipping rates for the warehouse where the cotton is stored be entered on the Offer Shipping Rate Table. Approved warehouses, CSA, and tariff receiving and storage rates are available in COPS.

B APSS Procedure

County Offices shall maintain table files according to this table.

Reference	Table File	Frequency
12-PS, Part 14, Section 3	Monthly Interest Rate	Monthly
	Commodity Loan Rate	Yearly
	--**"Offer Shipping" which is the tariff storage rate**--	Yearly or when changed
Paragraph 81	Cotton Gin Code	Yearly or when new gin added

Note: When adding rates for a new warehouse for the first time in APSS, County Offices must enter the rates for 2 years, to include the:

- current year
- prior year.

65 County Office-Maintained Table Files (Continued)

*--C Accessing Warehouse Offer Shipping Rates

Approved warehouses and their contract and tariff rates are now available in COPS. Rates are posted as they become effective.

CMA's, LSA's, and County Offices can view warehouse rates according to the following table.

Step	Action	Result
1	Sign into the COPS website at **https://dlnt01.fsa.usda.gov**.	
2	Select "Warehouse Home" under the "**Home Pages**" tab.	The Warehouse Services Home Page will be displayed.
3	Select "CSA and Tariff Rates" under the "**Online Lists**" tab.	CSA and Tariff Rate Criteria Screen will be displayed.
4	Select crop year from the drop down box. Select warehouse by entering the appropriate criteria. Click on "**Generate Report**".	Rates for the selected warehouse will be displayed. Use the back button to return to the criteria screen and select another warehouse.

Note: Use the 6-digit warehouse code when establishing a warehouse in APSS. Do **not** use the 5-digit "master" warehouse code.**--***

66 Producer and Loan Identification

A Purpose

This paragraph provides procedure to identify the correct producer and the correct loan for APSS loan functions.

B Procedure

Use the following procedure for correctly identifying a producer and loan.

Step	Action	Result
1	On every loanmaking function, after the function has been started, Screen PCA11000 will display to identify the correct producer and the correct loan. • If producer ID and loan number are **not** known, go to step 2. • If producer ID and loan number are known, or if only the loan number is known, go to step 3.	
2	On Screen PCA11000, enter producer last name, and PRESS "Enter".	Screen FAX270-01 or PCA12500 will be displayed. Go to step 4.
3	On Screen PCA11000, enter either of the following, and PRESS "Enter": • producer ID and loan number • loan number and crop year.	Screen PCA12500 will be displayed. Go to step 4.
4	On Screen FAX270-01 or PCA12500, enter the number that corresponds to the contact producer, and PRESS "Enter".	Screen PCA12000 will be displayed. Go to step 5.
5	On Screen PCA12000, ENTER "Y" or "N" to the question, "Is this the correct producer?" **Note:** If displayed, ENTER "Y" or "N" to the question, "Is this a recording of a manually made action?" • Screen PCA14000 will be displayed. • Go to step 7.	If "Y" was entered: • Screen PCA13000 will be displayed • go to step 6. If "N" was entered: • Screen PCA11000 will be displayed. • go to step 1.
6	On Screen PCA13000, enter the number that corresponds to the applicable loan number, and PRESS "Enter".	Screen PCA14000 will be displayed. Go to step 7.
7	On Screen PCA14000, ENTER "Y" or "N" to the question, "Is this the correct loan?"	If "Y" was entered, use instructions for the applicable process. If "N" was entered, Screen PCA11000 will be displayed. Go to step 3.

67-69 (Reserved)

Section 6 Ginner Approval Requirements, Agreements, and Codes

70 Overview

A Introduction

[7 CFR 1427.5(b)(11)] For cotton to be placed under CCC loan, ginners must agree to certain conditions. This section provides instructions for notifying ginners of how to become a participating ginner and their responsibilities.

B Ginned Cotton

For ginned cotton, ginners must certify and agree to:

- *****--use bagging and ties that meet JCIBPC specifications and tare weights--*****
- CCC providing producers the ginner name as a cooperating ginner
- either of the following:
  - enter the official tare weight of each bale on each bale tag
  - notify warehouse operators of official tare weight of bales ginned at their gins.

C Seed Cotton

For seed cotton, ginners must agree:

- to provide adequate protection against weather and other damage
- if acting as an agent for the producer, to not make any purchases for their own account or as an agent for others
- to provide insurance coverage as required by regulations
- on request, to gin all seed cotton pledged as collateral for a price support loan
- to allow CCC or an agent to inspect storage facilities
- that they will not employ any person undergoing a sentence of imprisonment at hard labor

70 Overview (Continued)

C Seed Cotton (Continued)

- that no member or delegate to Congress or the Resident Commissioner will share in the agreement
- not to deny available space to any producer wanting to obtain a price support loan
- that no person or selling agency has been employed to solicit or secure the agreement for securing business
- CCC informing producers that the ginner is approved for the storage and ginning of seed cotton.

71 Cooperating Ginner Requirements Using CCC-809 * * *

A Type of Cotton

For ginned cotton to be eligible for CCC loan, the cotton must be adequately packaged to protect the cotton.

Ginners who file CCC-809 agreeing to adequately package ginned cotton will be considered cooperating ginners, and bales ginned by them will be considered eligible for CCC loan.

B Notifying Potential Cooperating Ginners

[7 CFR 1427.5(b)(11)] County Offices shall encourage ginners to complete and return CCC-809 before the start of the ginning season. County Offices shall send each ginner operating in the county the following:

•*****--Notice to Cotton Ginners
- 2 copies of CCC-809.

Starting with the 2001-crop ginning season, CCC-809 is a multiyear agreement effective until terminated in writing by either CCC or the ginner. Therefore, copies of CCC-809 and the Notice to Cotton Ginners need to be sent only once to:--*****

- existing ginners before the 2001 ginning season
- new ginners when it is known that they will be an operational gin.

71 Cooperating Ginner Requirements Using CCC-809 * * * (Continued)

C Example of Notice to Ginners

The following Notice to Ginners must be reproduced locally and signed by CED.
*--

U.S. Department of Agriculture
Commodity Credit Corporation
_____ County

Dear Cotton Ginner:

For cotton to be eligible for a Commodity Credit Corporation (CCC) loan or to receive a loan deficiency payment, it must be wrapped in packaging materials meeting the specifications annually developed by the Joint Cotton Industry Bale Packaging Committee (JCIBPC).

To encourage use of these packaging standards, CCC provides for ginners to sign an agreement with CCC wherein ginners agree to purchase and use only approved packaging materials, to provide the bale tare weight on gin tag lists or otherwise furnish such weight to warehousemen, and to be familiar with the current packaging standards.

Ginners that agree to use these approved materials and sign the Cooperating Ginner's Bagging and Bale Ties Certification and Agreement (CCC-809) are identified to producers by CCC as cooperating ginners. If you agree to use the JCIPBC standards, and would like to be so designated to producers, please sign and return one copy of the enclosed CCC-809. A copy of the Agreement signed and dated by the FSA County Executive Director will be returned to you.

Note that this new agreement will remain in full effect from the date signed by CCC until terminated in writing by the ginner or CCC. It will not need to be renewed annually.

Signatories of the CCC-809 are responsible to obtain and be familiar with the current JCIPBC standards. FSA will not provide the standards to ginners unless requested because the specifications applicable to the current ginning season are available on the internet at: **http://www.cotton.org/pubs/index.cfm**

Copies of the specifications are also available at: JCIPBC, National Cotton Council of America, P.O. Box 12285, Memphis, TN 38112. Copies may also be inspected at your local office of the Farm Service Agency and at the South Agriculture Building, room 4089A, 1400 Independence Avenue SW, Washington, D.C.

This agreement does not prohibit cooperating ginners from using experimental or non-specification materials. However, cooperating ginners must notify the County Office of the bales wrapped in such materials by bale number and producer name.

Ginners that do not sign this agreement are identified to producers as non-cooperating ginners. Cotton ginned by non-cooperating ginners is considered ineligible as CCC loan collateral unless individual bales are packaged in approved materials and then certified in writing, by bale number, as meeting the approved specifications. Approved ginners do not need to provide this individual certification for bales.

Producers are directly informed that for cotton to be eligible as loan collateral or for loan deficiency payments it must:

- be ginned by a ginner who has agreed to used approved materials
- be wrapped in approved materials
- indicate an approved tare weight.

Please contact this office if you have any questions regarding the enclosed agreement or use of the JCIBPC specifications.

Sincerely,

County Executive Director

Enclosures

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, 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, S.W., Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity providers and employer.

--*

72 Bagging and Tie Requirements Agreement Using CCC-809

A Example of CCC-809

County Offices shall provide 2 copies of CCC-809 to each ginner in the county.
*--

This form is available electronically.

CCC-809
(09-16-03)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

COOPERATING GINNER'S BAGGING AND BALE TIES CERTIFICATION AND AGREEMENT

NOTE: *The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. 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.*

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a): The authority for requesting the following information is the Cotton Loan Program. Regulations at 7 CFR Part 1427. These regulations provide that ginners who wish to store or gin CCC-loan cotton shall execute and file a written certification and agreement with the Commodity Credit Corporation (CCC) to use approved bagging and bale ties that meet Specifications for Cotton Bale Packaging Materials approved and published by the Joint Cotton Industry Bale Packaging Committee. This agreement and certification, Form CCC-809, is the required agreement and without it the cotton processed at the gin will be ineligible for CCC loans or payments. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 371, 641, 651, 1001, 15 USC 714m, and 31 USC 3729, may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

This agreement made and entered into on the day indicated in Item 6, by and between Commodity Credit Corporation ("CCC") and the ginner indicated ("the ginner").

WITNESSETH:

WHEREAS, CCC and the cotton industry desire that ginners assist producers in maintaining the eligibility of their cotton for CCC loans by using bagging and bale ties that meet the Specifications for Cotton Bale Packaging Materials ("the specifications") approved and published by the Joint Cotton Industry Bale Packaging Committee ("JCIBPC"), and incorporated by reference in the Cotton Loan Program Regulations (7 CFR Part 1427) issued by CCC.

NOW, THEREFORE, in consideration of this premises and other considerations contained herein, the parties hereto agree as follows:

A. The ginner shall be familiar with the provisions of the JCIBPC specifications and other instructions issued by CCC.

B. The ginner agrees to specify in purchase contracts with bagging and bale tie suppliers that, except for bagging and ties to be used at gins not listed below, only bagging and ties which meet the specifications will be accepted by the ginner for use on cotton ginned during the effective period of this agreement (Item F) and that if such purchase contracts include bagging manufactured from polypropylene fabric, the ginner will accept such bagging only if it is accompanied by a certification by the manufacturer that such bagging meets the specifications, that the fabric has been manufactured in the United States from yarn and resins produced in the United States for use as cotton bale covers, and that the manufacturer is on the JCIBPC's approved list and that any bagging and/or bale ties which do not meet the specifications will be returned to the supplier. The ginner also agrees that the ginner will determine, before using any bagging or bale ties on producers' cotton at gins listed below, that such bagging and ties meet the specifications. Notwithstanding the foregoing provisions, the ginner may purchase and use on cotton at such gins (a) nonspecification bagging and/or ties properly identified with the testing program of the Experimental Bale Packaging Program sponsored by the JCIBPC; or (b) nonspecification bagging and/or bale ties if the ginner notifies the county office of plans to do so, assists the county office in identifying bales wrapped in such materials as being ineligible for CCC loan, and furnishes that county office with the names of the producers of such bales and the gin bale numbers.

C. The ginner certifies that, to the best of the ginner's knowledge and belief, all bagging and bale ties that the ginner has on hand at such gins meets the specifications and certifies and agrees that all bagging and ties that the ginner has used or will use at such gin(s) for such crop will meet specifications, except as otherwise provided in paragraph B above. The ginner further agrees that any authorized representative of CCC or the JCIBPC may, at any time during business hours, examine the bagging and bale ties at such gins for compliance with the specifications.

D. Subject to the other provisions of this agreement, CCC will inform producers in the ginner's area that the ginner has agreed to the conditions specified above.

E. The ginner agrees to enter the tare-weight of each bale ginned at such gins on the gin bale bag tag or otherwise furnish warehousemen the tare weight.

F. It is further agreed that this agreement shall remain in full effect from the date indicated in Item 6 on this agreement until terminated in writing by the ginner or by CCC.

1. NAME OF GIN	2A. SIGNATURE	2B. TITLE	3. DATE (MM-DD-YYYY)
Broken Arrow Coop Gin		Manager	09 15 2004

4. BUSINESS ADDRESS OF GIN	5. LOCATION OF GIN(S)
3615 Main Street Monroe, Alabama 23456	Same as Business address

For Commodity Credit Corporation

6A. BY	6B. DATE (MM-DD-YYYY)	7. NAME AND ADDRESS OF COUNTY FSA OFFICE
	09-17-2004	Lafayette County FSA 1516 24th Avenue Monroe, Alabama 23458

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.

--*

72 Bagging and Tie Requirements Agreement Using CCC-809 (Continued)

B JCIBPC Specifications

[7 CFR 1427.5(b)(10)] County Offices shall provide a copy of the current JCIBPC specifications booklet if requested by a ginner. The specifications are available at ***--http://www.cotton.org/tech/bale/index.cfm.--***

C Official Tare Weights

[7 CFR 1427.5(b)(11)] The official tare weights for various combinations of approved wrapping materials are in the JCIBPC specifications booklet.

Any bale of cotton that shows a tare weight different than the one in the specifications is ineligible for CCC price support loans, unless approved experimental bagging and ties are used.

73 Approving Cooperating Ginners

A Approving CCC-809

[7 CFR 1427.5(b)(11)] Completed CCC-809's returned by ginners shall be signed by CED for CCC.

Each ginner with an approved CCC-809 on file in the County Offices shall be considered a cooperating ginner.

B Notifying Ginner of Receipt of CCC-809

[7 CFR 1427.5(b)(11)] County Offices shall notify each ginner of the receipt of CCC-809 by sending a copy of the signed CCC-809 back to the ginner.

This procedure should ensure that ginners are aware that they agreed to:

- identify the tare weights for each bale according to CCC-809
- certify tare weights to warehouse operators if requested by warehouse operators
- ***--**use bagging and ties that meet the JCIBPC specifications.**--***

74 Cotton Ginned by Noncooperating Ginners

A Ineligible

Cotton ginned by noncooperating ginners is ineligible for CCC loan.

B Exception

Bales packaged at a noncooperating gin are eligible for loan if both of the following conditions are met:

- producer provides COC a certification signed by the noncooperating ginner, attesting that the cotton, identified by bale number, is packaged according to JCIBPC specifications

- the official tare weight of the bagging and ties is entered on each bale tag or otherwise provided to the warehouse operators.

75 Nonspecification Bagging Used by a Cooperating Ginner

A Specification Bagging

Bagging carried over from the previous crop that was eligible to package previous years' cotton may be used on current year cotton.

B Other Nonspecification Packaging Material

A cooperating ginner may use nonspecification bagging, bale ties, or both if the ginner does both of the following:

- notifies the County Office of these plans
- assists the County Office in identifying bales wrapped in these materials as being ineligible for CCC loan by providing the:
    - names of applicable producers
    - bale numbers of the bales.

76 Posting Ginner Lists

A Lists

County Offices shall prepare and post in County Offices a list of:

- cooperating ginners who completed and filed CCC-809 with COC
- noncooperating ginners who did **not** file CCC-809.

B Cooperating Ginners List Example

This is an example of a list of cooperating ginners.
*--

List of Cooperating Ginners

Date of Posting

The authorized representatives of the following cotton gins located in _____ County have certified to CCC that all the bagging and bale ties that they will use for the current crop year meet the specifications approved and published by the Joint Cotton Industry Bale Packaging Committee (JCIBPC).

These ginners agree that any cotton that may be wrapped in nonspecification bagging or bale ties not identified with the testing program of the Experimental Bale Packaging Program is ineligible for CCC loan or loan deficiency payments and will be identified to this County Office by bale number and producer.

The posting of this list by CCC does not guarantee that all bagging, bale ties, or both used at the following gins will meet the JCIBPC approved specifications.

Name of Gin	Location of Gin
Gin, Inc.	City, State
Coop Gin	City, State
City Gin	City, State
West Gin	City, State

--*

76 Posting Ginner Lists (Continued)

C Noncooperating Ginners List Example

This is an example of a list of noncooperating ginners.
*--

List of Noncooperating Ginners

Date of Posting _____

The owner or authorized representatives of the following cotton gins located in _____County have not certified that all bagging and bale ties that the gin will purchase and use during the current ginning season will meet the specifications approved and published by the Joint Cotton Industry Bale Packaging Committee (JCIBPC) or will be identified as experimental packaging material approved by JCIBPC. CCC will not permit any bales ginned at these gins to be pledged for loan unless the following conditions are met.

- Cotton is packaged in materials that meet the specifications approved for bagging and ties.
- The producer provides a certification from the ginner that the cotton, identified by bale number, is wrapped in specification or approved bagging and ties or is properly identified as experimental packaging material approved by JCIBPC.
- The ginner has certified the tare weight to the warehouse operator.

Name of Gin	**Location of Gin**
Last Chance Gin	City, State

--*

77 Sending Lists to Producers, LSA's, and Cooperatives

A If All Gins in the County Are Cooperating

If all ginners in the county are cooperating by signing CCC-809, no letter is required to be mailed to cotton producers, LSA's, and cotton CMA's informing them of this cooperation. It is recommended that an item be included in the county newsletter that all gins are cooperating.

B If 1 or More Ginners in the County Are Noncooperating

If 1 or more ginners in the county are noncooperating, the County Office shall send to each cotton producer, LSA, and cotton CMA a copy of the list of noncooperating ginners in paragraph 76.

78 (Withdrawn--Amend. 32)

79 Ginner Approval Application for Seed Cotton Loans Using CCC-879

A Filing Gin Application CCC-879

Each ginner wanting to participate in the recourse Seed Cotton Loan Program **must** file ***--**CCC-879 in the County Office. CCC-879 is filed annually for the current crop year **only**.**--***

This form is available electronically.

CCC-879 (09-16-03) **U.S. DEPARTMENT OF AGRICULTURE** Commodity Credit Corporation

APPLICATION FOR APPROVAL OF COTTON GIN UNDER SEED COTTON LOAN PROGRAM

1. NAME AND ADDRESS OF COUNTY FSA OFFICE

BARTON COUNTY FSA
1234 Ginner Avenue
Upland, Texas 46782

TELEPHONE NO. (Include Area Code):

2. CROP YEAR: 2004

NOTE: *The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. 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.*

The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a). Regulations at 7 CFR Part 1427 provide for approving cotton gins under the seed cotton loan program. Failure to provide the requested information will prevent a gin from participating in this program. 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. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

PART A - APPLICATION

Submit application and supporting information to the County FSA Committee. This application must be a signed by an authorized official of the gin.

This application is submitted by the Reallyclean Ginning Cooperative (3. OFFICIAL NAME OF THE COTTON GIN) which was organized under the laws of the State of Texas (4. STATE) on April 26 (5. MONTH AND DAY), 1944 (6. YEAR), and has its principal place of business at 1915 Northrup Street (7. STREET ADDRESS), Upland (8. CITY) Texas (9. STATE), 46880 (10. ZIP CODE).

Application is made for a determination as to whether the above cited gin meets CCC location and other requirements for participation in the seed cotton loan program for the crop year shown above and for approval of the gin under the program.

PART B - DESCRIPTION OF SEED COTTON STORAGE FACILITIES AND INSURANCE

11. Describe the type of storage to be used for all seed cotton under loan:

Covered warehouse, 50,000 bale capacity
Covered modules, outside storage, all bales over initial 50,000

12. The insurance will be carried by:	13. If carried by Ginner, does it cover full loan value of cotton?	14. Is the insurance payable to the Producer?
Ginner [X] Producer [ ]	YES [X] NO [ ]	YES [X] NO [ ]

PART C - CERTIFICATION

I certify that the information submitted is true and correct to the best of my knowledge and accept responsibility to meet all insurance requirements related to the storage and care of any seed cotton while it is pledged as collateral for a CCC loan. I further agree to compensate the producer for any non-insured losses that may result from my negligence. Any duly authorized representative of the U.S. Department of Agriculture is hereby authorized to examine the storage facilities and records of this gin for the purpose of verifying any of the information contained in this application and supporting documents. If any change is made to any document furnished with this application, I agree to furnish a copy of any such revised document to the County FSA Committee.

15. SIGNATURE	16. TITLE	17. DATE *(MM-DD-YYYY)*
(Signed)	Manager	07-04-2004

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.

80 Ginner Approval and Agreement Using CCC-880

A Examining CCC-879

Upon receipt of CCC-879, County Offices shall:

- review documents and determine whether information is valid
- consider carefully:
  - the climatic conditions of the area
  - the type of storage suitable for the area
  - other conditions to protect CCC from damaged seed cotton pledged as collateral
- use the following guidelines in approving storage method:
  - in some semi-arid regions, open rick storage has been used successfully
  - in humid areas, stored seed cotton must be covered to prevent weather damage to cotton
- ensure that the ginner carries fire insurance to cover the full loan value of the cotton if seed cotton will be stored on:
  - the gin premises
  - premises over which the ginner has control
- review all insurance requirements carefully

  Note: If insurance is at market value, base approval upon the condition that if market prices fall below loan levels, additional insurance must be obtained.
- ensure that the gin is a reputable concern.

80 Ginner Approval and Agreement Using CCC-880 (Continued)

B Visiting the Gin

--**CED shall visit the gin, if necessary, to determine whether or not:**--

- conditions described on CCC-879 and related documents are correct
- the ginner understands the ginner's obligations under the program.

C Approving Gin

COC shall approve gins:

- unconditionally, if all conditions in subparagraph A are met

- conditionally, if gin does not meet all conditions in subparagraph A, but the ginner agrees to meet the conditions.

  Note: Recheck conditionally approved gins for full compliance.

80 Ginner Approval and Agreement Using CCC-880 (Continued)

D Completing CCC-880

COC shall enter into an agreement with approved ginners by completing CCC-880.

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

CCC-880 (10-31-96)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation **GINNER'S SEED COTTON AGREEMENT** *(See reverse for Privacy Act and Public Burden Statements.)*	1. CROP

THIS AGREEMENT made and entered into this _____ day of _____, 19 _____, by and between Commodity Credit Corporation *("CCC")* and _____ *("the ginner")*.

WHEREAS, CCC, cotton ginners, and cotton producers desire to extend the cotton ginning season in order to reduce ginning costs;

WHEREAS, CCC, has issued Seed Cotton Loan Program Regulations, (7 CFR Part 1427) *("the Regulations")* providing for a program *("the program")* for loans by CCC to producers on seed cotton of the crop specified above *("seed cotton")*.

WHEREAS, the ginner desires to participate in the program.

NOW, THEREFORE, in consideration of the premises and other considerations contained herein, the parties hereto agree as follows:

1. If the ginner stores producer's seed cotton on the ginner's premises or on other property over which the ginner has control, the ginner shall:
   (a) Store such cotton in a manner that will afford adequate protection against weather and other damage and otherwise follow good practices in the handling and care of such cotton.
   (b) Maintain the storage structures or other facilities in sound physical condition and the fire protection equipment and facilities in good working order and otherwise provide a standard of fire protection consistent with good warehousing practices.
   (c) Promptly inform the County FSA Office shown below and the producers if any such cotton becomes damaged, is going out of condition, or is in danger of going out of condition and, pending instructions from the county office or the producers, take all reasonable steps to protect and preserve such cotton. The ginner shall pay to CCC the amount necessary to reimburse CCC for any loss or damage incurred to CCC while such cotton is pledged as collateral to CCC.
2. If the ginner acts as agent for the producer, the ginner agrees that the ginner will not make any purchases of the seed cotton redeemed from a loan for their own account or as agent for others; or sell any cotton to any person who has the right to control or direct the ginner's sale of the seed cotton, or the lint cotton produced therefrom.
3. The ginner shall provide insurance coverage as required by the Regulations on all seed cotton stored on the ginner's premises or on other property over which the ginner has control.
4. The ginner shall, on request, gin all seed cotton on which CCC makes a loan under the Regulations and which is stored by the ginner or is delivered to the ginner.
5. At any time during business hours, CCC, its agent, or any duly authorized representative of CCC may inspect the storage facilities; inspect and take inventories of seed cotton stored herein; and examine the books, records, papers, and accounts relating to the cotton and to the storage of the cotton. The ginner shall furnish whatever assistance is needed to enable any such inspection or examination to be made. Such examinations and inspections shall, however, in no way relieve the ginner of the responsibilities under the terms of this agreement or obligations to the producers.
6. The ginner, in carrying out the provisions of this agreement, shall not employ any person undergoing sentence of imprisonment at hard labor.
7. The ginner agrees that, in the performance of this agreement, available space at the storage facilities will be made available to any producer desiring to obtain the benefits of the program, or in the performance of storage and ginning services in any manner discriminate against any such person, because of race, color, sex, religion, age, national origin, marital status, or disability.
8. The ginner warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the ginner for the purpose of securing business. For breach or violation of this warranty, CCC shall have the right to terminate this contract without liability or in its discretion to recover the full amount of such commission, percentage, brokerage, or contingent fee.
9. CCC will inform producers in the ginner's area that the ginner has agreed to the conditions specified above and is approved for the storage and ginning of seed cotton.

2. SIGNATURE OF GINNER		DATE
3. BUSINESS ADDRESS OF GINNER	4. LOCATION OF GIN(S)	
For Commodity Credit Corporation		
5. BY	6. NAME AND ADDRESS OF COUNTY FSA 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.

80 Ginner Approval and Agreement Using CCC-880 (Continued)

E Making Loans

COC shall only make loans at approved locations.

F Notifying Producers

County Offices shall:

- notify producers that seed cotton loans are available
- notify producers which gins have been approved for seed cotton loans
- advise producers to contact County Offices for detailed information.

81 Updating Ginner Code Table in APSS

A Updating the Table

County Offices shall update the gin code table, as necessary, to add, change, or delete cotton gin codes before processing cotton loans in APSS.

B Current Codes

To determine what gin codes are currently on the table, do either of the following:

- print the table according to subparagraph C
- enter specific gin codes according to paragraph 82.

C Printing the Gin Code Table

Print the gin code table for the applicable county according to the following table.

Step	Action	Result
1	On the Price Support - Main Menu PCA005: • ENTER “9” • PRESS “Enter”.	The Price Support - Administrative Main Menu PAA010 will be displayed.
2	On the Price Support - Administrative Main Menu PAA010: • ENTER “3” • PRESS “Enter”.	The PS - Admin. Activity Table Functions Menu PAA015 will be displayed.
3	On the PS - Admin. Activity County Table Functions Menu PAA015: • ENTER “1” • PRESS “Enter”.	The Price Support - Update/Print County Tables Menu PAA020 will be displayed.
4	On the Price Support - Update/Print County Tables Menu PAA020: •***--**ENTER “10”**--*** • PRESS “Enter”.	Screen PAA9200 will be displayed with the message, “List of Cooperating Gins Being Processed. Please Wait”. When processing is complete, the table will be printed on the default printer.
5	Once the table is printed, PRESS “Enter” on Screen PAA9200.	The Price Support - Update/Print County Tables Menu PAA020 will be displayed.

82 Accessing Ginner Code Table in APSS

A Accessing Screen PAA72000

Update or delete gin codes by first accessing Screen PAA72000 according to the following table.

Step	Action	Result
1	On the Price Support - Main Menu PCA005: • ENTER “9” • PRESS “Enter”.	The Price Support - Administrative Main PAA010 will be displayed.
2	On the Price Support - Administrative Main Menu PAA010: • ENTER “3” • PRESS “Enter”.	The PS - Admin. Activity County Table Functions Menu PAA015 will be displayed.
3	On the PS - Admin. Activity County Table Functions Menu PAA015: • ENTER “1” • PRESS “Enter”.	The Price Support - Update/Print County Tables Menu PAA020 will be displayed.
4	On the Price Support - Update/Print County Tables Menu PAA020: • ENTER “5” • PRESS “Enter”.	Screen PAA72000 will be displayed.
5	Follow subparagraph B for updating or deleting gin codes from the gin code table.	

82 Accessing Ginner Code Table in APSS (Continued)

B Updating Gin Code Table

On Screen PAA72000, update or delete gin codes according to the following table.

Step	Action	Result
1	On Screen PAA72000, enter the gin code to be added, changed, or deleted. When the question, "Do you want to Update or Delete?", is displayed, to: • update, ENTER "U", and PRESS "Enter" • delete, ENTER "D", and PRESS "Enter".	If "U" was entered: • Screen PAA72005 will be displayed • go to step 2. If "D" was entered: • Screen PAA72005 will be displayed • go to step 3.
2	On Screen PAA72005, if the gin code is not on file when the message, "Gin data not on file. Please enter to add to the file", is displayed, enter the name and address of the gin to be added. On Screen PAA72005, if the gin code is on file when the name and address of gin is displayed, enter the updated data. After the gin data is added or updated, when the question, "Do you wish to enter data for another gin?", is displayed, ENTER "Y" or "N", and PRESS "Enter". • If "Y" was entered, when the message, "Gin Code will be updated. Press "Enter" to continue.", is displayed, PRESS "Enter". • If "N" was entered, when the message, "Gin Code will be updated. Press "Enter" to continue.", is displayed, PRESS "Enter".	If "Y" was entered: • Screen PAA72000 will be redisplayed • go to step 1 and repeat the process. If "N" was entered: • The Price Support - Update/Print County Tables Menu PAA020 will be redisplayed • updating is complete.
3	On Screen PAA72005, the name and address of gin will be displayed. To answer the question, "Is this the gin data you wish to delete?", ENTER "Y" or "N". If "Y" was entered, when the message, "Data will be deleted. Press "Enter" to continue.", is displayed, PRESS "Enter" again.	If "Y" was entered: • Screen PAA72000 will be redisplayed • deletion is complete • if another gin will be deleted, repeat that process starting with step 1. If "N" was entered: • Screen PAA72000 will be redisplayed • go to step 1 and repeat the process.

83-99 (Reserved)

Part 2 Eligibility

Section 1 Producer Eligibility

100 Determining Producer Eligibility

A Basic Requirements

[7 CFR 1427.4(b)] [7 CFR 1427.164] 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, BI in the cotton from the time of harvest through the date the loan is requested and **must** keep BI continuously until redemption of the cotton or until CCC takes title to the cotton
- for LDP's, BI in the cotton from the time of harvest through the date of submitting CCC-633 EZ, page 1
- reported acreage according to 2-CP using FSA-578
- completed AD-1026 according to 6-CP
- ***--**completed CCC-926 according to 4-PL, **except** CCC-926 is **not** required for loans**--*** redeemed at principal plus interest or using a commodity certificate exchange.

*** * ***

B BI

[7 CFR 1427.5(e)] A producer is considered to have BI 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 this right to redeem the collateral from loan.

100 Determining Producer Eligibility (Continued)

B BI (Continued)

- 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 BI 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.

***--**Cotton producers that request MAL's or LDP's from CCC are responsible, at the time of application, to:

- have had uninterrupted BI in the cotton

- make CCC holder of cotton EWR's for all MAL's including MAL's for which the collateral will be exchanged for a commodity certificate.

FSA State and County Offices shall:

- inform producers, gins, and warehouses about CCC's requirements for bale information or holdership of EWR's, as appropriate, to process MAL or LDP requests

- advise all staff that FSA may apply appropriate disciplinary actions to employees who request cotton buyers to return EWR's of sold cotton to CCC.

FSA State and County offices shall **not**:

- request any cotton industry entity, such as a merchant, broker, or gin, to deliver cotton EWR's to CCC after BI has been lost

- request entities other than the producer to make CCC holder of cotton EWR's

- correct or reverse actions taken by producers or producers' agents that result in loss of BI or to take any actions to restore lost BI so that MAL or LDP benefits can be provided

- act on behalf of producers to direct or request entities other than the producer about the holdership of cotton EWR's.**--***

100 Determining Producer Eligibility (Continued)

C Restrictive Contract Clauses

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

D Payments

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

See subparagraph J when payment is **not** associated with the sale of the commodity.

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."

100 Determining Producer Eligibility (Continued)

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 according to paragraph 274.

F Equity Sales

[7 CFR 1427.5(b)(7)] If a producer sells the 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 105 for heirs of a deceased producer.

H Integrated Entities

The fact that a buyer may also be the storing warehouse operator, 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.

100 Determining Producer Eligibility (Continued)

I Cotton Rejected by Buyer

If cotton is delivered to a buyer or mill that rejects the cotton because minimum standards are **not** met, BI 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 BI to be transferred unless the payment is conditioned on the eventual sale of the cotton.

K Combination Lease Agreement

COC shall determine the type of lease if both cash provision and share of crop production provision are contained in a lease agreement on a farm. Based on the COC determination, BI in the crop for the producers involved in the lease may be questioned. When BI is questioned, review the lease agreement in the process of making BI determinations according to paragraph 102.

L Eligible Foreign Person

--**See 4-PL, Part 3 to determine eligibility requirements.**--

*--100.5 Delinquent Federal Nontax Debtors

A Policy

DCIA of 1996 mandated a new eligibility requirement for persons seeking Federal financial assistance. DCIA provides that a person owing a delinquent Federal nontax debt to the Federal Government is ineligible for Federal financial assistance, including direct loans (other than disaster loans) or loan insurance or guarantees.

This table provides action that County Offices shall take when a producer is a delinquent Federal nontax debtor.

IF the…	THEN…
delinquent Federal nontax debt has been resolved before the final loan availability date	use the rate in effect on the day the original MAL or LDP request was made.
producer certifies that he or she has an unresolved delinquent Federal nontax debt	hold the request until the final loan availability date and if the producer does **not** resolve the delinquent Federal nontax debt before the final loan availability date, immediately notify the producer that he or she is ineligible and the request is disapproved.

Notes: See 58-FI for alternate methods for resolving delinquent Federal nontax debts.

See Exhibit 4 for additional information and questions and answers about DCIA.

For purposes of barring delinquent debtors from obtaining Federal financial assistance, a debt is **not** in delinquent status if the debtor is the subject of, or has been discharged in a bankruptcy proceeding. Producers with an unresolved delinquent Federal nontax debt **are** considered eligible to receive MAL or LDP if the unresolved delinquent Federal nontax debt is the subject of a bankruptcy proceeding.

B MAL's or LDP's Issued Before a Delinquent Federal Nontax Debt Is Discovered

If the producer received MAL or LDP and later it is discovered that the producer after MAL or LDP was issued has a delinquent Federal nontax debt, the County Office shall:

- notify the producer that the delinquent Federal nontax debt **must** be resolved before the final loan availability date
- discuss with the producer alternatives to resolve the delinquent Federal nontax debt
- inform the producer that if MAL was obtained and the delinquent Federal nontax debt is **not** resolved before the final loan availability date MAL **must** be immediately called and **must** be repaid at principal plus interest
- inform the producer that if LDP was received and the delinquent Federal nontax debt is **not** resolved before the final loan availability date, LDP **must** be repaid with interest.**--***

*--100.5 Delinquent Federal Nontax Debtors (Continued)

C Producer Incorrectly Certifies to the DCIA Question

If it is discovered that a producer incorrectly certified to the DCIA question, the County Office must:

- immediately notify the producer that the loan is called and must be repaid at principal and interest
- follow procedures in Part 7 for MAL or LDP violations.

D Delinquency Resolution

For DCIA purposes, a producer's delinquent debt is resolved only if the producer does 1 of the following:

- pays or otherwise satisfies the delinquent debt in full
- pays the delinquent debt in part if the creditor agency accepts such payment as a compromise in lieu of payment in full
- cures the delinquency under terms acceptable to the creditor agency in that the person pays any overdue payments, plus all interest, penalties, late charges, and administrative charges assessed by the creditor agency as a result of the delinquency
- enters into a written repayment agreement with the creditor agency to pay the debt, in whole or in part, under terms and conditions acceptable to the creditor agency.

Note: If a portion of a debt has been written off or compromised in lieu of payment in full, after the person has paid the debt in part through an approved payment agreement, the debt would be considered “resolved”.

Follow 58-FI, Part 9 for working out debts by installments.--*

101 Other Producer Eligibility Requirements

A HELC and WC Provisions

Producers who do not comply with HELC and WC provisions according to 6-CP are not eligible for CCC loans or LDP's for the crop year in which noncompliance occurs.

Note: See paragraph 32 for GPR provisions.

If current year crop loans or LDP's have been made before noncompliance was determined for the current crop year:

- call the loan according to paragraph 35
- notify the producer of the LDP amount overpaid according to paragraph 42.

B FCIC

Starting with the 2002 crops, as a condition of eligibility for price support benefits, producers are **no longer required** to either carry catastrophic crop insurance or waive eligibility for certain USDA payments.

C Controlled Substances

Producers who are convicted under Federal or State law of a controlled substance violation ***--**according to 1-CM, Part 30 shall be ineligible for CCC loans and LDP's. Loan application CCC Cotton A-5, Part B, contains a producer certification of no conviction.**--***

102 BI Determinations

A When BI Is Questioned

If County Office questions whether the producer retains BI, the County Office shall require the producer to provide for review, as applicable:

- copy of the combination lease agreement
- copy of all options to purchase and all sales contracts
- certification of no contract according to subparagraph 103 C.

B Producer Requests for Contract Review

If the producer is **not** applying for benefits and the producer requests that the County Office give an opinion on an option to purchase or sales contract, the opinion shall be provided to the producer in writing.

Send a copy of the option to purchase or sales contract to the State Office with a copy of the opinion provided to the producer for review according to subparagraph 103 B.

Note: Opinions given for options to purchase and sales contracts are **not** appealable unless the producer has been denied benefits.

103 BI and Contract Review

*--A Documents for Review

[7 CFR 1427.5(e)] County Offices shall review contracts or leases, as applicable, **only** when there is reason to believe the producer may have lost beneficial interest in the commodity.

When requested by the County Office, producers shall provide the following, as applicable:

- copy of the combination lease agreement
- copy of all options to purchase and all sales contracts
- certification of no contract according to subparagraph C.

Producers who provide the certification according to subparagraph C shall be advised that, for loans only, if a contract is negotiated at a later date, the following, as applicable, **must** be provided to the County Office:

- copies of written contracts
- terms and conditions of verbal contracts.

If a commodity contract is received in the County Office, and it is known that the company has filed for bankruptcy protection, State and County Offices **must**:

- review the contract
- make a beneficial interest determination based on the submitted contract.

Regional OGC Attorneys may need to be consulted before the beneficial interest determination can be made.

Producers with a commodity contract from a company that has filed for bankruptcy protection are eligible to request MAL's or LDP's.

Important: The contract status is **not** affected by the bankruptcy. FSA does **not** intend to intervene with legal matters concerning commodity contracts.

State and County Offices shall **not** provide recommendations or suggestions to producers regarding legal matters about contracts.

Producers **must** seek their own counsel to determine and establish any legal rights and/or claims about their contract.**--***

103 BI and Contract Review (Continued)

B State Office Reviews

State Offices shall:

- review options to purchase and sales contracts submitted by County Offices, including those submitted according to subparagraph A

  Note: Notify the County Office **immediately** if the opinion provided by the County Office according to subparagraph A is inaccurate.

- determine whether the producer retains BI and the date the producer would be considered to have lost BI

- for any option to purchase or sales contract on which a determination **cannot** be made, FAX or mail a copy of the contract for PSD review

  Note: For each contract submitted for review:

  - provide a preliminary determination on when producers would be considered to have lost BI in the commodity under the terms and conditions of the contract

  - ensure that the general terms, exhibits, addendum, etc., referenced in the contract are also submitted with the contract.

- when notified by PSD of the date BI would be considered to have been lost, advise the County Office of PSD's determination

- send a copy of the option to purchase or sales contract, as applicable, with a copy of the decision for reference to all counties and other applicable States.

C Producer Certification of BI

If COC questions whether the producer retains BI, CCC may request producer certification that such producer retains BI in the commodity. A statement (for local reproduction) to be used for producer certification, is shown in 8-LP, subparagraph 129 E.

103 BI and Contract Review (Continued)

D Events Resulting in BI Being Lost

The following events are examples of events that may cause BI to be lost:

- on the receipt of a payment without option to purchase
- on the date ginned, if buyer is also ginner and storing warehouse and the contract restricts the producer's ability to take possession of the warehouse receipts
- date of invoice
- when loaded for shipment from gin to the buyer (f.o.b. gin)
- when loaded for shipment from the warehouse to the buyer (f.o.b. warehouse)
- delivery of warehouse receipts to the buyer *** * ***
- at the time of signing a contract with clauses restricting the producer's decision to obtain marketing assistance from CCC, such as:
  - buyer may require the producer to obtain a loan or LDP
  - producer may obtain a loan or LDP only with prior approval of the buyer.
- when the cotton enters the warehouse, if contract contains a casualty clause that provides that after commencement of insured warehouse cover, insurance settlement shall be for the buyer's account.

*** * ***

--Note:** Depending on local marketing practices, cotton gins, clerks, marketing companies, and warehouses may act as agents for the producer for transferring receipts to other entities purposes without the cotton having been sold. The holdership of cotton EWR's by such entities does not, by itself, meant that BI in the cotton was lost by the producer.**--

104 Types of Contracts

A Option to Purchase

An option to purchase is an agreement allowing the buyer, at the **buyer's** option, to enter into a contract to buy the commodity at a later date. The option:

- does not give the buyer any interest in the commodity
- expires at a specified time.

B Sales Contracts

A sales contract, including advance sales contracts, contracts to sell, price later contracts, and contracts for future delivery, gives the buyer an interest in the commodity at a time specified in the contract or at a time implied by law.

C Addendum

An addendum to an option to purchase or sales contract to amend any contract provision, including removing any restrictive clause, must be agreed upon by all parties.

For CCC to consider this addendum valid, it must be executed before ginning.

D Canceling Options to Purchase or Sales Contracts

An option to purchase or a sales contract entered into may be canceled at any time before ginning. If the option to purchase or sales contract to be canceled was previously provided to the County Office, a copy of the following must be provided to the County Office:

- the canceled option to purchase or sales contract, as applicable, with the signatures of all parties canceling the contract

- any subsequent option to purchase or sales contract.

105 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.

B Knowledge of a Deceased Producer

If the County Office learns that a producer who has an outstanding loan is deceased, and CCC-686 has not been executed, the County Office shall:

- send a certified letter to the fiduciary representative, heirs, or other persons in charge of settling the estate notifying that person:
  - of the existence of the outstanding CCC loan
  - that the loan is covered by a security agreement or secured by pledged warehouse receipts
- attach a copy of the letter to the loan papers on file in the County Office
- immediately notify the State Office.

Note: State Offices shall forward notification of deceased producers for which CCC-686 has not been executed to the regional attorney for appropriate action.

105 Heirs of a Deceased Producer (Continued)

C When to Complete CCC-686

Complete CCC-686 if the heirs want to obtain or continue a loan and either of the following applies:

- there will be no administration or probate of the estate
- administration or probate of the estate is closed.

Before a loan is disbursed or continued under loan, CCC-686 must be:

- executed by persons claiming succession to a deceased producer
- approved by COC.

D Preparing CCC-686

Prepare an original and 1 copy for each person signing CCC-686 according to the following instructions.

Item	Instructions
3	Enter current loan number, or assign next unused number from loan number register.
9 and 10	Enter name and address and relationship of all persons inheriting commodity, whether or not related to the deceased.
11	Enter names of all persons assuming farming unit whether or not related to the deceased. **Note:** To be eligible for price support, the person's name must appear in items 9 and 11, and, if applicable, item 13.
13-16	Enter name and nature of disability of any heir who is a minor or an incompetent and the name and address and capacity of the representative of this person.
17	Heirs or representatives of heirs who have inherited the commodity and have assumed the farming unit and who are requesting price support must sign the application.

105 Heirs of a Deceased Producer (Continued)

D Preparing CCC-686 (Continued)

*--

This form is available electronically. Form Approved – OMB No. 0560-0087

CCC-686 (06-13-03) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation

APPLICATION FOR LOAN OR LOAN DEFICIENCY PAYMENT BY HEIRS
(On a commodity produced by a person who has died)

See Page 2 for Privacy Act and Public Burden Statements

1. NAME AND ADDRESS OF COUNTY FSA OFFICE: Bobtail Co FSA, 1625 Wildcat Street, Austin, TX
TELEPHONE NO. (Including Area Code):
2. ST. & CO. CODE: 48 675
3. APPLICATION NO.:
4. CROP YEAR: 2003
5. COMMODITY: Upland Cotton

6. NAME OF DECEASED PERSON: Benjamin Somebody
7. DATE OF DEATH (MM-DD-YYYY): 03-05-1932
8. DEATH OCCURRED: BEFORE HARVEST [ ] AFTER HARVEST [X]

9. PERSONS INHERITING COMMODITY (Name and address)	10. RELATIONSHIP TO DECEASED
Bobby Somebody, Route 3, Box 24, Nearby, Tx 45678	Son
Billy Somebody, Route 3, Box 24, Nearby, Tx 45678	Son

11. NAMES OF PERSONS ASSUMING FARMING UNIT (Include heirs in Item 9) (Address if not already listed in Item 9)	12. RELATIONSHIP TO DECEASED OR CAPACITY
Bobby and Billy Somebody	Sons

If any person shown in Item 9 or 11 above is a minor or incompetent, furnish the following:

13. NAME OF MINOR OR INCOMPETENT	14. NATURE OF DISABILITY (if any)	REPRESENTATIVE OF PERSON SHOWN IN ITEM 13: 15. NAME AND ADDRESS	16. CAPACITY (Guardian, Custodian, Conservator, Liquidator, etc.)

17. CERTIFICATIONS (To be certified to and by each person shown in Items 9 and 11 or his or her representative shown in Item 15 who is requesting a loan or LDP.)

The undersigned hereby certifies that 1/

A. The person shown in item 6 died on the date shown and he or she produced the commodity identified above in the crop year shown.
B. The decedent and the commodity he or she produced were eligible for loan or LDP and that the persons shown in Item 9 have inherited the decedent's interest in the commodity shown above.
C. (1) There has not been nor is it contemplated that there will be administration or probate of the estate or (2) administration or probate of the estate is closed.
D. The persons listed in Items 9, 11, and, if applicable 13, are the only persons who have inherited or otherwise acquired an interest in the commodity and farming unit of the decedent described in this form.
E. Each of such persons requests that (1) a loan be continued or disbursed, or (2) an LDP be made.
F. Are you or any co-applicant delinquent on any federal non tax debt? YES [ ] NO [X] (If "YES" provide details):

SIGNATURE	DATE (MM-DD-YYYY)	SIGNATURE	DATE (MM-DD-YYYY)
/s/ Bobby Somebody			
/s/ Billy Somebody			

18. CERTIFICATION OF COUNTY COMMITTEE

The undersigned certifies that each applicant whose signature appears above has the authority to act in the capacity indicated, that the right of the applicant(s) to file this application was determined in accordance with the regulations of the Department of Agriculture, and that the statements contained herein have been examined and are true and correct to the best of my knowledge and belief.

FOR THE COUNTY COMMITTEE BY — DATE (MM-DD-YYYY)

1/ Section 15 (a) of the Commodity Credit Corporation Charter Act (62 Stat. 1070) provides a fine of not more than $10,000 or not more than five years imprisonment for making any statements knowing it to be false for the purpose of influencing the action of the Corporation or of obtaining money under any act applicable to the Corporation.

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.

--*

E Distributing CCC-686

Distribute CCC-686 as follows:

- keep original in the County Office
- give each person signing CCC-686 a copy.

106 Estates and Trusts

A Eligibility by Type

The following shall be eligible if their representative authority is legally valid according to 1-CM:

- 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.

107 CMA and LSA Member Eligibility

A Members of CMA's

CMA's, before processing a producer's loan or LDP, **must** first establish that the producer is eligible for benefits according to 1-CMA.

B Producers Requesting Benefits Through LSA's

LSA's, before processing a producer's loan or LDP, **must** first establish that the producer is eligible for benefits according to 1-CMA.

108 Producers Who Are Warehouse Operators

A Policy

Loans may be made to a warehouse operator who, in the capacity of a producer, tenders to CCC warehouse receipts issued by such warehouse operator on cotton produced by such warehouse operator only in those States where the issuance and pledge of warehouse receipts are valid under State law.

Note: State Offices shall contact their regional attorney to determine whether these actions are valid.

109 (Withdrawn--Amend. 43)

110-117 (Reserved)

Section 2 Cotton Eligibility

118 Eligibility Requirements

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

[7 CFR 1427.1(c)] [7 CFR 1427.5(b)] The upland or ELS cotton, both ginned and seed cotton **must** be:

- produced by the eligible 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 total cropland acreage has been reported on FSA-578.

The cotton **must not** have been sold, purchased, or formerly placed under CCC loan and
*****--redeemed. The producer must have maintained continual BI in the cotton. BI, once lost, cannot be reestablished.--*

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

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

*** * ***

118 Eligibility Requirements (Continued)

*** * ***

--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.

119 Eligible Quantity

A Quantity Eligible for Loan or LDP

[7 CFR 1427.165(b)] Upland cotton produced on eligible acreage by an eligible producer is considered eligible for loan or LDP.

Any ELS cotton produced on eligible acreage by an eligible producer is considered eligible for loan.

B Establishing Estimates of Yield

COC shall:

- annually determine reasonable estimates of yield for each commodity based on crop and weather conditions in the county
- document determination in COC minutes
- review questionable applications.

C Questionable or Commingled Production

If the quantity submitted by a producer for loan or LDP exceeds the yield that COC has previously determined could reasonably be produced on the eligible acreage, CED or staff shall **not** approve the loan or LDP for any quantity exceeding COC's previously established yield.

If the producer is **not** satisfied with the maximum quantity that COC staff has approved for benefits, then provide the producer the right to appeal to COC. If appeal is requested, COC may approve loan and LDP quantities exceeding the yield previously established by COC if:

- the producer provides acceptable evidence of actual production for the crop year and other documentation to corroborate the evidence of actual yield, such as receipts from production inputs
- COC determines the quantity reasonable for the crop year based on the producer's farming practices, production evidence, and supporting documentation.

FSA's procedures for agency informal appeals, alternative dispute resolutions, and appeals to NAD are found in 1-APP.

119 Eligible Quantity (Continued)

D COC May Not Delegate Yield Determination

COC may not delegate authority to approve quantities submitted for loan or LDP that exceed the COC-established yield for the eligible acreage.

*** * ***

120 Landlord-Tenant Provisions

A Divided Cotton

[7 CFR 1427.5(f)] If the bales of cotton are divided among the producers entitled to share in the cotton, each landowner, landlord, tenant, and sharecropper may obtain a loan on that individual's separate share.

B Cotton Not Divided

[7 CFR 1427.4(d)] 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

[7 CFR 1427.5(f)] Cotton is ineligible 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
- **[7 CFR 1427.1(c)]** produced on land owned by the Federal Government if the land is occupied without lease, permit, or other rights of possession.

121 Storage Requirements

A Basic Policy for Ginned Cotton [7 CFR 1427.5(b)(2) and (3)]

Ginned cotton pledged as loan collateral **must** be stored:

- at a warehouse that has entered into CSA with CCC
- inside this warehouse, unless specifically authorized.

A cotton warehouse that has signed CSA, but is temporarily out of compliance for any reason, is considered to be in "suspended" status. At a warehouse that is in "suspended" status:

- loans disbursed before the suspension are **not** affected
- new loans **cannot** be disbursed until the suspension is remediated.

Warehouses that do **not** have CSA, or warehouses whose CSA have been terminated by CCC, may **not** store cotton loan collateral. At these warehouses:

- loans disbursed before any termination of CSA are subject to immediate redemption
- new loans **cannot** be disbursed.

Cotton is considered to be stored outside if it is outside on the 16th calendar day following notification from CCC that the bale has been used as loan collateral.

--**Areas approved by CCC for outside storage are identified in Exhibit 18.5. Warehouse loan bales are subject to the following terms and conditions:**--

- the warehouse **must** have applied for, and been approved by CCC, to store cotton loan collateral outside

- the county or area **must** be established by CCC as being a storage-deficit area for the crop year, based on whether the approved storage capacity of CSA warehouses equals or exceeds the estimated cotton production for the year

- the warehouse **must** agree to special storage, handling, and reporting requirements

- storage credits are **not** provided during the period of time the bale is stored outside, and cotton transferred from the warehouse is eligible for storage credits at the new location until the maturity date of the cotton.

B Seed Cotton

[7 CFR 1427.165] Seed cotton pledged for loan **must** be stored:

- in a manner that will adequately protect it against loss or damage
- in identity-preserved lots.

121 Storage Requirements (Continued)

C Approved Warehouses

[7 CFR 1427.5(b)(2)] KCCO approves warehouses to store cotton under the program and shall issue instructions to these warehouses.

Note: County Offices shall advise warehouse operators who want approval of warehouses to contact:

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

Phone: 816-926-6420
FAX: 816-926-1804.

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

- receiving charge
- monthly storage charge.

State Offices shall send County Offices copies of the lists.

122 Fire Insurance Requirements

A Insurance Required

[7 CFR 1427.5(b)] For ginned cotton to be placed under loan, it **must** be covered by fire insurance.

[7 CFR 1427.5(f)] For seed cotton to be pledged under loan, it **must** be insured at the full loan value against loss or damage by fire.

123 Basic Cotton Quality Requirements

A Basic Requirements

***--[7 CFR 1427.9(a)]** Ginned cotton **must** be graded by AMS and be of a grade, leaf, strength, staple length, and micronaire reading, including Exhibits 5 through 11, to be eligible for loan or LDP.

The base quality for upland cotton is:

- SLM 1-1/16 inch
- leaf 4
- micronaire 3.5 - 3.6 and 4.3 - 4.9
- strength 25.5 - 29.4 grams/tex
- length uniformity of 79.5 - 82.4 percent.**--***

B Upland Cotton Quality Requirement

[7 CFR 1427.5(d)] Use the following exhibits for determining whether the applicable grade, leaf, strength, staple length, and micronaire reading are within eligible ranges for upland cotton and for determining appropriate premiums and discounts:

- Exhibit 5 for grade, leaf, and staple length
- Exhibit 6 for extraneous matter
- Exhibit 7 for uniformity
- Exhibit 8 for strength
- Exhibit 9 for micronaire readings.

C ELS Cotton Quality Requirement

[7 CFR 1427.5(c)] For program eligibility, ELS cotton **must** be a grade and staple length specified on the schedule of loan rates and premiums and discounts for ELS cotton. Use the following exhibits for determining whether the applicable grade, staple length, and micronaire reading are within eligible ranges for ELS cotton:

- Exhibit 10 for grades and staple length
- Exhibit 11 for micronaire readings.

ELS cotton of a staple length less than 44/32 (1 3/8 inch) is ineligible for loan.

D Seed Cotton Quality

[7 CFR 1427.165] Because seed cotton is *** * * not** classed before being pledged for loan, an average quality is ordinarily used in determining loan rate. *** * ***

124 Liens: Search, Waivers, and UCC-1 Requirements

A Basic Policy

Lien, lien search, and UCC-1 filing policies:

- are based on:
  - producer risk factors, such as loan or LDP violations, CCC notification or awareness of existing liens, or bankruptcy or OIG review of the producer at the time of the loan request
  - the value of the individual loan or the aggregate value of multiple loans

    Note: Aggregate value is defined as the total loan amount approved and disbursed for a specific crop year without regard to any amounts that may have been repaid.
  - whether the loan is farm-stored or warehouse-stored (CCC holds a receipt)
  - whether CCC will be charged a fee for filing UCC-1 or similar records
- do **not** apply to LDP's or loans provided for immediate commodity certificate exchange because, in either case, there is no opportunity for dispute over who has the superior security interest in the loan collateral.

--Note:** Lien searches are **not** required for Federal and State tax liens.**--

124 Liens: Search, Waivers, and UCC-1 Requirements (Continued)

A Basic Policy (Continued)

Use the following tables for determining the required actions.

Does the producer have 1 of the following: • loan or LDP violation in current or preceding year • existing lien on crop • at time of request, either bankruptcy or OIG investigation?			
Answer	**Loan Type**	**Conduct Lien Search**	**File UCC-1 or Equivalent if No Fee**
	Loan Value Less Than $25,000		
Yes	All loans	Yes	Yes
No	Farm-Stored: Seed cotton or ELS Outside Stored	Yes, if no charge to CCC	Yes
	Warehouse-Stored: Upland or ELS	Yes, if no charge to CCC	No
	Loan or Aggregate Loan Value 1/ of $25,000 and More		
Yes	All loans	Yes	Yes
No	Farm-Stored: Seed cotton or ELS Outside Stored	Yes	Yes
	Warehouse-Stored: Upland or ELS	Yes	No

1/ Based on disbursed values, not outstanding balance.

IF the fee for a lien search is…	**AND the fee for filing UCC-1 or similar record is…**	**THEN…**
zero	zero	• conduct a lien search regardless of loan value • file UCC-1.
zero	imposed	• conduct a lien search regardless of loan value •*--file UCC-1 for farm-stored and seed-cotton loans.--*
imposed	zero	• file UCC-1 • conduct a lien search if the loan or aggregate loan amount is $25,000 or more.
imposed	imposed	• conduct a lien search if the loan or aggregate loan amount is $25,000 or more •*--file UCC-1 for farm-stored and seed-cotton loans.--*

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

124 Liens: Search, Waivers, and UCC-1 Requirements (Continued)

B Determining Whether or Not Liens Exist

When necessary to determine whether or not a lien exists, County Offices shall make a lien search on **all** cotton (seed cotton and lint cotton) to be pledged for loan at the appropriate recording official's office.

Exception: If a producer certifies to a lienholder, CCC-679 can be submitted to the County Office and honored.

When:

- actual notice of the existence of an unrecorded lien is provided to the County Office by the lienholder in person or in writing, consider the lien an existing lien

- a State notifies the County Office in writing of the existence of an unrecorded statutory lien for nonpayment of a Boll Weevil Eradication Program assessment, the producer must seek a lien waiver from an authorized representative of the State before the loan can be disbursed.

  Notes: If a lien waiver is not obtained, do **not** disburse the loan.

  Do **not** process a State statutory lien payment as an administrative offset.

C Obtaining CCC-679

***--**CCC-679's shall be obtained by the producer or CMA, as applicable:

- **after** each loan request and **before** disbursing the loan

- if liens or encumbrances are recorded, including waivers from FSA FLP representatives

- even if the liens or encumbrances will be satisfied from the loan proceeds

- if the producer certifies that a lien exists on the commodity requested for loans with immediate commodity certificate exchange

- if **actual** notice is received from a lienholder

- for IRS Federal tax liens, if the producer certifies that the lien exist.**--***

124 Liens: Search, Waivers, and UCC-1 Requirements (Continued)

C Obtaining CCC-679 (Continued)

CCC-679's are not required for unrecorded liens unless the County Office has received actual notice of a lien from the lienholder.

--CCC-679 shall be obtained from CMA, according to 1-CMA, when CMA informs the County Office that a lien is present.--

Once CCC-679 is obtained for the first loan made for a specific crop year, the same CCC-679 may be used for all subsequent loans made for the specific crop, if CCC-679 is applicable for "ALL" quantity on specified farms, including "ALL" farms. However, a lien search shall be performed for **all** loan requests according to subparagraph B.

D Completing CCC-679 for Producers

County Offices shall complete:

- CCC-679 according to this table
- item 8, block (3), if applicable, according to subparagraph E.

Item	Instructions
1	Enter the producer's name and address.
2	Enter the crop year.
3	Enter the commodity.
4	Enter the farm number or numbers, as applicable. If liens are waived on all farms, ENTER "All".
5	Enter State and county codes for the loanmaking county.
6	If the waiver releases: • **all** of the commodity covered by CCC-679, ENTER "All" and the commodity • just **a quantity** of the commodity being pledged for loan, enter the applicable quantity, commodity, and farm number.
7	Enter the State and county where the commodity was produced.
8	See subparagraph E.
9	If administrative offsets are deducted from the loan proceeds, enter the estimated net disbursement amount.
10	Enter the lienholder's or authorized agent's name and address.
11	The lienholder or authorized agent identified in item 10 must sign and date.

***--124 Liens: Search, Waivers, and UCC-1 Requirements (Continued)**

E Completing CCC-679, Item 8, Block (3)

Complete CCC-679, item 8, block (3) according to this table.

IF...	AND...	THEN...
an administrative offset does **not** apply		enter "none" on CCC-679, item 8, block (3), value line.
an administrative offset does apply		enter the offset amount as of the date CCC-679 is prepared on CCC-679, item 8, block (3), value line.

	the lienholder is any of the following:
	• United States of America, Acting through USDA or FSA
	• USDA
	• USDA, formerly FmHA
	• FSA
	• FSA, formerly FmHA
		• enter the offset amount as of the date CCC-679 is prepared on CCC-679, item 8, block (3), value line
		• calculate the estimated net disbursement amount as follows:
		  • multiply applicable county loan rate for the commodity times the quantity for loan
		  • deduct assessments, fees, and administrative offsets, as applicable
		• enter "estimated **net** disbursement amount is $ ___" **before** CCC-679 is given to an FSA FLP representative.

a statement of charges, according to paragraph 165, accompanies the warehouse receipt		do either of the following: • add the total dollar amount of the charges to any other offset amounts • modify the statement to add language that states whose charges are being offset without specifying the type or amount of the charges.

--*

*--124 Liens: Search, Waivers, and UCC-1 Requirements (Continued)

E Completing CCC-679, Item 8, Block (3) (Continued)

The following is an example of CCC-679.

This form is available electronically.

Form Approved - OMB No. 0560-0087

CCC-679
(06-20-03)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

LIEN WAIVER

1. NAME AND ADDRESS OF PRODUCER (Include Zip Code):	2. CROP YR.	3. COMMODITY	4. FARM NO.	5. ST. & CO. CODE
Bon Jofferson Route 3, Box 456 Hometown, TX 34987	2003	Upland Cotton	45879	40 222
	6. QUANTITY COVERED		7. STATE AND COUNTY WHERE PRODUCED	
	All		Minerva Co, TX	

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.*

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 0560-0087. The time required to complete this information collection 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. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

8. 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 $ (a) _____ administrative offset as of (b) _____ (DATE) and charges due (c) _____.

9. If administrative offsets are deducted from the loan proceeds enter estimated net disbursement amount: $ _____

10. NAME AND ADDRESS OF LIENHOLDER OR AUTHORIZED AGENT

SBA
45 Bankers Row
Minerva, TX

11A. SIGNATURE	11B. DATE (MM-DD-YYYY)
/s/ Bill Taft	08-24-2003

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--*

***--124 Liens: Search, Waivers, and UCC-1 Requirements (Continued)**

F Completed CCC-679 Returned to County Office

When CCC-679 has been completed and signed by the lienholder and is returned to the County Office, the County Office shall, **before** disbursing the loan, ensure that the lienholder has:

- signed item 11A and dated item 11B
- checked appropriate block (1), (2), or (3) of item 8.

Signatures must be affixed personally by all lienholders or authorized agents. The County Office may verify the lienholder's signature, if necessary.

Follow this table for guidance when preparing disbursement of the loan.

IF...	THEN, if the lienholder has checked block...
an administrative offset is: • required for FSA, CCC, or other creditor agencies • for a statement of charges submitted with a warehouse receipt, according to paragraph 165	• (2), do **not** disburse the loan • (1) or (3) in agreement with the offset, disburse the loan. **Note:** See paragraph 41 for offsets.

G Obtaining Additional CCC-679's

If additional liens or situations that do **not** fully protect CCC's interest are discovered **after** a loan is disbursed, County Offices shall:

- obtain additional CCC-679's

- take any other necessary action, according to the regional attorney's advice, including calling the loan.

The following are examples of situations that do **not** protect CCC's interest:

- lien or liens were overlooked during the lien search
- all lien waivers were not obtained
- UCC-1's were not filed properly
- UCC-1's were not extended when required.**--***

***--124 Liens: Search, Waivers, and UCC-1 Requirements (Continued)**

H Cooperative Loans

Lien waivers are **not** required for loans to approved cooperatives that have entered into agreements that do **not** hold CCC responsible for any prior liens asserted against CCC.

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

I Estimating Net Disbursement Amount

County Offices shall determine the estimated net disbursement amount using this table.

Step	Action
1	Determine an estimated loan rate based on loans already processed.
2	Determine an estimated bale weight based on loans already processed.
3	Multiply the result of step 1 times the result of step 2 times the number of bales for which the loan is requested.
4	Calculate the estimated research and promotion fee deduction by adding the result of multiplying the following: • result of step 3 times .005 • number of bales times $1.
5	Determine the loan service fee by adding $2.50 to the result of multiplying the number of bales times $0.30.
6	The estimated net disbursement amount is the result of step 3 minus the following: • the result of steps 4 and 5 • amount of offset entered on CCC-679 and, if applicable, the amount of charges according to paragraph 165. **Note:** Round result to whole dollars.

--*

124 Liens: Search, Waivers, and UCC-1 Requirements (Continued)

J UCC-1 or UCC-1F

Regardless of the filing fee, County Offices shall file UCC-1 or UCC-1F, as applicable, for all:

- seed cotton loans
- farm-stored (outside-stored) ELS cotton loans.

Note: This filing shall occur **after** the lien search so that there can be no intervening security interest established.

K Release of Security

After the loan is repaid in full, release or obtain the release of any security instruments of record upon request of the borrower.

- The COC chairperson or CED is authorized to act as an agent of CCC in releasing security instruments.

- Termination statements shall be executed according to State law.

- The borrower **must** pay any expense connected with releasing security instruments, if applicable under State law.

*--L Special Policy for Paying Lien Search and UCC-1 Filing Fees

Producers may pay for lien search and filing fees with a check made out to the applicable recording office.

Producer-paid charges shall **not** be deducted from the loan proceeds.

Note: County Offices shall advise producers that paying for lien search and filing fees may decrease the lag time between a loan request and loan disbursement, but does **not** guarantee faster fund disbursement.

County Offices shall process UCC-1's in the normal manner by attaching the producer's check to UCC-1 when submitting UCC-1 for filing.--*

125 Bale and Quality Requirements

A Packing and Compression

[7 CFR 1427.5(b)(4) and (5)] Bales 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.

B Tagging

[7 CFR 1427.23(a)(4)] Bales must be represented by either a warehouse receipt or a list provided by the gin showing bale numbers and net weight established at the gin.

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.

If there is an error in bale weight:

- before loan is made, the County Office shall require the issuing warehouse to issue a new receipt with the correct weight

- ***--**after loan or LDP is made, the County Office shall not increase or decrease the amount of the loan or LDP. Requests for corrections by producers shall be denied. However, appeal rights shall be provided according to 1-APP.**--***

D Definition of Tare Weights

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

E Valid Tare Weights

The valid tare weights that can be entered when processing cotton loans through APSS are 2, 3, 4, 5, 6, 7, and 8.

125 Bale and Quality Requirements (Continued)

F Minimum Quality Requirements (7 CFR 1427.25(h))

To be eligible for loan, a bale of upland cotton must be of such quality that, based on the prevailing base loan rate and premiums and discounts for quality, the loan rate adjusted for premiums and discounts for the cotton is greater than zero.

CCC's policy is that the gain for repaying MAL shall not exceed the loan value of the commodity. Thus, if the loan value of cotton is zero, the loan gain for such cotton is also zero.

Note: CCC does **not** provide loans for cotton having a computed loan value of zero or less.

G Classification Codes

The AMS Universal Classification Data Format for a bale may 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	Pima, redder than normal.	X	
92	Pima ginned on saw gin.		X
Special Condition Codes			
93	Pima, mixed pima and upland.		X
94	Pima, fire damaged.		X
95	Pima, water damaged.		X
96	Upland, mixed pima and upland.		X
97	Upland, fire damaged.		X
98	Upland, water damaged.		X

126 (Withdrawn--Amend. 22)

127 AGI

*--A AGI Policy

AGI is a statutorily-determined income level above which some program benefits are curtailed. The AGI limit is different for the 2008 crop than for the 2009 and subsequent crops, but is defined as the average of the AGI or comparable measure of the person or legal entity over the 3 taxable years preceding the most immediately preceding complete taxable year.

Persons/entities exceeding the AGI limit for a year:

- can:
  - obtain a nonrecourse MAL and repay at principal plus interest
  - exchange any outstanding loan quantity with commodity certificates
  - forfeit the commodity to CCC
- **cannot**:
  - obtain LDP
  - repay MAL obligation at the alternative repayment rate.

AGI limits are as follows:

- for the 2008 crop, an average AGI of $2.5 million, unless at least 75 percent of the average AGI is derived from farming, ranching, or forestry operations
- for the 2009 and subsequent crops, if average adjusted gross nonfarm income exceeds $500,000, then the person or entity is **ineligible** for **all** commodity, price support, and disaster program benefits; that is, is ineligible for LDP, but is eligible for MAL if repaid at principal plus interest or exchanged for commodity certificate.**--***

128-159 (Reserved)

Part 3 Loans for Ginned Cotton

Section 1 Loan Requirements

160 Regular Loans and Loans for Immediate Commodity Certificate Exchange

A General

This part covers the following day-to-day operations of County Offices that are required before making and disbursing a cotton loan payment:

- source of loan
- loan availability
- disbursements
- bankruptcy cases
- liens
- interest rates.

B Basic Program Provisions

Included in this part are the basic provisions applicable to specific types of loans, such as:

- warehouse receipt requirements
- determining loan rates
- acceptable classification data
- maturity dates.

C Loans Requested for Immediate Exchange for a Commodity Certificate

***--**Cotton loans requested for immediate exchange for a commodity certificate are:

- subject to the same requirements as a loan repaid by cash for the following:
  - producer eligibility
  - BI
  - warehouse receipting
  - quality and classification information
  - service, research, and promotion fees
  - allowable and non-allowable charges
- different from a loan repaid by cash because certificate exchanges, as follows:
  - terminate effective ending with the 2009 crop year
  - are unavailable for 2010 and subsequent crops of cotton.**--***

160 Regular Loans and Loans for Immediate Commodity Certificate Exchange (Continued)

C Loans Requested for Immediate Exchange for a Commodity Certificate (Continued)

For loans requested for immediate exchange for a commodity certificate, refer to:

- subparagraph 181 C for forms needed at time of loan request
- subparagraphs 201 B and D for processing instructions.

161 Source of Loans

A Cotton Loans

[7 CFR 1427.6] Eligible producers may obtain cotton loans (and LDP's) **only** from any of the following:

- the County Office that keeps the farm records for the farm on which the cotton was produced (the Administrative County)

- an approved cotton clerk, according to 14-CN **[7 CFR 1427.6]**

•*****--an approved LSA, according to 22-CN. **[7 CFR 1427.5(a) and 1427.6]--***

- an approved CMA, according to 21-CN. **[7 CFR 1427.5(a)]**

Multi-county producers may request loans (and LDP's) in a county other than their Administrative County. However, the actual loan outlay on an LDP payment is **not** to be provided by any county other than the producer's Administrative County.

County Offices that are **not** the Administrative County for the multi-county producer **must** send loan, LDP, module lock-in, and other such requests to the Administrative County for processing.

Notes: The producer may obtain loans by bringing a diskette to the County Offices with cotton bale data prepared by a private entity according to paragraph 170.

CMA's may obtain loans for their eligible producers. **[7 CFR 1427.6(b)]**

162 Loan and LDP Availability and Maturity Dates

A Availability Dates

[7 CFR 1427.5(a)] CCC cotton loan and LDP applications may be submitted from harvest through May 31 after the calendar year in which the crop is planted. If May 31 falls on a ***--**nonworkday, the final date shall be the next workday. This availability date is the deadline by which CCC must have received all requirements for either a loan or LDP (see subparagraph 181 B). Any items requiring signature or action by a 3rd party must be submitted with required signature or action completed.

Examples: Lien waivers must be signed; CCC must be holder of warehouse receipts.**--***

B Maturity Date

[7 CFR 1427.7(a)] 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 calls the loan.

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

C CCC Action on Nonpayment at Maturity

At CCC's choice, title to the cotton shall, without sale, immediately vest in CCC. CCC may sell, transfer, and deliver the collateral cotton and documents evidencing title according to the terms of CCC-Cotton A, CCC-601, and any applicable appendix.

CCC shall have no obligation to pay for any excess of the amount of the loan, plus interest and charges, if applicable.

--162 Loan and LDP Availability and Maturity Dates (Continued)--

D Maturity Month Table

This table shows applicable maturity months. Loans **cannot** be extended.

Month Disbursed	Maturity Month (Last Day)
June	March
July	April
August	May
September	June
October	July
November	August
December	September
January	October
February	November
March	December
April	January
May	February

163 (Withdrawn--Amend. 32)

164 Warehouse Receipt Requirements

A Definition of Acceptable Warehouse Receipts

***--[7 CFR 1427.3]** Acceptable warehouse receipt means an original or replacement receipt that may or may **not** be certificated for delivery for a futures-pricing contract, and is either of the following:

- for 2008 crop cotton **only**, a pre-numbered, pre-punched, negotiable warehouse receipt issued under the authority of the U.S. Warehouse Act, a State licensing authority, or by an approved CCC warehouse in such format authorized and approved, in advance, by CCC

- for 2008 through 2012 crop cotton, EWR record issued by such warehouse recorded in a central filing system or systems maintained in 1 or more locations that are approved by FSA to operate such system.

Note: Starting with 2009 crop cotton, CCC will **not** accept paper warehouse receipts as collateral for MAL'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, 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.

E Warehouse Code

The warehouse receipt **must** contain the warehouse code that was assigned by CCC.

*** * ***

164 Warehouse Receipt Requirements (Continued)

F Warehouse Tag Number, Including Tare and Net Weights

[7 CFR 1427.11(c)] 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 according to subparagraphs 72 C ***--**and 125 E.**--***

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 warehouse representative.

164 Warehouse Receipt Requirements (Continued)

* * *

G Compression Status and Charges

[7 CFR 1427.11(g)] Warehouse receipts **must** show:

- compression status of the bale
- if the compression charge has been paid or waived.

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

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

See subparagraph 184 B for compression codes.

H Storage Charges

[7 CFR 1427.11(d)] Warehouse receipts **must** show the date through which storage charges have been paid, if they have been paid.

164 Warehouse Receipt Requirements (Continued)

I Charges for New Ties

[7 CFR 1427.11(e)] Warehouse receipts **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 other 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.

J Date of Receipt

[7 CFR 1427.11(a)] Warehouse receipts **must** be dated on or before date the producer signs CCC-Cotton A.

164 Warehouse Receipt Requirements (Continued)

L Signature Requirements on Receipt

Warehouse receipts 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 or the producer's agent, 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 were 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.

165 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 commodity represented by the warehouse receipt shall:

- be considered an offset amount
- **not** be considered a lien.

Charges approved for offset without written DAFP concurrence are:

- gin-related charges including, handling, storage, drying, cleaning, ginning, in and out charges, transportation to and from the gin, marketing services, and classing charges that may be billed by the gin or warehouse

- loan clerk service or marketing fees.

Changes not listed must be submitted to DAFP for concurrence before they can be offset.

Charges that may **not** be offset from loan proceeds include:

- warehouse receiving or load-out charges
- any warehouse storage charges.

If an offset applies, do not disburse the loan unless the lien holder agrees to the offset by checking item 8, block (1) or (3) on CCC-679. If item 8, block (2) is checked, advise the producer that the loan will not be approved or disbursed.

B Handling as an Offset

The amount of applicable charges shown on the statement of charges or bill shall be considered an offset.

County Offices shall record the applicable charges on CCC-679 by doing either of the following:

- adding the total dollar amount of the charges shown on the statement of charges to any CCC, FSA, or other Government agency debt

- modifying the sentence in lienholder's block, item 3, to add language that states whose charges are being offset without specifying the type or amount of the charges.

Notes: If the loan is approved, the amount of applicable charges shown on the statement of charges or bill shall be handled as an offset for an alternate payee.

--**See subparagraph 124 D for an example.**--

166 Electronic Warehouse Receipts

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 Part 8 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

[7 CFR 1427.17] 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.

167 Classification Data

A AMS Classed

All cotton tendered for loan must be classed by an AMS classing office.

See Exhibit 12 for an explanation of the codes used by AMS in its Universal Classification Data Format.

B Acceptable Classification Data

--**The only AMS classification data acceptable for processing a loan and LDP application is classification information downloaded according to according to paragraph 341.**--

*** * ***

C Sampling

Only 1 sample per bale is to 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.

D Reclassification

When cotton is reclassed, the loan rate or the LDP rate is based on:

- the original classification information if the reclassing occurs **after the loan or LDP bales have been downloaded** according to paragraph 341, regardless of whether the reclassification would result in a higher or lower loan or LDP value

- the reclassification information if such information is **available before the loan or LDP bales have been downloaded,** according to paragraph 341.

If loan cotton is forfeited, the loan is not corrected if the cotton had been reclassed. Cotton is cataloged for sale by CCC based on the reclassing information.

E Two-Sided Bales

Two-sided bales (Code 75) may be pledged for loan using the lower side if the bale is not mixed-packed.

168, 169 (Withdrawn—Amend. 27)

170 Preprocessed Bale Data

A Purpose

Beginning with the 2005 crop year, all loans will be based on data stored in COPS. The use of manual data entry directly into APSS will **only** be allowed by using a system password issued by the State Office. This will:

- require all loan data to be downloaded using the cotton PC software
- support the validation of duplicate benefits and data errors before the loan or LDP is disbursed.

Exhibit 13 provides 2 formats for preparing bale data files. These are the "extended" format and the "abbreviated" format. Either format may be used for loans.

Loans may be disbursed only if both of the following are available from COPS:

- EWR for which CCC is the current holder
- AMS classing records.

B Data Received by Diskette or E-Mail

Preprocessed bale data can be accepted by diskette or e-mail. *** * *** County Offices shall print and retain in the loan folder these listings and process the loan using the table in paragraph 331.

Follow paragraph 330 to process cotton bale data received electronically. Any diskette received does not need to be retained; the signed, paper copy is sufficient record.

C Determining Date Documents Received

Subparagraph 181 B lists numerous documents that, in addition to a loan or LDP request, must be received to establish the "date documents received" in loan/LDP software. The "date documents received" is the date the last of the required documents was received.

One document that must be provided is a list of the bales that may be:

- a paper list
- an electronic pre-processed bale file.

170 Preprocessed Bale Data (Continued)

C Determining Date Documents Received (Continued)

* * *

If the date the bale list, however submitted, is a determining factor for establishing the "date documents received", then:

- use the date the bale list (whether paper or electronic) was received
- do not use the date the producer signed and dated a paper version of an electronic bale list.

170.5 Processing Loans Through Cotton Warehouse Receipt Process

A Processing References

Beginning July 2, 2005, all loans will be based on classing and EWR data stored in COPS. The use of manual data entry and the practice of copying bale data files directly into APSS will **not** be allowed. This will:

- require loan data to be downloaded using the cotton PC software
- support the validation of duplicate benefits and data errors before the loan is disbursed.

Loans may be disbursed only if both of the following are available from COPS:

- EWR for which CCC is the current holder
- AMS classing records.

On Screen PLA000, option 4, "Warehouse Stored Regular", can only be accessed using a password issued by the State Office.

County Offices shall process bale data for loans through the cotton warehouse receipt process according to the following table.

IF data is for...	THEN follow instructions in paragraph...
loans based on EWR's provided by:	
• preprocessed diskette	330
• e-mail	331
• paper listing	332.
gin-direct cotton loan	332.

171 (Withdrawn--Amend. 32)

172 Loan Rates for Ginned Cotton

A Upland Cotton

Base Loan Rate

--[7 CFR 1427.1(b)] [7 CFR 1427.8(a)]** Upland cotton loan rates are the base quality rate for SLM 1-1/16 adjusted for premiums and discounts and, effective with the 2008 crop, not adjusted for location.**--

Premiums and Discounts

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

- Exhibit 5 for grade, leaf, and staple length
- Exhibit 6 for extraneous matter
- Exhibit 7 for uniformity
- Exhibit 8 for strength
- Exhibit 9 for micronaire.

CCC does not provide a loan on a bale unless its computed loan rate is greater than zero.

B ELS Cotton

Schedule of Loan Rates

See Exhibit 10 for the schedule of loan rates for all locations by grade and staple length.

Discounts

See Exhibit 11 for discounts for micronaire and extraneous matter.

CCC does not provide a loan on a bale unless its computed loan rate is greater than zero.

--

173 Loan Service Fee

A Service Charges

[7 CFR 1427.13] Service charges shall be assessed on all loans disbursed. The service fee shall be the **smaller** of the following:

- ½ 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. See subparagraph 187 B, step 22 to reduce the $7.50 fee on multiple loans.

174 Allowable and Nonallowable Loan Charges

A Allowable Deductions

Allowable deductions from the gross loan amount are those for:

- nonrefundable loan service charges, according to paragraph 173
- cotton clerk fee, according to 14-CN
- upland cotton research and promotion assessment, according to paragraph 175.

B 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.

***--**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 lien waivers are:

- **not** received, do **not** disburse the loan**--***

174 Allowable and Nonallowable Loan Charges (Continued)

B Nonallowable Deductions (Continued)

- received and checked in block 2, disburse loan proceeds without any offsets jointly to all lienholders and producers

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

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

- received and checked in block 3, disburse loan proceeds, less the specifically approved offset changes, jointly to all lienholders and producers.

Note: Cotton clerk fees are an allowable deduction from the gross loan amount.

175 Research and Promotion Fees

A Fee and Computation

[7 CFR 1427.13(d)] Research and promotion fees paid to the Cotton Board are deducted ***--**from upland cotton (**not** ELS) loan proceeds. This fee is centrally collected and remitted**--*** to the Cotton Board from Kansas City. The amount of the fee is shown on:

- CCC-Cotton A
- CCC 881, item 7d.

CMA's and LSA's that provide loans deduct this fee from loan proceeds and pay the Cotton Board directly rather than payment collection through Kansas City.

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 deducting charges determined according to subparagraph 164 J for providing new bale ties.

176-180 (Reserved)

181 Before Processing the Loan

A Eligibility

[7 CFR 1427.5] The eligibility requirement for the producer and cotton shall be determined according to Part 2 before processing loans.

B Required Forms and Documentation

When a producer requests a regular cotton loan, the producer shall complete CCC Cotton A-5 according to paragraph 182 and provide:

- a list of the bales, either a paper list or an electronic pre-processed bale file
- acceptable warehouse receipts according to paragraph 164

  Note: Cotton warehouse receipts **must** be held by CCC (EWR's **must** be "downloaded") for all loans whether repaid by cash or exchanged for a commodity certificate.

- acceptable classification data according to paragraph 167
- AD-1026 according to 6-CP
- BI certification, when requested by COC, according to subparagraph 103 C
- CCC-10, except for loans requested for immediate exchange for commodity certificates
- CCC-679, when applicable, according to subparagraph 124 D
- ***--**CCC-902E (for entities including joint operations)
- CCC-926 or certification of average AGI according to 4-PL**--***
- FSA-211, when applicable, according to paragraph 45
- FSA-578 according to 2-CP.

*** * ***

Important: Enter the date that all of the applicable forms were provided for the loan by the producer to the County Office on Screen PLC10005 in the "Date Documents/Warehouse Receipts Received" field, according to subparagraph 182 B, item 8.

181 Before Processing the Loan (Continued)

C Form Required for Loan Requested for Immediate Commodity Certificate Exchange

When a producer requests a cotton loan for immediate exchange for a commodity certificate, the producers shall provide:

- the forms required by subparagraph B, except CCC-679
- signed and dated CCC-694-2, that includes entering the entity, and holder ID if applicable, to whom the cotton loan collateral is to be released, in item 9.

Note: CCC **must** be made holder of cotton EWR's as a precondition for a loan requested for immediate commodity certificate exchange and remain holder until the loan is processed and disbursed.

D Loan Requests Submitted Electronically

Producers may submit loan and LDP application forms electronically if the applicant has *****--received access under the eAuthentication system. See paragraph 4 for the web site.--*****

The date and time of the electronic transmission shall be considered the date and time of receipt by FSA.

*--E UCC-1 Not Required

The filing of UCC-1 by County Offices is **not** required for warehouse-stored upland cotton loans because CCC's security interest has been perfected because CCC holds the warehouse receipts.--*****

*--181.5 Completing CCC-10

A Applicability

Producers applying for CCC or FSA loans at USDA Service Centers are required to provide specific information on CCC-10. CCC-10:

- serves as CCC's or FSA's notice of intent to perfect its security interest
- identifies the debtor's exact full legal name, if the debtor is an entity, and the type and location of the entity
- identifies the jurisdiction in which CCC will conduct lien searches
- authorizes CCC or FSA to file UCC-1's before executing a security agreement
- is not applicable for loans made to a producer who will immediately exchange the commodity certificate for all loan collateral according to 8-LP, Part 9, Section 8
- is applicable to warehouse loans to identify the jurisdiction in which to conduct lien searches, but for which UCC-1 is not filed.**--***

181.5 Completing CCC-10 (Continued)

B Obtaining Authorization

County Offices shall obtain CCC-10 and signatures as follows:

- if a current CCC-10 is not already filed, obtain a signed CCC-10
- ensure that producers understand that:
  - applicable collateral for loans is not described on CCC-10
  - CCC-10 remains in effect until the producer notifies CCC or FSA of any changes by filling out a new CCC-10
  - for UCC-1's filed manually that require the debtor's signature, CCC requires CCC-10 to identify the jurisdiction in which to perform lien searches
- for:
  - ***--**general partnerships, any member may sign for the general partnership and bind all members, unless the Articles of Partnership are more restrictive
  - joint ventures, all members must sign for the joint venture, unless an individual is authorized to act on behalf of the joint venture and bind all members; **j**oint ventures that do **not** have an individual authorized to act on behalf of the joint venture may execute FSA-211 to appoint an attorney-in-fact to act on behalf of the join venture and bind all members.**--***
  - corporations, limited partnerships, and limited liability corporations, the person authorized to sign for the entity is required to sign
  - trusts, the trustee or trustees are required to sign
  - estates, the executor is required to sign
- allow spouses to sign CCC-10 for each other only as allowed according to 1-CM
- gather data and signatures concerning spouses where spousal information is required by State law, according to the regional attorney
- if applicable, provide a copy of CCC-10 to other County Offices in which the producer is active
- file CCC-10's in alphabetical order in folders labeled "LP 1-2 Financing Statements."

C CCC-10 Availability

CCC-10 is available for download by FSA employees from the FSA Intranet at **http://intra3.fsa.usda.gov/dam/ffasforms/forms.html**.

*--181.5 Completing CCC-10 (Continued)

D Instructions for Preparing CCC-10

County Offices shall prepare CCC-10 according to this table.

Item	Instructions
Part A	Ensure that the producer understands the statements in this part.
1	Check the box for: • "individual", if the producer conducts a farming operation as an individual • "organization or entity", if the producer conducts a farming operation as an organization or entity.
2	If the box in item 1 is checked for: • "individual", enter the applicable Social Security number or tax identification number • "organization or entity", enter the applicable tax identification number.
3	If the box in item 1 is checked for: • "individual", enter the first, middle, and last name and, if applicable, a suffix • "organization or entity", enter the full legal name of the organization or entity. **Note:** This is the name that will be used on UCC forms.
4	If the box in item 1 is checked for "individual", enter the first, middle, and last name and, if applicable, a suffix for a spouse. **Note:** This is the name that will be used on UCC forms for additional debtors.

--*

*--181.5 Completing CCC-10 (Continued)

D Instructions for Preparing CCC-10 (Continued)

Item	Instructions
5	If the box in item 1 is checked for "individual", enter the name of the State and county of the producer's primary residence. Unless otherwise advised by OGC, this is where to file UCC-1's and to perform lien searches.
6	If the box in item 1 is checked for "organization or entity", enter the type of organization or entity. Acceptable types are corporations, general or limited partnerships, limited liability companies, and trusts. An informal joint operation or venture is not a legal entity. Members of an informal joint operation or venture are treated as individuals.
7	If the organization or entity is registered, it must be organized under the law of a single State and must be displayed in a State public record as being organized. If the organization or entity is registered, enter the State in which the organization or entity was created and is registered. Unless otherwise advised by OGC, this is where to file UCC-1's and to perform lien searches.
8	If the organization or entity is **not** registered, enter the State where the place of business is located or where the organization or entity conducts its affairs. Unless otherwise advised by OGC, this is where to file UCC-1's and to perform lien searches.
9	Ensure that the producer understands the statement in item 9.

9A-D	If the box in item 1 is checked for:
	
	• "individual", the producer enters signature as first, middle, and last name and, if applicable, a suffix
	
	• "organization or entity", the producer enters the following:
	
	  • legal name of the organization or entity
	  • the word "by"
	  • producer's signature
	  • producer's title.
	
	  Example: Hobbitt Farms Inc. by John H. Smith, president.

--*

*--181.5 Completing CCC-10 (Continued)

E Example of CCC-10

The following is an example of a completed CCC-10.

REPRODUCE LOCALLY. Include form number and date on all reproductions. Form Approved - OMB No. 0560-0215

CCC-10
(11-20-01)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation
Farm Service Agency

REPRESENTATIONS FOR COMMODITY CREDIT CORPORATION OR FARM SERVICE AGENCY LOANS AND AUTHORIZATION TO FILE A FINANCING STATEMENT AND RELATED DOCUMENTS

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a). The authority for requesting the following information is Commodity Credit Corporation Charter Act, 15 U.S.C. (714 et seq.), the Federal Agriculture Improvement and Reform Act of 1996, and Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.). The information will be used to provide loan benefits. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in denial of loan 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 15 U.S.C. 714m, 18 U.S.C. 286, 287, 371, 641, 651, 1001, and 31 U.S.C. 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 0560-0215. The time required to complete this information collection is estimated to average 5 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 - INTRODUCTION

The undersigned is an applicant for a loan from the Commodity Credit Corporation (CCC) or the Farm Service Agency (FSA), or is currently indebted to CCC or FSA on account of loans previously made or will encumber, pledge or mortgage property to CCC or FSA to secure payment of a loan made or to be made by CCC or FSA. The undersigned understands that CCC or FSA will take or has taken a security interest in collateral to secure the payment of any loan made or to be made, that CCC or FSA will file or has filed a financing statement or an amended financing statement to perfect its security interest in such collateral, that the information provided in this instrument will affect the contents of the financing statement or any amended financing statement and where it will be filed and that CCC or FSA will rely upon this information provided by the undersigned. Further, the undersigned understands that CCC or FSA will continue to use this information for any future loans to be made to the undersigned until the undersigned notifies CCC or FSA of any changes. The undersigned agrees to immediately notify CCC or FSA of any changes in this information.

PART B - REPRESENTATION OF UNDERSIGNED

1. TYPE OF UNDERSIGNED: [X] INDIVIDUAL [ ] ORGANIZATION OR ENTITY	2. SOCIAL SECURITY NUMBER OR TAX IDENTIFICATION NUMBER 111-XX-79X1
3. UNDERSIGNED'S FULL LEGAL NAME John Rosco Smith, Jr.	4. SPOUSE'S FULL LEGAL NAME Anita LuAnne Baxter Smith
5. STATE AND COUNTY OF PRIMARY RESIDENCE IF UNDERSIGNED IS AN INDIVIDUAL New Jersey, Adams Co.	6. IF UNDERSIGNED IS AN ORGANIZATION OR ENTITY, SPECIFY THE TYPE OF ORGANIZATION OR ENTITY

7. IF UNDERSIGNED'S ORGANIZATION OR ENTITY IS A REGISTERED ORGANIZATION OR ENTITY, SPECIFY THE STATE IN WHICH THE ORGANIZATION OR ENTITY WAS CREATED.

8. IF UNDERSIGNED'S ORGANIZATION IS A NON-REGISTERED ORGANIZATION OR ENTITY, SPECIFY THE STATE WHERE THE PLACE OF BUSINESS IS LOCATED OR WHERE THE ORGANIZATION OR ENTITY CONDUCTS ITS AFFAIRS.

PART C - AUTHORIZATION TO FILE

9. The undersigned authorizes CCC or FSA to file a financing statement under the name of the undersigned for collateral to be described in the financing statement and security agreement at any time following the date that this instrument is signed. By signing below, I give CCC or FSA permission to file a financing statement prior to the execution of the security agreement, as well as to file amendments and continuations of the financing statement thereafter.

9A. SIGNATURE OF UNDERSIGNED */s/ John Rosco Smith, Jr.*	DATE 11-21-01
9B. SIGNATURE OF UNDERSIGNED */s/ Anita LuAnne Baxter Smith*	DATE 11-21-01
9C. SIGNATURE OF UNDERSIGNED	DATE
9D. SIGNATURE OF UNDERSIGNED	DATE

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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182 Using CCC Cotton A-5, Statement of Eligibility and Information Worksheet

A General Information

CCC Cotton A-5 shall be completed to serve as a source document for preparing cotton loans. A second-party review of eligibility and the loan application shall be performed before disbursement and shall be recorded by the second-party by initialing and dating CCC Cotton A-5.

B Completing CCC Cotton A-5

Complete CCC Cotton A-5 according to this table.

Item	Instructions
Part A	
1-7	Enter the information provided by the producer. Only the last 4 digits of a producer's tax ID on Social Security numbers shall be entered.
8	Enter the **later** of the following dates: • the date of receipt of a signed CCC Cotton A-5 and all other required documents listed in subparagraph 181 B • the date CCC was made holder of EWR's as specified on the EWR Validation Review Report **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. • the date paper warehouse receipts were delivered to the County Office.
9	Enter the date the application is received by CCC.
10	Leave blank or use for file sequence number of the loan.
11-14	Check the appropriate block based on information provided by the producer and County Office records.
15	Enter name and address of lienholder, if applicable.
16-19	Check the appropriate block based on information provided by the producer and County Office records.
20	Enter applicable date.
* * *	* * *
--21--	Enter any clarifying remarks.
Part B	The producer/representative shall sign and date. CCC signs and stamps or enters date received.
Part C	Enter disbursement data applicable to all setoffs and any payees other than the producer sharing in the loan's proceeds.

182 Using CCC Cotton A-5, Statement of Eligibility and Information Worksheet (Continued)

B Completing CCC Cotton A-5 (Continued)

*--

This form is available electronically.

CCC Cotton A-5 (04-07-09) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation STATEMENT OF ELIGIBILITY AND INFORMATION WORKSHEET	A. COUNTY OFFICE NAME AND ADDRESS South County FSA Route 66, Box 9 Midtown, GA 56789	B. CROP YEAR 2006

NOTE: *The primary authority for requesting and safeguarding the information described on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246 and any amendments to such act as may follow).* The information requested is necessary cotton loan benefits. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for certain program benefits and other financial assistance administered by USDA. *This information collected as a result of this form may be released to USDA employees, USDA contractors, or authorized USDA cooperators who are bound to safeguard the information under Section 1619 of the Food, Conservation, and Energy Act of 2008, the Privacy Act of 1974, the E-Government Act of 2002, and related authorities.*

This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration). *The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.* ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

PART A – ELIGIBILITY AND RELATED INFORMATION

1A. Contact Producer's Name, Address And Last 4 Digits Of Identification Number	1B. Crop Share	4. Farm Number Where Cotton Was Produced
John Producer 23 Main Street, Cottontown, GA 34567	50 %	2345 5. Gin Code 18476
2A. Other Producer's Name, Address And Last 4 Digits Of Identification Number Joe Neighbors 26 Brown Street, Cottontown GA 34567	2B. Crop Share 50 %	6. Warehouse Code Or Cotton Location 647829 7. No. Of Warehouse Receipts Or Bales 1300
3A. Other Producer's Name, Address And Last 4 Digits Of Identification Number	3B. Crop Share %	8. Date All Required Documents Received *(MM-DD-YYYY)* 9/22/2008 9. Date Application Received *MM-DD-YYYY)* 9/22/2008 10. File Name

ITEM	N/A	YES	NO	ITEM	N/A	YES	NO
11. Did operator separate landlord's bales?	X			16. Can the operator sign as agent for the owner?	X		
12. Is the producer eligible for the loan?		X		17. Must note be mailed for owner's signature?			X
13. Is the loan quantity reasonable based on County committee maximum established yield?			X	18. Will owner come to county office to sign note?			X
14. Is there a lien on the crop?		X		19. Does the producer have a FSA or federal non-tax debt?			X

15. If answer to Item 14 is "YES", enter Name and Address of Lienholder(s)

20. Date that note will be ready for signature *(MM-DD-YYYY)*

21. Remarks

PART B - CERTIFICATION

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; (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; (4) I had risk in the production of the cotton; (5) I have not been convicted of a controlled substance violation according to 1-CM; and, (6) I agree that if I do not sign the loan note and security agreement within 15 calendar days from the date entered into Item 20 of this application that the application may be voided or the date documents received may be amended.

1A. Signature Of CCC Representative	1B. Date *(MM-DD-YYYY)*	1C. Signature Of Contract Producer	2. Date *(MM-DD-YYYY)*
	9/30/2008	1D. Title/Relationship *(of the individual signing in the Representative Capacity)*	9/30/2008

PART C - DISBURSEMENT DATA

1. OFFSET(S) (Including debt I.D., if applicable) AND PAYEE(S).	2. DEBT IDENTIFICATION	3. CHECK AMOUNT ($)

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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

--*

182 Using CCC Cotton A-5, Statement of Eligibility and Information Worksheet (Continued)

C Distribution

Distribute CCC Cotton A-5 as follows:

- file the original copy in the County Office
- give the second copy to the cotton clerk
- give the third copy to the producer.

183 (Withdrawn--Amend. 32)

184 Compression Status

A Definition of Compression Status

Compression status means 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 warehouse receipt process.

Valid APSS Code	Valid Cotton PC Code	Code Explanation
Current Production Compression Codes		
GS	3	Gin Standard Density Bales
GU	5	Gin Universal Density Bales
Discontinued Compression Codes		
F	1	Flat Uncompressed Bales
GH	4	Gin High Density Bales
SD	7	Standard Density Bales
SS	8	Standard Density Short Bales
SU	9	Universal Density Short Bales
WU	6	Warehouse Universal Density Bales

C Loan Eligibility

*** * *** Virtually all bales are produced based on universal density compression. A universal density bale measures 55 inches (height) by 21 inches (diameter) by 28 inches (width) and is compressed to 28 pounds per cubic foot.

--**EWR's submitted for loan **must** indicate a compression code of "3" or "5" to be eligible for loan. Starting with the 2009 crop, flat bales are **not** eligible for loan or LDP.**--

185 Producers' Loan Shares

A Loan Shares

For loans involving multiple producers, individual producer loan shares **must** be consistent in terms of reasonableness with the shares and acres reported on FSA-578.

For more information on:

- acreage reporting and the FSA-578 process, see 2-CP
- questionable or commingled production, see subparagraph 119 B
- recording producer shares during regular loan processing in APSS, see subparagraph 187 B, step 21.

186 Preparation Codes for APSS

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 code when processing cotton loans through APSS.

Preparation Code	Code Explanation
* * *	* * *
1E	Documents were prepared in the County Office using EWR's.
* * *	* * *
3E	Documents were prepared by a cotton clerk using EWR's, but funds were disbursed by the County Office.
* * *	* * *
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.

187 Regular Loan Processing in APSS

A Preparation

Verify that offer shipping rate table, loan rates, and other tables are correctly entered into the computer according to paragraph 65.

B APSS Procedure

Process loans according to the following table.

Important: Date loan is approved by CCC **must** be on or before date of loan disbursement.

To ensure that funds are **not** disbursed *** * *** before signatures of **all** producers or authorized agents are obtained, and loan is approved by CCC, carefully follow instructions in step 24.

Step	Action	Result	
1	On Menu PCA005, ENTER "2", and PRESS "Enter".	Screen PCA11000 will be displayed.	

2	On Screen PCA11000:
	• enter:
	  • either the producer's last name or the producer's ID and type
	  • the crop year
	  • "N" for the loan number
	• PRESS "Enter".
		IF...	**THEN go to...**

		• Screen PCA12000 is displayed	• step 4.
		• Screen MACR04-01 is displayed	• step 3.
3	On Screen MACR04-01, enter the number for the desired producer, and PRESS "Enter".	Screen PCA12000 will be displayed.	

4	On Screen PCA12000:
	• ENTER "Y" or "N", as applicable, to the following questions:
	  • "Is this the correct producer?"
	  • "Is this the re-entry of a corrected loan?"
	• PRESS "Enter".
		IF the producer is...	**THEN...**

		correct and this is **not** a re-entry of a corrected loan	Menu PLA000 will be displayed. Go to step 6.
		not correct	Screen PCA11000 will be redisplayed. Return to step 2.
		correct, but this is a re-entry of a corrected loan	Screen PCA12000 will be redisplayed. Go to step 5.

B
APSS Procedure
(Continued)

Step	Action		Result
5	On Screen PCA12000: • enter the crop year and loan number of the original loan • PRESS "Enter".		Menu PLA000 will be displayed.
6	**IF preprocessed bale data according to paragraph 280 is...**	**THEN on Menu PLA000...**	
	not being used	ENTER "4", and PRESS "Enter".	Screen PLC10000 will be displayed. Go to step 9.
	being used	ENTER "8", and PRESS "Enter".	Screen PLC09000 will be displayed. Go to step 7.
7	On Screen PLC09000: • enter the file name for the cotton data • PRESS "Enter".		Screen PLC09000 will be redisplayed.
8	**IF the producer displayed on Screen PLC09000 is...**	**THEN...**	
	correct	ENTER "Y", and PRESS "Enter".	Screen PLC10000 will be displayed. Go to step 9.
	incorrect	ENTER "N", and PRESS "Enter".	Screen PLC09000 will be redisplayed. Return to step 7.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action		Result	
9	On Screen PLC10000, use the following table for entering data in the applicable fields.		**IF the warehouse code is...**	**THEN...**
	Field	**Entry**	on file	Screen PLC10005 will be displayed. Go to step 11.
	Commodity	Enter either of the following: • "UP" for upland cotton • "ELS" for ELS cotton.		
	Class	Leave blank.	**not** on file	Screen PLC10000 will be redisplayed with the message, "Whse Code not found. If approved code, enter on the Offer Shipping Rate Table before continuing". Go to step 10.
	Crop Year	Enter last 2 digits of the applicable crop year.		
	Warehouse Code	Enter the warehouse code that is on the warehouse receipt.		
	Does this loan have multiple producers?	Enter either of the following: • "Y" if a joint loan • "N" if **not** a joint loan.		
	Loan Application Date	Leave blank for 1996 and subsequent year loans.		
	After all entries are completed, PRESS "Enter".			

Continued on the next page

187 Regular Loan Processing in APSS (Continued)

B APSS Procedure (Continued)

<table>
<tr><th>Step</th><th>Action</th><th colspan="2">Result</th></tr>
<tr><td>10</td><td>PRESS “Cmd7”.</td><td colspan="2">Menu PCA005 will be redisplayed.

Note: Follow instructions in *--12-PS, paragraph 1434 for--* updating the Offer Shipping Rate Table.</td></tr>
<tr><td rowspan="8">11</td><td colspan="2">On Screen PLC10005, use the following table for entering data in the applicable fields.</td><td colspan="2" rowspan="8">Screen PLA11000 will be displayed.</td></tr>
<tr><td>Field</td><td>Entry</td></tr>
<tr><td>Gin Code Number</td><td rowspan="4">“Help” is available.</td></tr>
<tr><td>Tare Weight</td></tr>
<tr><td>Compression Status</td></tr>
<tr><td>Preparation Code</td></tr>
<tr><td>Are Receiving Charges Prepaid?</td><td>ENTER “Y” or “N”.</td></tr>
<tr><td>Date Documents/ Warehouse Receipts Received</td><td>Enter the date from CCC Cotton A-5, item 8.</td></tr>
<tr><td colspan="2">After all entries are completed, PRESS “Enter”.</td></tr>
<tr><td rowspan="3">12</td><td rowspan="3">On Screen PLA11000:

• enter applicable farm number
• PRESS “Enter”.</td><td>IF the loan is...</td><td>THEN...</td></tr>
<tr><td>a joint loan</td><td>Screen PLA12000 will be displayed. Go to step 13.</td></tr>
<tr><td>not a joint loan</td><td>Screen PLC21500 will be displayed. Go to step 15.</td></tr>
</table>

187 Regular Loan Processing in APSS (Continued)

B APSS Procedure (Continued)

<table>
<tr><th>Step</th><th colspan="2">Action</th><th colspan="2">Result</th></tr>
<tr><td rowspan="6">13</td><td colspan="2" rowspan="2">On Screen PLA12000, use the following table for entering data in the applicable fields.</td><td>IF...</td><td>THEN go to...</td></tr>
<tr><td rowspan="5">• Screen MACR04-01 is displayed

• Screen PLC21500 is displayed</td><td rowspan="5">• step 14.

• step 15.</td></tr>
<tr><td>Field</td><td>Entry</td></tr>
<tr><td>Last Name</td><td>Enter last name of producer who will share in the loan that was not entered previously, including producer entered in step 2.</td></tr>
<tr><td>ID Number</td><td>Enter applicable producer ID, if known.</td></tr>
<tr><td>Contact Point for Mailing</td><td>ENTER “Y” or “N”.

If the producer whose name was entered in step 2 will be the contact producer, ENTER “N” for all producers entered during this step.

Note: Only 1 producer can be designated as the contact producer.</td></tr>
<tr><td colspan="2">• ENTER “Y” or “N” to the question, “Are there additional producers?”

• PRESS “Enter”.</td></tr>
<tr><td rowspan="3">14</td><td colspan="2" rowspan="3">On Screen MACR04-01:

• confirm the producer selected by entering the number of the desired producer

• PRESS “Enter”.</td><td>IF there are...</td><td>THEN...</td></tr>
<tr><td>additional producers</td><td>Screen PLA12000 will be redisplayed. Return to step 13.</td></tr>
<tr><td>no additional producers</td><td>Screen PLC21500 will be displayed. Go to step 15.</td></tr>
</table>

B
APSS Procedure
(Continued)

<table>
<tr><th>Step</th><th colspan="2">Action</th><th colspan="2">Result</th></tr>
<tr><td rowspan="14">15</td><td colspan="2" rowspan="2">On Screen PLC21500, use the following table for entering data in the applicable fields.</td><th>IF...</th><th>THEN...</th></tr>
<tr><td rowspan="13">• “Y” was entered

• “N” was entered</td><td rowspan="13">• Screen PLC21500 will be redisplayed. Go to step 16.

• Screen PLC11005 will be displayed. Go to step 19.</td></tr>
<tr><th>Field</th><th>Entry</th></tr>
<tr><td>Warehouse Receipt Number</td><td>Enter the warehouse receipt number from the applicable warehouse receipt.</td></tr>
<tr><td>Gin Tag Number</td><td>Enter the gin tag number.</td></tr>
<tr><td>Date Receipt Issued</td><td>Enter the date on the applicable warehouse receipt.</td></tr>
<tr><td>Gross Bale Weight</td><td rowspan="2">Both entries are not required as long as 1 field is complete.

Note: “Help” is available.</td></tr>
<tr><td>Net Bale Weight</td></tr>
<tr><td>Color Grade</td><td rowspan="5">Enter from the applicable classing data.

Note: “Help” is available.</td></tr>
<tr><td>Staple</td></tr>
<tr><td>Micronaire</td></tr>
<tr><td>Strength</td></tr>
<tr><td>Uniformity</td></tr>
<tr><td>Leaf</td><td></td></tr>
<tr><td>Other</td><td>Enter extraneous matter from the applicable classing data.

Note: “Help” is available.</td></tr>
<tr><td colspan="2">• ENTER “Y” or “N” to the question, “Do you have another Warehouse Receipt to enter?”

• PRESS “Enter”.</td></tr>
</table>

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	

16	On Screen PLC21500:
	• use the table in step 15 for entering bale data in the applicable fields
	• ENTER "Y" or "N" to the following questions:
	  • "Do you have another warehouse receipt to enter?"
	  • "Do you want to display bale data for another receipt?"
	• PRESS "Enter".
		IF...	**THEN...**

		another receipt is to be entered	Screen PLC21500 will be redisplayed. Repeat this step.
		another receipt will not be entered and there is a need to display bale data for another receipt	Screen PLC21505 will be displayed. Go to step 17.
		"N" was entered for both questions	Screen PLC11005 will be displayed. Go to step 19.
17	On Screen PLC21505: • enter the warehouse receipt number to be displayed • PRESS "Enter".	Screen PLC21505 will be redisplayed.	

18	On Screen PLC21505:
	• use the table in step 15 for entering bale data in the applicable fields
	• ENTER "Y" or "N" to the following questions:
	  • "Do you want to delete this receipt?"
	  • "Do you have another warehouse receipt to enter?"
	  • "Do you want to display bale data for another receipt?"
	• PRESS "Enter".
		IF...	**THEN...**

		another receipt is to be entered	Screen PLC21500 will be redisplayed. Return to step 16.
		another receipt will **not** be entered and there is a need to display bale data for another bale	Screen PLC21505 will be redisplayed. Return to step 17.
		"N" was entered for all questions	Screen PLC11005 will be displayed. Go to step 19.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
19	On Screen PLC11005: • the loan summary data for the applicable receipt number will be displayed • ENTER "Y" or "N" to the question, "Do you want to display summary for another receipt?" • PRESS "Enter".	**IF...**	**THEN...**
		"Y" was entered	Screen PLC11010 will be displayed. Go to step 20.
		"N" was entered and this is a joint loan	Screen PLA12500 will be displayed. Go to step 21.
		"N" was entered and this is **not** a joint loan	Screen PLC12500 will be displayed. Go to step 22.
20	On Screen PLC11010: • enter the receipt number for which the summary is requested • PRESS "Enter".	Screen PLC11005 will be redisplayed. Return to step 19.	
21	On Screen PLA12500: • enter the producer's shares, in whole numbers plus 2 decimal places • PRESS "Enter".	Screen PLC12500 will be displayed.	

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result

22	On Screen PLC12500:
	
	• the following information is displayed:
	
	  • number of bales on the loan
	  • loan amount
	
	• enter, as applicable, the:
	
	  • service fee
	
	  --Note:** The $7.50/loan service fee displayed may be eliminated if multiple loans are made for County Office convenience. See subparagraph 173 A.**--
	
	  • loan clerk fee, if applicable
	
	• PRESS "Enter".
		Screen PLC12505 will be displayed.

23	On Screen PLC12505:
	
	• the following information is displayed:
	
	  • loan amount
	  • research and promotion fees
	  • service fees
	  • loan clerk fees, if applicable
	  • disbursement amount
	
	• enter the disbursement date, if applicable
	
	  Note: If the preparation code was 4 or 4E, enter the date correct loan documents are received in the County Office.
	
	• PRESS "Enter".
		Menu PLA005 will be displayed.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action		Result	
24	On Menu PLA005, use the following table for entering the appropriate option.		**IF...**	**THEN...**
	IF...	**THEN select...**	"1" or "2" was selected	Screen PLA13005 will be displayed. Go to step 25.
	• loan will be disbursed on the current workday • preparation code is 3, 3E, 4, or 4E	option 1.		
	loan will **not** be disbursed on the current workday, but loan documents are needed	option 2.		
	loan will **not** be disbursed on the current workday and loan documents are not needed	option 4.	"4" was selected	Menu PCA005 will be redisplayed. Return to step 1. All loan information will be saved.
	loan will **never** be disbursed.	option 5.	"5" was selected	Menu PCA005 will be redisplayed. Return to step 1. All loan information will be deleted.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	

25	On Screen PLA13005:
	• enter:
	  • the date of the lien search
	  • "Y" to the question, "Do you wish to complete this process?"
	• PRESS "Enter".
		Screen PCA97000 will be displayed.	

26	On Screen PCA97000: • enter the printer ID to print forms and reports • PRESS "Enter".	CCC-Cotton A will be printed, and Screen PCE65010 will be displayed.	
27	On Screen PCE65010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-Cotton A will be reprinted • Screen PCE65010 will be redisplayed. Repeat this step.
		"N" was entered	• CCC-Cotton A-1 will be printed • Screen PCE66010 will be displayed. Go to step 28.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
28	On Screen PCE66010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-Cotton A-1 will be reprinted • Screen PCE66010 will be redisplayed. Repeat this step.
		"N" was entered and there are more than 4 producers on the loan	• CCC-Cotton A Continuation will be printed • Screen PCE68010 will be displayed. Go to step 29.
		"N" was entered and there are 3 or less producers on the loan and this is **not** a saved loan	Go to step 30.
		"N" was entered and there are 3 or less producers on the loan and this is a saved loan	Menu PCA005 will be redisplayed. Return to step 1.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
29	On Screen PCE68010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-Cotton A Continuation will be reprinted • Screen PCE68010 will be redisplayed. Repeat this step.
		"N" was entered and this is **not** a saved loan	Go to step 30.
		"N" was entered and this is a saved loan	Menu PCA005 will be redisplayed. Return to step 1.
30	Accounting - Checkwriting procedure begins. See 1-FI for Accounting - Checkwriting procedure.	After Accounting - Checkwriting procedure is complete, Menu PCA005 will be redisplayed. Return to step 1.	

188 Manual Loan Processing

A When Manual Loans Shall Be Prepared

If the APSS system is inoperable and it is expected to be inoperable for at least 4 workdays from the time the warehouse receipts and all documents required from the producer for the loan are presented by the producer or authorized agent for loan, the County Office shall prepare the loan manually, only if requested by the producer or authorized agent to do so.

*** * ***

B When Not to Manually Prepare a Loan

If the APSS system is operable or is expected to be operable within 4 workdays of the day the producer or authorized agent presents the warehouse receipts, do **not** manually prepare the loan.

C Action Taken to Prepare and Disburse a Manual Loan

County Offices shall:

- determine the eligibility of the producer and cotton
- use the premiums and discounts listed in the applicable exhibits of this handbook to figure loan rates
- complete CCC-Cotton A, CCC-Cotton A-1, and if applicable, CCC-Cotton A Continuation, according to paragraphs 189, 191, and 190, respectively

*** * ***

- immediately when APSS is operable, enter the loan data according to paragraph 192.

Note: The total disbursement calculated for manual loans (the loan amount less fees) shall **not** be reduced to 75 percent of the computed amount.

189 Using CCC-Cotton A, Producer's Note and Security Agreement

A Description

[7 CFR 1427.1(a)] [7 CFR 1427.2(f)] CCC-Cotton A is a computer-generated form printed during the APSS loanmaking procedure used to obtain a producer's agreement with the note and security agreement. Blank CCC-Cotton A's can be printed for manual loan preparation.

Note: Keep an adequate supply of blank CCC-Cotton A's on hand for preparing manual loans when the computer is inoperable.

B Completing CCC-Cotton A

Complete CCC-Cotton A according to this table.

Note: These instructions are for manually-prepared loans, except for items 12 through 14 which are required to be entered on loans prepared and disbursed through APSS.

Item	Instructions
1	ENTER "X" if more space is needed: • to enter producer information according to item 9 • for producer signatures according to item 12.
2	Enter name and address of contact producer from County Office records.
3	***--**Enter warehouse code or address where stored. **Note:** All bales pledged for 1 loan **must** have the same warehouse code or location.**--***
4	Enter State and county codes and farm number where produced.

B
Completing
CCC-Cotton A
(Continued)

Item	Instructions
5 a	Enter the loan number assigned from 90,000 series.
b	Enter the applicable crop year.
c	Enter the commodity code as follows: • "UP" for upland cotton • "ELS" for ELS cotton.
d	Enter the gin code number for upland cotton loans; leave blank for ELS. **Note:** All cotton pledged for 1 loan must be ginned at the same gin.
e	Enter the preparation code according to subparagraph 186 B.
f	***--**Enter the number of bales or warehouse receipts.
g	Enter the loan quantity, which is the total net pounds from the warehouse receipts or bale list.**--***

Continued on the next page

B
Completing
CCC-Cotton A
(Continued)

Item	Instructions
6 a	Enter the gross loan amount. **Computation:** This is the cumulative total of all bales' loan rates, adjusted for premiums and discounts, times the net weight.
b	Enter the gross loan amount used to figure research and promotion fees on upland cotton loans; leave blank for ELS. **Note:** If charges for providing new bale ties is applicable, see paragraph 174.
7 a	Enter the gross loan amount**.**
b	Enter the clerk fee, if applicable, according to 14-CN.
c	Enter the service fee according to paragraph 173.
d	Enter the research and promotion fee according to paragraph 175. Leave blank for ELS.

Continued on the next page

189 Using CCC-Cotton A, Producer's Note and Security Agreement (Continued)

B Completing CCC-Cotton A (Continued)

Item	Instructions
8	Enter total disbursement. **Computation:** [(Loan amount) - (Clerk fee) - (Service fee) - (R&P)] *** * ***
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 producer ID.
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. **Important:** Give each producer, or authorized agent, a copy of CCC-601 (Exhibit 16) and instruct them to read both CCC-601 and CCC-Cotton A before signing. **Note:** Obtain spouse's signature if required by State law.
13	Enter date each producer or authorized agent signed in item 12.
14	CED or designee's shall sign and date. **Note:** Date approved must be on or before the date of disbursement.
15	Enter County Office name, address, and telephone number.

189 Using CCC-Cotton A, Producer's Note and Security Agreement (Continued)

B Completing CCC-Cotton A (Continued)

*--

CCC-Cotton A
(09-30-05)

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: ☐

COTTON PRODUCER'S NOTE AND SECURITY AGREEMENT

NOTE: *The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. 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.*

The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a). 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 if ineligibility for cotton loan program benefits. This information may be also provided to other USDA 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; 1014, 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE***

Name and Mailing Address of Contact Producer	Warehouse Code	St. & Cty. Codes & Farm No. Where Produced
Sam Jones Route 1, Box 630 Maricopa, CA 12345	936066	13-113-202

Loan No.	: 90010			Loan Amount	: 2600.00
Crop Year	: 2004			Clerk Fee	:
Commodity	: UP			Service Fee	: 13.00
Gin Code	: 59678	Gross Loan Amount	: 2600.00	Research and Promotion	: 23.00
Prep. Code	: 1				
		Gross Loan Amount for R&P	: 2600.00		
No. Bales	: 10	Storage Deduction	:		
Loan Quantity	: 5000	Rec. Charge Reduction	:	TOTAL DISBURSEMENT	: 2546.00

PRODUCER -A-	ID NO. -B-	PRODUCER SHARE -C-
Sam Jones	XXX-XX-6348	1.0000

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 8th calendar month following 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. In the event that the producer authorizes and designates an agent on form CCC-605 to redeem all or a portion of the collateral for this loan, the producer authorizes CCC to 1) release to the provider of electronic warehouse receipts the loan number, State and County Code, electronic redemption status, date of documents received, and date of disbursement of this loan, and 2) to accept and act upon the information contained on any copy of the CCC-605 received by telefacsimile, mail, or other means if the producer has not submitted form FSA-237, "Facsimile Signature Authorization and Verification".

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.

For all bales of the loan specified in this Note that are represented by an electronic warehouse receipt (EWR), the undersigned producer hereby: 1) acknowledges having exclusive authority to authorize and designate an entity to transfer holdership of EWR's to the Commodity Credit Corporation (CCC); 2) authorizes the individual or entity that transfers holdership of EWR's to CCC for loan, in accordance with requirements of the EWR provider, to: (a) establish at the direction of the producer an Electronic Agent Designation (EAD) for the loan cotton as identified on CCC-605, Designation of Agent, and (b) identify the loan cotton eligible for electronic redemption; 3) agrees that the designated agent, or any subsequent agent, identified by form CCC-605 or by the agent field of the EWR is authorized to repay the CCC loan obligation of the cotton; 4) requests and authorizes CCC to accept repayment from, and release loan collateral of this note to, the individual or entity identified in the agent field of the EWR for the bales; 5) agrees to hold CCC harmless for any errors that may result from reliance on the information supplied by the producer, producer's agent, or subsequent agent through the EWR or otherwise; and, 6) acknowledges that this loan may be removed from the EAD redemption process by specific request to the FSA County Office that processed the loan (see question below).

Do you agree that any agent you authorize to redeem this loan may use the automated EAD redemption process? ☑ YES ☐ NO

Are you or any co-applicant delinquent on any Federal non tax debt? (If "YES", attach details to this form) ☐ YES ☑ NO

Signature	Date	Signature	Date
/s/ Sam Jones	mm-dd-yyyy		

APPROVED FOR CCC BY	DATE	Name and Address of County FSA Office
/s/ CED or designee	mm-dd-yyyy	South County FSA Route 166, Box 50 Same City, CA 12345 TELEPHONE NO. *(Including Area Code)*: 206-765-9431

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

--*

189 Using CCC-Cotton A, Producer's Note and Security Agreement (Continued)

C
Custody

[7 CFR 1427.17] File original copy of CCC-Cotton A in loan folder with warehouse receipts and other original loan documents in a locked, fireproof file.

D
Distribution

Distribute CCC-Cotton A as follows:

- file the original in locked, fireproof files
- file the County Office copy in the producer's loan folder for use entering data in APSS
- give the producer 1 copy.

190 Using CCC-Cotton A Continuation

A
Description

CCC-Cotton A Continuation is:

- a computer-generated form printed during the APSS loanmaking procedure

  Note: Blank CCC-Cotton A Continuation's can be printed for manual loan preparation. Keep an adequate supply on hand for preparing manual loans when the computer is inoperable.

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

Continued on the next page

B
Completing CCC-Cotton A Continuation

Complete CCC-Cotton A Continuation according to this table.

Note: These instructions are for manually-prepared loans, except for items 7 and 8 which are required to be entered on loans prepared and disbursed through APSS.

Item	Instructions
1	Enter State and county codes.
2	Enter loan number assigned from 90,000 series.
3	Enter applicable crop year.
4	Enter commodity code as follows: • "UP" for upland cotton • "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. **Date:** Each signature must be dated by the signer. **Important:** Give each producer, or authorized agent, a copy of CCC-601 and instruct them to read CCC-601, CCC-Cotton A, and CCC-Cotton A Continuation before signing. **Note:** Obtain spouse's signature if required by State law.

Continued on the next page

B Completing CCC-Cotton A Continuation (Continued)

READ THE ENTIRE INSTRUMENT BEFORE SIGNING (See CCC-601 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: 13-113

2. LOAN NO.:

3. CROP YEAR: 9X

4. COMMODITY: UP

CCC-COTTON A CONTINUATION SHEET

PRODUCER -A-	ID NUMBER -B-	PRODUCER SHARE -C-
Jane Doe	402-66-7699	.1333

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

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.

Continued on the next page

C
Custody

File original copy of CCC-Cotton A Continuation in loan folder with warehouse receipts and other original loan documents in a locked, fireproof file.

D
Distribution

Distribute CCC-Cotton A Continuation as follows:

- file the original in a locked, fireproof file
- file the County Office copy in producer's loan folder for use in entering data in APSS or other reference
- give producer or authorized agent 1 copy.

191 Using CCC-Cotton A-1, Schedule of Pledged Cotton

A Description

CCC-Cotton A-1 is a computer-generated form printed during the APSS loanmaking procedure or which can be printed in blank for manual loan preparation.

Note: Keep an adequate supply of blank forms on hand for preparing manual loans when the computer is inoperable.

B Completing CCC-Cotton A-1

The following table gives instructions for completing CCC-Cotton A-1.

Note: These instructions are for manually prepared loans.

Item	Instructions
1	Enter State and county codes.
2	Enter applicable crop year and the applicable commodity code. • "UP" for upland cotton. • "ELS" for ELS cotton.
3	Enter loan number assigned from 90000 series.
4	Enter date of disbursement.
5	Enter name of contact producer.
6	Enter warehouse code from the warehouse receipt. **Note:** All bales pledged for 1 loan **must** have the same warehouse code.
7	Enter gin code from the warehouse receipt. (ELS leave blank) **Note:** All upland cotton pledged for 1 loan **must** be ginned at the same gin.

191 Using CCC-Cotton A-1, Schedule of Pledged Cotton (Continued)

B Completing CCC-Cotton A-1 (Continued)

Item	Instructions
8	Enter the applicable code listed below: • "GS", Gin Standard Density Bales • "GU", Gin Universal Density Bales. **Note:** If compression has been paid, enter an "X" following the applicable compression code.
9	Enter date warehouse receipts are received in the County Office.
10	***--**Enter reconcentration order number provided by KCCO, CMD, SCB, if**--*** applicable.
11	Enter tare weight from the warehouse receipt.

191 Using CCC-Cotton A-1, Schedule of Pledged Cotton (Continued)

B Completing CCC-Cotton A-1 (Continued)

Column	Instructions
A	Enter warehouse receipt and gin tag numbers in numerical order.
B	Enter storage start date from the applicable warehouse receipt.
C	Leave blank.
D	Enter grade, staple, and mike from applicable classing data.
E	Enter strength and uniformity from applicable classing data.
F	Enter leaf and extraneous matter from applicable classing data.
G	Enter net weight from the applicable warehouse receipt.
H	Enter loan rate adjusted for premiums and discounts according to paragraph 172.
I	Leave blank.
J	Enter loan amount applicable to each warehouse receipt. **Computation:** Loan rate (column H) x net wt. (column G) - storage deduction (column C) * * * .

191 Using CCC-Cotton A-1, Schedule of Pledged Cotton (Continued)

B Completing CCC-Cotton A-1 (Continued)

*--

Page of (See CCC-601 for Privacy Act Statement)

CCC-Cotton A-1 (12-04-06)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

SCHEDULE OF PLEDGED COTTON

1. ST. & CO. CODE	2. CROP YEAR/COMMODITY
40/300	2006/Upland
3. LOAN NO.	**4. DISBURSEMENT DATE**
90045	10/23/2007

5. NAME OF CONTACT PRODUCER	6. WAREHOUSE CODE	7. GIN CODE
Tom Kruse	586790	12345

8. COMPRESS/PD STATUS	9. DATE DOCS/RECPTS REC.	10. RECON. ORDER NO.	11. TARE
UD	10/15/2007	N/A	5

LINE	A WHSE. RECEIPT NO. (NUMERICAL ORDER)	B STORAGE START DATE MTH. DAY YR.	C STORAGE DEDUCTION	D GRADE, STAPLE, AND MIKE	E STRENGTH AND UNIFORMITY	F LEAF AND OTHER	G NET WEIGHT	H LOAN RATE (CENTS)	I CHARGES	J AMOUNT (DOLLARS)
1	34454023	10/15/07		4137 39	28.5/85	4 1	493	.4845	0	234.00
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
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16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										

12. TOTAL NET WT.: 493 13. Total Amount:: 234.00

--*

191 Using CCC-Cotton A-1, Schedule of Pledged Cotton (Continued)

* * *

C Maintaining Counter Copies

The practice of maintaining counter copies of CCC-Cotton A-1's is prohibited. County Offices are prohibited from divulging the terms of any price support or payment transaction between CCC and an individual or other entity. Specifically, loan or payment information must not disclose the name or identifying producer numbers, such as a Social Security number, that would link the loan or payment to the individual or entity. It is permitted to disclose loan quantities or payment levels as long as that information cannot be linked to an individual or entity.

Loan information included on CCC-Cotton A-1, including the producer's or entity's identification, may be provided to cotton merchants if either of the following apply:

- the disclosure is approved ahead of time by the producer or entity
- the merchant is the agent designated for the loan quantity on CCC-605.

192 Manual Loan Processing in APSS

A Preparation

Verify that offer shipping rate table, loan rates, and other tables are correctly entered into the computer according to paragraph 65.

B APSS Procedure

Process loans according to the following table.

Step	Action	Result	
1	On Menu PCA005: • ENTER “2” • PRESS “Enter”.	Screen PCA11000 will be displayed.	

2	On Screen PCA11000:
	• enter:
	  • either the producer’s last name or the producer’s ID and type
	  • the crop year
	  • the 90,000 series number assigned
	• PRESS “Enter”.
		IF...	**THEN go to...**

		Screen PCA12000 is displayed	step 4.
		Screen MACR04-01 is displayed	step 3.
3	On Screen MACR04-01: • enter the number for the desired producer • PRESS “Enter”.	Screen PCA12000 will be displayed.	

4	On Screen PCA12000:
	• ENTER “Y” to the question, “Is this a recording of a manually made action?”
	• ENTER “Y” or “N”, as applicable, to the following questions:
	  • “Is this the correct producer?”
	  • “Is this the re-entry of a corrected loan?”
	• PRESS “Enter”.
		IF the producer is...	**THEN...**

		correct and this is **not** a re-entry of a corrected loan	Menu PLA000 will be displayed. Go to step 6.
		not correct	Screen PCA11000 will be redisplayed. Return to step 2.
		correct, but this is a re-entry of a corrected loan	Screen PCA12000 will be redisplayed. Go to step 5.

192 Manual Loan Processing in APSS (Continued)

B APSS Procedure (Continued)

Step	Action		Result
5	On Screen PCA12000: • enter the crop year and loan number of the original loan • PRESS "Enter".		Menu PLA000 will be displayed.
6	**IF preprocessed bale data according to paragraph 170 is...**	**THEN on Menu PLA000...**	
	not being used	ENTER "4", and PRESS "Enter".	Screen PLC10000 will be displayed. Go to step 9.
	being used	ENTER "8", and PRESS "Enter".	Screen PLC09000 will be displayed. Go to step 7.
7	On Screen PLC09000: • enter the file name for the cotton data • PRESS "Enter".		Screen PLC09000 will be redisplayed.
8	**IF the producer displayed on Screen PLC09000 is...**	**THEN...**	
	correct	ENTER "Y", and PRESS "Enter".	Screen PLC10000 will be displayed. Go to step 9.
	incorrect	ENTER "N", and PRESS "Enter".	Screen PLC09000 will be redisplayed. Return to step 7.

192 Manual Loan Processing in APSS (Continued)

B APSS Procedure (Continued)

<table>
<tr><th>Step</th><th colspan="2">Action</th><th colspan="2">Result</th></tr>
<tr><td rowspan="11">9</td><td colspan="2" rowspan="2">On Screen PLC10000, use the following table for entering data in the applicable fields.</td><td>IF the warehouse code is...</td><td>THEN...</td></tr>
<tr><td>Field</td><td>Entry</td><td rowspan="2">on file</td><td rowspan="2">Screen PLC10005 will be displayed. Go to step 11.</td></tr>
<tr><td>Commodity</td><td>Enter either of the following:
• “UP” for upland cotton
• “ELS” for ELS cotton.</td></tr>
<tr><td>Class</td><td>Leave blank.</td><td rowspan="9">not on file</td><td rowspan="9">Screen PLC10000 will be redisplayed with the message, “Whse Code not found. If approved code, enter on the Offer Shipping Rate Table before continuing”. Go to step 10.</td></tr>
<tr><td>Crop Year</td><td>Defaulted to the crop year entered in step 2.</td></tr>
<tr><td>Warehouse Code</td><td>Enter the warehouse code that is on the warehouse receipt.</td></tr>
<tr><td>Does this loan have multiple producers?</td><td>Enter either of the following:
• “Y” if a joint loan
• “N” if not a joint loan.</td></tr>
<tr><td>Loan Application Date</td><td>Leave blank for 1996 and subsequent year loans.</td></tr>
<tr><td>Is this a repledged loan?</td><td>“N” must be entered. Cotton cannot be repledged for loan.</td></tr>
<tr><td colspan="2">After all entries are completed, PRESS “Enter”.</td></tr>
<tr><td>10</td><td colspan="2">PRESS “Cmd7”.</td><td colspan="2">Menu PCA005 will be redisplayed.

Note: Follow instructions in *--12-PS, paragraph 1434 for--* updating the Offer Shipping Rate Table.</td></tr>
<tr><td>11</td><td colspan="2">Follow subparagraph 187 B, steps 11 through 18.</td><td colspan="2">Screen PLC11005 will be displayed.</td></tr>
</table>

B
APSS Procedure
(Continued)

Step	Action	Result	
12	On Screen PLC11005: • the loan summary data for the applicable receipt number will be displayed • ENTER "Y" or "N" to the question, "Do you want to display summary for another receipt?" • PRESS "Enter".	**IF...**	**THEN...**
		"Y" was entered	Screen PLC11010 will be displayed. Go to step 13.
		"N" was entered	Screen PLC12500 will be displayed. Go to step 14.
13	On Screen PLC11010: • enter the receipt number for which the summary is requested • PRESS "Enter".	Screen PLC11005 will be redisplayed. Return to step 12.	

14	On Screen PLC12500:
	• the following information is displayed:
	  • number of bales on the loan
	  • loan amount
	• enter:
	  • research and promotion fees
	  • service fees
	  Note: The service fees displayed may be changed by the user.
	  • loan clerk fees
	  Note: Loan clerk fees will only be displayed if the preparation code is 3, 3E, 4, or 4E. ENTER "0" if no fee is applicable.
	• PRESS "Enter".
		Screen PLC12505 will be displayed.	

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
15	On Screen PLC12505: • the following information is displayed: • loan amount • research and promotion fees • service fees • loan clerk fees, if applicable • disbursement amount • enter the following: • date loan was actually disbursed **Exception:** If the preparation code was 4 or 4E, enter the date correct loan documents are received in the County Office. • manually calculated loan amount • manually calculated disbursement amount **Note:** If the manually calculated amount does not equal the system calculated amount, an overdisbursement or underdisbursement has occurred. • PRESS "Enter".	**IF this is...**	**THEN...**
		a joint loan	Screen PLA16000 will be displayed. Go to step 16.
		not a joint loan	Menu PLA005 will be displayed. Go to step 17.
16	On Screen PLA16000: • enter the total manual disbursement amounts for each producer • PRESS "Enter".	Menu PLA005 will be displayed.	

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action		Result	
17	On Menu PLA005, use the following table for entering the appropriate option.		**IF...**	**THEN...**
	IF...	**THEN select...**	"1" was selected	Screen PLA13005 will be displayed. Go to step 18.
	loan will be disbursed	option 1.		
	loan will not be completed at this time	option 5.	"5" was selected	Menu PCA005 will be redisplayed. Return to step 1. All loan information will be deleted.
	PRESS "Enter".			

18	On Screen PLA13005:
	• enter:
	  • the date of the lien search
	  • "Y" to the question, "Do you wish to complete this process?"
	• PRESS "Enter".
			Screen PCA97000 will be displayed.	

19	On Screen PCA97000: • enter the printer ID to print forms and reports • PRESS "Enter".		CCC-Cotton A will be printed and Screen PCE65010 will be displayed.	

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
20	On Screen PCE65010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-Cotton A will be reprinted • Screen PCE65010 will be redisplayed. Repeat this step.
		"N" was entered	• CCC-Cotton A-1 will be printed • Screen PCE66010 will be displayed.
21	On Screen PCE66010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-Cotton A-1 will be reprinted • Screen PCE66010 will be redisplayed. Repeat this step.
		"N" was entered and there are more than 3 producers on the loan	• CCC-Cotton A Continuation will be printed • Screen PCE68010 will be displayed. Go to step 22.
		"N" was entered and there are 3 or less producers on the loan	go to step 23.

Continued on the next page

192 Manual Loan Processing in APSS (Continued)

B APSS Procedure (Continued)

Step	Action	Result	
22	On Screen PCE68010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-Cotton A Continuation will be reprinted • Screen PCE68010 will be redisplayed. Repeat this step.
		"N" was entered	Go to step 23.
23	Accounting - Checkwriting procedure begins**.**	After Accounting - Checkwriting procedure is complete, Menu PCA005 will be redisplayed. Return to step 1.	

*--193 Loan Document Retention and Distribution

A Distribution to the Producer

The contact producer should receive a copy of the following:

- CCC-601 or, if applicable, CCC-601 ELS Appendix
- signed CCC-Cotton A
- CCC-Cotton A-1
- CCC-Cotton A-5 or CCC-877
- transaction summary report generated by APSS, if applicable
- Producer's Disbursement Transaction statement
- other documents signed by the producer for this loan.

B Documents for Filing in Locked, Fireproof Box

File the following in a fireproof locked box:

- original CCC-Cotton A and CCC-Cotton A Continuation, if applicable
- original Transaction Summary Report, if applicable
- original CCC Cotton A-1.

C Documents for Loan Folder

File the following documents in the loan folder:

- copies of the following:
  - signed and approved CCC-Cotton A and signed CCC-Cotton A Continuation, if applicable
  - Transaction Summary Report, if applicable
  - CCC-Cotton A-1, CCC-Cotton A-5, and CCC-877, as applicable
- other documents signed by the producer about this loan
- original Producer's Disbursement Transaction statement
- all printouts from cotton PC, including validation review reports, bale lists, and bale recaps.--*

194-196 (Reserved)

Section 3 Loan Repayments, Ginned Cotton

197 Basic Provisions

*--A 2002 Through 2008 Crop Upland Cotton Repayments

[7 CFR 1427.19] A producer or agent designated on CCC-605 may repay the loan amount for 1 or more bales of 2002 through 2008 crop upland cotton pledged as collateral for a**--*** loan at a level that is the lesser of the following:

- loan principal, plus interest that accrued on the loan principal during the loan period, plus any compression and reconcentration charges that were previously paid by CCC

- AWP, as determined by CCC and in effect on the day the repayment is received in the County Office, adjusted for location, quality, and allowable CCA, multiplied times the net bale weight, plus any compression charges that were previously paid by CCC, minus warehouse storage charges according to paragraph 198.

--Note:** AWP **cannot** be adjusted by discounts and CCA to a value less than zero.**--

See the following paragraphs:

- 22 to determine AWP and CCA in effect

- 26 to determine the allowable CCA

  Note: When CCA is applicable and in effect, CCA is subtracted from AWP to calculate the loan repayment rate.

- 27 for grades of cotton for which CCA is applicable

- 198 for instructions on how upland cotton cash loan repayments are calculated

- 201 for certificate exchanges

- 204 for accepting CCC-605's.

Producers may repay the loan amount for bales after the loan has matured, if the receipts are still in the County Office and the forfeiture has **not** been processed, by repaying the loan principal, plus interest that accrued on the loan principal during the loan period, plus any compression and reconcentration charges that were previously paid by CCC.

197 Basic Provisions (Continued)

B ELS Cotton

[7 CFR 1427.19(c)(2)] A producer may repay the loan amount for 1 or more bales of ELS cotton pledged as collateral for a loan by repaying the loan amount and charges, plus interest, determined for these bales.

C Commodity Certificate Exchanges

Commodity certificates may be purchased to exchange for upland cotton loan collateral if *--AWP is less than NALR for upland cotton and the cotton is 2009 crop or earlier. See--* paragraph 201 for more information. Certificate exchanges **cannot** be made:

- after upland cotton loan maturity
- for ELS cotton loan collateral
- for seed cotton loan collateral
- for CCC-owned commodities.

D Payment Limitation Provisions

[7 CFR 1400] See paragraphs 25, 43, and 44 for payment limitation provisions.

E Using CCC-697

The repayment rate for an upland cotton loan **cannot** be “locked-in” using CCC-697. CCC-697 does **not** apply to cotton because it is intended for use with farm-stored commodities.

197 Basic Provisions (Continued)

F Types of Remittances

County Offices may accept the following types of remittances for repayment of a cotton loan:

- cash

•*****--U.S. Treasury check--*****

- postal money order

- check, draft, or money order issued by a bank

- check or draft issued by a person, firm, etc., and certified, guaranteed, or acceptable by the bank on which it is drawn

- wire transfers according to subparagraph 209 A and 3-FI

- personal or corporate checks.

STC may require certified or cashier's checks for cash redemptions of cotton loans when it is considered necessary to protect CCC's interest. This requirement may be carried out on 1 of the following:

- an individual county basis

- a Statewide basis

- an individual producer or buyer basis if that individual has demonstrated irresponsibility by issuing a check for repayment that was later dishonored upon deposit.

County Offices shall:

- use prudent judgment in releasing loan collateral if an uncertified personal or corporate check is offered to redeem a loan

- **not** accept checks that do **not** conform to proper business practices.

G Releasing CCC-Cotton A

County Offices shall mark original CCC-Cotton A "PAID" and mail to the contact producer, but **not** until 30 calendar days after the last bale applicable to the note has been redeemed.

--197.5 Documentation Requirements for County Office Redemptions--

A Requirements

* * *

•*--A request for redeeming a loan is considered received if all of the following conditions exist or required items are received by the County Office.

IF the redemption of bales is requested by…		THEN the following items must be presented at the County Office or conditions that apply…
the producer		• CCC-605 does **not** apply • sufficient funds are provided • the requested bales are identified by bale list • holder ID is known for entity to which bales are to be released.
entity other than producer and CCC-605 is presented		• CCC-605 authorized entity to redeem **Note:** If EAD authorizes a different entity, the dispute **must** be resolved before redemption occurs. • sufficient funds are provided • the requested bales are identified by bale list • holder ID is known for entity to which bales are to be released.
entity other than producer, CCC-605 is **not** presented, and the loan	is established in COPS	• EAD in COPS identifies the entity permitted to redeem the cotton • sufficient funds are provided • the requested bales are identified by bale list • holder ID is known for entity to which bales are to be released.
	is **not** established in COPS	redemption request **cannot** be accepted.

--*

If 1 or more of these required items is missing, a redemption request has **not** been received. The redemption request is considered as having been received at the time of receipt of the last of the required items.

* * *

198 Upland Cotton Cash Loan Repayments

A Repayments

The following table explains how loan repayment amounts are calculated, on a bale-by-bale basis, when the loan is repaid during the loan period.

Notes: The term AWP bale value means the AWP, as determined by CCC and in effect on the day the repayment is received in the County Office, adjusted for location, for quality, and for allowable CCA when applicable, **multiplied times** the net bale weight. The AWP bale value cannot be less than zero.

In all instances the producer is responsible for paying any compression charges previously paid by CCC.

See paragraph 49 for more information on tariff rates.

The maturity date of each loan is the last day of the 9th calendar month following the month in which the loan proceeds are disbursed.

IF the AWP bale value is...	THEN in calculating the repayment amount CCC...

below the NALR bale value	shall:
	• reduce the repayment amount by all storage charges (tariff rate) that accrued from the date all documents required from the producer for the loan were provided, **through** the estimated date the receipts are released by the County Office
	• waive all:
	  • reconcentration charges previously paid by CCC
	  • interest that accrued during the loan.

equal to or above the NALR bale value by less than the sum of interest and warehouse storage charges that accrued during the loan	• shall reduce the repayment amount by all or some of the storage charges (tariff rate) that accrued from the date all documents required from the producer for the loan were provided, through the estimated date the receipts are released by the County Office
	• may waive all or some of the:
	  • reconcentration charges previously paid by CCC
	  • interest that accrued during the loan.

above the NALR bale value by as much as or more than the sum of interest and storage charges that accrued during the loan	shall **not**: • provide a credit for any warehouse storage charges • waive any interest or reconcentration charges previously paid by CCC.

--

199 Cash Loan Repayments Through APSS

A Purpose

This paragraph provides procedure for repayment of a CCC-Cotton A loan with cash.

B Preparation

Outstanding receivables and overdisbursements shall be liquidated according to 12-PS, Part 9, Sections 5 and 6.

C Repaying Loan

County Offices shall process cash repayments according to the following table.

Step	Action	Result	
1	On Menu PCA005: • ENTER “4 ” • PRESS “Enter”.	Screen PCA11000 will be displayed.	

2	On Screen PCA11000:
	
	• enter:
	
	  • producer’s ID and type
	  • crop year
	  • loan number
	
	• PRESS “Enter”.
		Screen PCA12000 will be displayed.	

3	On Screen PCA12000:
	
	• ENTER “Y” or “N”, as applicable, to the following questions:
	
	  • “Is this the correct producer?”
	
	  • “Is this a recording of a manually made action?”
	
	• PRESS “Enter”.
		IF the producer is...	**THEN...**

		correct and this is or is **not** a manually made action	Screen PCA14000 will be displayed. Go to step 4.
		not correct and this is or is **not** a manually made action	Screen PCA11000 will be redisplayed. Return to step 2.

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action	Result	

4	On Screen PCA14000:
	
	• the loan information will be displayed
	
	• ENTER "Y" or "N", as applicable, to the following questions:
	
	  • "Is this the correct loan?"
	
	  • "Do you wish to see disbursements on this loan?"
	
	• PRESS "Enter".
		IF...	**THEN...**

		"Y" was entered to both questions	Screen PCA14000 will be redisplayed. Go to step 5.
		the loan is **not** correct	Screen PCA11000 will be redisplayed. Return to step 2.
		the loan is correct and the user does not wish to see disbursements on this loan	Screen PCA14000 will be redisplayed. Go to step 5.
5	On Screen PCA14000, the message, "The loan is now marked as in-use by your workstation. Please Wait", will be displayed.	**IF the user...**	**THEN...**
		requested to see the disbursements on this loan	Screen PCA15000 will be displayed. Go to step 6.
		did **not** request to see the disbursements on this loan	Menu PPC00000 will be displayed. Go to step 7.
6	On Screen PCA15000, the disbursements made on the loan will be displayed. After viewing disbursements, PRESS "Cmd1". **Note:** PRESS "Enter" to continue viewing disbursements on additional bales.	Menu PPC00000 will be displayed.	

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action		Result
7	On Menu PPC00000: • ENTER “1” • PRESS “Enter”.		Screen PPC01000 will be displayed.
8	**IF a...**	**THEN on Screen PPC01000...**	
	full repayment is being made	ENTER “1”, and PRESS “Enter”.	Screen PPC40200 will be displayed. Go to step 10.
	partial repayment is being made	ENTER “2”, and PRESS “Enter”.	Screen PPC01000 will be redisplayed. Go to step 9.
9	**IF the user wants to...**	**THEN on Screen PPC01000...**	
	select receipt numbers to be repaid from a list of all receipts on the loan	ENTER “1”, and PRESS “Enter”.	Screen PPC40200 will be displayed.
	enter the actual receipt numbers that will be repaid	ENTER “2”, and PRESS “Enter”.	

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action	Result	
10	On Screen PPC40200: • enter: • receipt release date ***--Note:** Release date must be the date the receipt is actually released. It **--*** shall not be more than 6 workdays after the repayment date. • repayment date	**IF the loan is...**	**THEN...**
		not called	Screen PPC40300 will be displayed. Go to step 11.
	Notes: If this is not a recording of a manually made action, the repayment date must be either of the following: • the same date as the computer • later than the computer date.	called and this is a full repayment	Screen PPC42900 will be displayed. Go to step 26.
	If this is a recording of a manually made action, the repayment date may be earlier than the computer date. • "Y" or "N" to the question, "Is the loan called?" • the revised maturity date if the loan is called	called, this is a partial repayment, and "1" was entered in step 9	Screen PPC93000 will be displayed. Go to step 13.
	• "Y" or "N" to the question, "Is this a wire transfer?" **Note:** This question is only displayed if the original loan principal was $500,000 or more. • PRESS "Enter".	called, this is a partial repayment, and "2" was entered in step 9	Screen PPC94000 will be displayed. Go to step 14.

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action	Result	
11	On Screen PPC40300: • ENTER "Y" or "N", as applicable, to the question, "Should this repayment be calculated using a CCC determined value?" • PRESS "Enter". **Note:** ENTER "N" only if the loan is being called.	**IF...**	**THEN...**
		"Y" was entered	Screen PPC40500 will be displayed. Go to step 12.
		"N" was entered and this is a full repayment	Screen PPC42900 will be displayed. Go to step 26.
		"N" was entered, this is a partial repayment, and "1" was entered in step 9	Screen PPC93000 will be displayed. Go to step 13.
		"N" was entered, this is a partial repayment, and "2" was entered in step 9	Screen PPC94000 will be displayed. Go to step 14.

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action	Result	
12	On Screen PPC40500: • enter: • announced AWP • announced CCA **Note:** Obtain AWP and CCA, according to paragraph 22, to be effective on the date of repayment. Enter in cents per pound. • compression charge per bale **Note:** A compression charge is only required if charges were paid by CCC during reconcentration. • location differential will be displayed • PRESS "Enter".	**IF...**	**THEN...**
		"1" was entered in step 8, and this is a principal plus interest repayment	Screen PPC42700 will be displayed. Go to step 27.
		"1" was entered in step 8, and this is a market gain repayment	Screen PCA49000, PCA41000, or PCA42000 will display as applicable.
		"1" was entered in step 9	Screen PPC93000 will be displayed. Go to step 13.
		"2" was entered in step 9	Screen PPC94000 will be displayed. Go to step 14.
13	On Screen PPC93000, all of the outstanding warehouse receipt numbers for the loan will be displayed.	**IF...**	**THEN go to...**
		Screen PCA49000 is displayed	step 15.
	IF all the receipts displayed are... / **THEN...**	Screen PCA41000 is displayed	step 16.
	to be repaid / PRESS "Cmd22".	Screen PCA42000 is displayed	step 22.
	not to be repaid / • ENTER "Y" by each receipt number to be repaid • PRESS "Enter".	Screen PCA43000 is displayed	step 24.
		Screen PPC42900 is displayed	step 26.
		Screen PPC42700 is displayed	step 27.
14	On Screen PPC94000: • enter the receipt numbers for the bales to be repaid • PRESS "Enter".		

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action	Result
15	Print Screen PCA49000 and PRESS "Cmd7". **Notes:** Screen PCA49000 will display when 1 or more producer ID's on the loan are 1 of the following: • recorded in the entity file, but are not active for the applicable crop year • not recorded in the entity file. Producers with the following entity types must be recorded in the entity file: • "02", "03", "04", "05", "06", "10", or "17" • "07" if the ID type is "E" or "I".	Menu PCA005 will be redisplayed. Return to step 1. **Note:** The user will not be able to complete the applicable repayment until the entity file has been corrected.

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action		Result
16	Screen PCA41000 will display members of a joint operation that are producers on the loan. The user must verify whether the members are correct by answering the question, "Are members correct?"		
	IF the members are...	**THEN...**	
	correct	ENTER "Y".	Screen PCA41010 will be displayed. Go to step 20.
	incorrect	ENTER "N".	Screen PCA41000 will be redisplayed. Go to step 17.
17	Screen PCA41000 will allow the user to add or delete members by answering the question, "Add or Delete Members?"		
	IF a member is to be...	**THEN...**	
	added	ENTER "A".	Screen MACR04 will be displayed. Go to step 18.
	deleted	ENTER "D".	Screen PCA41000 will be redisplayed. Go to step 19.

18	On Screen MACR04:
	• enter either of the following:
	  • the last 4 digits of the producer's ID to be added
	  • last name of producer to be added
	• PRESS "Enter".
			If more than 1 producer matches the data entered by the user, the user must select the correct producer from the list.
			
			After the correct producer is selected, Screen PCA41000 will be redisplayed. Return to step 16.

19	On Screen PCA41000: • ENTER "Y" next to each member to be deleted • PRESS "Enter".		Screen PCA41000 will be redisplayed. Return to step 16.

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action		Result	
20	Screen PCA41010 will display the following information for each member of the joint operation: • permitted entity share **Note:** Each permitted share cannot exceed 1.0000. • actual share of the joint operation. **Note:** Sum of all shares must equal 1.0000. The user must verify whether the shares are correct by answering the question, "Are the shares correct?"			
	IF shares are...	**THEN...**		
	correct	ENTER "Y", and PRESS "Enter".	Screen PCA42000 will be displayed. Go to step 22.	
	incorrect	ENTER "N", and PRESS "Enter".	Screen PCA41010 will be redisplayed. Go to step 21.	
21	On Screen PCA41010: • after all the shares have been corrected, ENTER "Y" to the question, "Are the shares correct?" • PRESS "Enter". **Note:** Permitted entity shares for entity type "99" equal 0.0000.		**IF shares...**	**THEN...**
			pass the validation and **no** other joint operation is a producer on the loan	Screen PCA42000 will be displayed. Go to step 22.
			pass the validation and another joint operation is a producer on the loan	Screen PCA41000 will be redisplayed with a new joint operation to verify. Return to step 16.
			do **not** pass validation	Screen PCA41010 will be redisplayed. Return to step 20.

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action		Result	
22	Screen PCA42000 will display the percent of cropland factors for each: • member of a joint operation that is associated with the loan **Note:** These producers are identified with "MJO". • producer on the loan who is not a joint operation and whose percent of cropland factor is less than 1.0000. The user must verify whether the percent of cropland is correct for each producer by answering the question, "Is the percent of cropland factor for each producer correct?" **Note:** See Exhibit 17 for rules for determining the correct percent of cropland factor.			
	IF the percent of cropland factor...	**THEN...**		
	for all producers is correct	ENTER "Y", and PRESS "Enter".	**IF...**	**THEN go to...**
			Screen PCA43000 is displayed	step 24.
			Screen PPC42700 is displayed	step 27.
	for 1 or more producers is incorrect	ENTER "N", and PRESS "Enter".	Screen PCA42000 will be redisplayed. Go to step 23.	
23	On Screen PCA42000: • after all the percent of cropland factors have been corrected, ENTER "Y" to the question, "Is the percent of cropland factor correct for each producer?" • PRESS "Enter".		**IF...**	**THEN go to...**
			Screen PCA43000 is displayed	step 24.
			Screen PPC42700 is displayed	step 27.

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action		Result	
24	Screen PCA43000 will display multi-county producers who do not have an active payment limitation record. The payment limitation for the producers is automatically set at zero and can be increased by the user.			
	IF the payment limitation is...	**THEN...**		
	correct	ENTER "Y", and PRESS "Enter".	Screen PPC42700 will be displayed. Go to step 27.	
	incorrect	ENTER "N", and PRESS "Enter".	Screen PCA43000 will be redisplayed. Go to step 25.	
25	On Screen PCA43000: • enter the correct payment limitation amount for each producer • PRESS "Enter".		**IF...**	**THEN...**
			another producer ID on the loan has an inactive payment limitation record	Screen PCA43000 will be redisplayed with a new producer ID. Return to step 24.
			no other producer ID's on the loan have an inactive payment limitation record	Screen PPC42700 will be displayed. Go to step 27.
26	On Screen PPC42900, ENTER "Y" or "N" to the question, "Do you wish to complete this repayment?"		**IF...**	**THEN...**
			"Y" was entered	Screen PPC98000 will be displayed. Go to step 30.
			"N" was entered	Menu PCA005 will be redisplayed. Return to step 1.

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action	Result	
27	On Screen PPC42700, ENTER "Y" or "N" to the following questions: • "Do you wish to complete this repayment?" • "Do you wish to print a TSR report?" ***--Note:** This screen may indicate a negative value in circumstances where the net loan rate is less than the loan gain.--**	**IF you...**	**THEN...**
		wish to print the TSR report	• Market Gain TSR will be printed • Screen PPC83500 will be displayed. Go to step 28.
		answer "N" to both questions	Menu PCA005 will be redisplayed. Return to step 1.
		do **not** wish to print the TSR report, but want to complete the repayment	Screen PPC98000 will be displayed. Go to step 30.
28	On Screen PPC83500, ENTER "Y" or "N" to the question, "Would you like to reprint the form?"	**IF...**	**THEN...**
		"Y" was entered	• Market Gain TSR will be reprinted • Screen PPC83500 will be redisplayed. Repeat this step.
		"N" was entered	Screen PPC42700 will be redisplayed. Go to step 29.
29	On Screen PPC42700, ENTER "Y" or "N" to the question, "Do you wish to complete this repayment?"	**IF...**	**THEN...**
		"Y" was entered	Screen PPC98000 will be displayed. Go to step 30.
		"N" was entered	Menu PCA005 will be redisplayed. Return to step 1.

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action	Result	

30	On Screen PPC98000:
	
	• enter the smaller of the:
	
	  • amount due
	
	  • amount received from the producer
	
	• PRESS "Enter".
		IF the entered amount is...	**THEN...**

		equal to the amount due	Screen PCA97000 will be displayed. Go to step 32.
		less than the amount due	Screen PPC98000 will be redisplayed. Go to step 31.
31	On Screen PPC98000: • the message, "A receivable will be created for the difference in amounts", will be displayed • PRESS "Enter".	Screen PCA97000 will be displayed.	
32	On Screen PCA97000: • enter the printer ID to print forms and reports • PRESS "Enter".	CCC-500 will be printed, and Screen PCE50010 will be displayed.	
33	On Screen PCE50010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-500 will be reprinted • Screen PCE50010 will be redisplayed. Repeat this step.
		"N" was entered	• CCC-Cotton A-1 will be printed • Screen PCE66010 will be displayed. Go to step 34.

199 Cash Loan Repayments Through APSS (Continued)

C Repaying Loan (Continued)

Step	Action	Result	
34	On Screen PCE66010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-Cotton A-1 will be reprinted • Screen PCE66010 will be redisplayed. Repeat this step.
		"N" was entered, market gain is applicable, and the Market Gain TSR has not been printed	• Market Gain TSR will be printed • Screen PCE83010 will be displayed. Go to step 35.
		"N" was entered, market gain is or is not applicable, and the Market Gain TSR has already been printed	Screen AGK00500 will be displayed. Go to step 36.
35	On Screen PCE83010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• Market Gain TSR will be reprinted • Screen PCE83010 will be redisplayed. Repeat this step.
		"N" was entered	Screen AGK00500 will be displayed. Go to step 36.
36	Accounting - Cash Receipts procedure begins. ***--Note:** If there is an amount owed by CCC, the payee to be entered on Screen ABK10001 is whomever remitted the repayment amount (producer or producer's agent).**--*** See 1-FI for Accounting - Checkwriting procedure.	After Accounting - Checkwriting procedure is complete, Menu PCA005 will be redisplayed. Return to step 1.	

199 Cash Loan Repayments Through APSS (Continued)

*--D Retention of CCC Cotton A-1

When processing cotton loan redemptions APSS automatically prints CCC Cotton A-1, which lists bales remaining under that particular loan.

A copy of CCC Cotton A-1 printed when the original loan disbursement is processed shall be retained, but there are no requirements for subsequent copies to be:

- printed at the time a loan redemption is processed, even though this print function is currently automated
- retained in the loan folder.

Subsequent copies of CCC Cotton A-1 may be discarded by the County Office.**--***

...

200 CCC-500, Loan Repayment Receipt

A Content and Use of CCC-500

County Offices shall: * * *

- *--provide a copy of CCC-500 to the producer
- file a copy of CCC-500 in the producer's loan file
- provide a copy of CCC-500 to the merchant only if redeemed in the County Office.

Note: CCR's will be provided an automated receipt.--*

* * * This table explains the items on CCC-500 that are applicable to cotton loans.

Item	Explanation
1	Enter State and county code. ENTER "X" in box if 1 or more CCC-500-1's are attached.
2	Enter name and address of entity redeeming collateral.
3	Loan number applicable to the bales being redeemed.
4	Crop year applicable to the bales being redeemed.
5	Commodity being redeemed.
6	Loan type and, if applicable, warehouse code.
7	The total dollar amount required to redeem the bales processed in this redemption.
8 A	Total number of pounds of cotton, including the number of bales, being redeemed.
8 B	Total principal amount for the bales redeemed.
8 C	Total amount of interest paid. **Note:** When AWP is below the national loan rate, the entire interest amount is waived.
8 D	Average cost per pound for the bales redeemed.
9 A	Outstanding quantity, shown in pounds, including the number of bales remaining under loan after this redemption.
9 B	Outstanding principal amount remaining after this redemption.
10 A	Warehouse receipt numbers redeemed in this redemption.
10 B	Quantity, in pounds, redeemed in this redemption.
10 C	Applicable loan disbursement date.
10 D	Date bales were redeemed.
10 E	• Dollar amount required to repay the bale without storage credit. • Dollar amount of storage credit applicable to the bale.
10 F and G	Not applicable to cotton loans.
11 A	Total dollar amount of storage credit applicable to this redemption.
11 B and C	Not applicable to cotton loans.
12	Dishonored check notice.
13	The following will be printed, as applicable: • explanation of the repayment • location differential • estimated receipt release date • total market gain for the repayment • AWP • compression charge, per bale • total CCA for the repayment.
14	CED shall ensure that the box in item 1 is checked, if appropriate, then sign and date. Signature is only required on CCC-500 and is **not** required on any attached CCC-500-1's. Provide a copy of CCC-500 and CCC-500-1, if applicable, to the following: • contact producer • person making redemption if different than the contact producer • warehouse where the loan collateral was stored.

200 * * * CCC-500, Loan Repayment Receipt (Continued)

B Example of CCC-500

This is an example of CCC-500.

CCC-500
(07-25-96)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

1. STATE AND COUNTY CODE

LOAN REPAYMENT RECEIPT

Form CCC-500-1 is incorporated into this page of CCC-500 when this box is marked ☐

2. NAME AND ADDRESS	3. LOAN NO.	4. CROP YEAR	5. COMMODITY	6. TYPE LOAN	7. AMT. REC'D.
Sam Jones Rt. 1, Box 630 Some City, SS 12345	628	9X	Cotton-UP	Warehouse Stored Whse Code: 810533	780.51

8. REDEEMED WITH THIS PAYMENT				9. OUTSTANDING BALANCE AFTER THIS PAYMENT	
A. TOTAL QUANTITY	B. PRINCIPAL	C. INTEREST	D. UNIT COST	A. QUANTITY	B. AMOUNT (Excluding Interest)
2,502.00 (5 Bales)	$ 952.99	$	$ .31	(Bales)	$

10. BREAKDOWN OF COLLATERAL RELEASED AND OUTSTANDING BALANCE BY SEAL NO. OR WAREHOUSE RECEIPT NO.

SEAL NO.(S) OR WAREHOUSE RECEIPT NO.(S)	QUANTITY REDEEMED	DATE DISBURSED	DATE REPAID	AMOUNT PAID (P & I)	BALANCE AFTER PAYMENT	
					QUANTITY	PRINCIPAL
A	B	C	D	E	F	G
1	487.00	10/22/9X	03/22/9X	161.68/ 6.87		
2	518.00	10/22/9X	03/22/9X	171.98/ 6.87		
3	502.00	10/22/9X	03/22/9X	151.10/ 6.87		
4	499.00	10/22/9X	03/22/9X	167.41/ 6.87		
5	496.00	10/22/9X	03/22/9X	162.69/ 6.87		

11. RESERVE STORAGE AND OTHER CHARGES

A. UNEARNED STORAGE	B. INTEREST ON UNEARNED STORAGE	C. LIQUIDATED DAMAGES
WHSE CHRG CREDIT $ 34.35		

12. DISHONORED CHECK NOTICE

If this check is dishonored, there may be a $25 dishonored check fee applicable. Also, there shall be a late payment charge on overdue accounts. This late payment charge will be applied on a daily basis. The late payment charge rate that is applied to the debt shall remain in effect until the debt is settled. In case of partial payment of overdue amounts, the amount received will be applied first to the accrued late payment charge and then to the overdue amount. The late payment charge shall be expressed as a rate of interest which is charged on delinquent debts and shall be published in the Federal Register by the Executive Vice President, CCC.

13. REMARKS

The loan collateral shows on this receipt and on any attached CCC-500-1, was redeemed at a CCC Determined Value.

Adjusted World Price	47.26	Compression Charge	.0000	Course Count Adjustment	.96
Location Differential	-.05	Est. Receipt Release Date	03/22/9X	Market Gain	138.13

Thank you for your remittance.

14. Credit for this repayment is subject to collection of checks and verification of computations.

COMMODITY CREDIT CORPORATION

DATE

BY

201 Commodity Certificate Exchange for Loan Collateral

A Policy

*** * *** Commodity certificate exchanges:

- ***--**terminate effective ending with the 2009 crop year; therefore, only collateral for outstanding loans of the 2009 and prior crop years may be exchanged for commodity certificates**--***

- apply only to collateral of MAL's provided for ginned upland cotton represented by a warehouse receipt for which CCC is holder

- ***--**are calculated based on 1-day of storage credit for immediate turn-around loans, if applicable**--***

- **cannot** occur unless the cotton is first placed under loan.

A certificate exchange is legally different from LDP because the cotton is:

- placed under loan
- purchased by CCC at loan value
- exchanged for a certificate sold by CCC at the exact loan-redemption value of the cotton.

These steps are required to be administered so that the transaction is **not** subject to payment limitation that applies to LDP's and gains from redeeming cotton at a reduced rate.

Commodity certificates are **not** issued for any of the following:

- exchange with collateral of any low grade upland cotton loan for which the repayment rate calculates as a negative

- exchange with collateral of seed cotton loans

- exchange with collateral of ELS cotton loans

- CCC-owned inventory.

Gains from exchanging certificates for loan collateral are **not**:

- reported by FSA to IRS on CCC-1099-G
- subject to payment limitation.

Loan collateral exchanged for a commodity certificate:

- **must meet all eligibility requirements, including beneficial interest, according to paragraph 118**

- is **not** eligible to be repledged.

201 Commodity Certificate Exchange for Loan Collateral (Continued)

B Commodity Certificate Exchange Process

The following are the steps by which loan collateral is exchanged for commodity certificates.

Step	Action for Regular Loan Repayments Using Commodity Certificate Exchanges	Action for "Turn-Around" Loans (Loans Requested for Immediate Exchange for Commodity Certificates)
1	CCC-694-2 may be signed, submitted, and accepted from:	
	• a producer who submits CCC-694-2's according to subparagraph 181 C • a producer's agent authorized on CCC-605 or FSA-211.	only producers who submit forms according to subparagraph 181 B and an **original copy** of CCC-694-2 that is: • completed according to subparagraphs 181 C and 201 D • dated no earlier than the date of the loan application.
2	Identify loan and loan quantity and loan repayment amount using: • marketing loan option in APSS • producer- or producer agent-supplied repayment data according to ***--**subparagraph 202 D**--*** • estimated value using average bale weights according to subparagraph 202 B.	
3	AWP used to compute the certificate value is:	
	AWP in effect on the day repayment funds are received in the County Office.	AWP on the date **(or later of multiple dates)** entered under CCC-694-2, item 8, even if this date is earlier than the date the County Office processes the transaction.

201 Commodity Certificate Exchange for Loan Collateral (Continued)

B Commodity Certificate Exchange Process (Continued)

Step	Action for Regular Loan Repayments Using Commodity Certificate Exchanges	Action for "Turn-Around" Loans (Loans Requested for Immediate Exchange for Commodity Certificates)
Provisions Common to All Certificate Exchanges		
4	Processing certificate exchange transaction may occur on: • the day the certificate exchange transaction is received by the County Office • any subsequent day.	
5	If the payment received for the commodity certificate exceeds the value of the certificate, issue the certificate and refund the difference.	
6	***--**The County Office enters the transaction into APSS and releases to loan**--*** collateral.	

201 Commodity Certificate Exchange for Loan Collateral (Continued)

C Purpose and Use of CCC-694-2

CCC-694-2 is the acknowledgment of the commodity certificate purchase by the producer/producer's agent.

County Offices shall prepare 1 CCC-694-2 for all loans being exchanged at 1 time that includes all the commodity transaction codes, as provided by APSS, for all the loans.

CCC-694-2 must never leave the County Office, be copied, or be FAXed. Each CCC-694-2 is filed in the producer's loan folder.

D Completing CCC-694-2

***--**Manually complete CCC-694-2 according to this table and place completed CCC-694-2 in the producer's applicable loan folder.

Item	Instructions for Certificate Exchanges Requested After Disbursement of Loan Proceeds	Instructions for Loans Requested for Immediate Exchange for Commodity Certificates
1	Enter the crop year.	
2A	Enter name and address of the producer or producer's agent.	Enter the name and address of the producer. Agents designated by CCC-605 are not authorized to request an exchange.
2B	Enter the ID number of the producer requesting the certificate.	
3	No entry is required.	
4	Enter the check number received from the certificate buyer.	
5	Enter the date of the check.	
6	Enter the amount of the check.	
7	Enter the commodity certificate transaction number or numbers assigned by APSS as printed on CCC-500.	

--*

201 Commodity Certificate Exchange for Loan Collateral (Continued)

D Completing CCC-694-2 (Continued)

Item	Instructions for Certificate Exchanges Requested After Disbursement of Loan Proceeds	Instructions for Loans Requested for Immediate Exchange for Commodity Certificates
8	Obtain the signature and date of signature by either of the following: • producer or producers • producer's agent if supported by CCC-605.	Obtain the signature and date of the signature by the producer or producers.
9	No entry is required.	Enter the following statement to be signed by the producer: "I acknowledge that this request for an immediate exchange of loan collateral for a commodity certificate, to be applicable to the attached list of cotton bales, is an irrevocable request that cannot be altered or withdrawn under any circumstance." Enter the entity, and holder ID if applicable, to whom the cotton loan collateral is to be released. ***--**Producer certification of lienholder: Producer can elect to identify any lienholder. CCC-679 must be submitted to issue check to lienholder. **Note:** Lien searches are not required for immediate exchange for commodity certificates.**--***

201 Commodity Certificate Exchange for Loan Collateral (Continued)

D Completing CCC-694-2 (Continued)

This is an example of a completed CCC-694-2.

REPRODUCE LOCALLY. Include form number and date on all reproductions. Form Approved - OMB No. 0560-0087

CCC-694-2
(04-27-00)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

ACKNOWLEDGMENT OF COMMODITY CERTIFICATE PURCHASE

1. Crop Year: 2000

2A. Name and Address of Contact Producer
Jeff Thomas
RR 1, Box 2
Anytown, USA

2B. Producer ID Number: XXX-XX-XXXX

3. Name of Seller: COMMODITY CREDIT CORPORATION

PART A - COMMODITY CERTIFICATE EXCHANGE IDENTIFICATION

4. Check Number	5. Check Date	6. Check Amount	7. Commodity Certificate Transaction No.(s)
3302	2-22-00	$ 9,500	00-00210-0001 00-00256-0002

PART B - PRODUCER REQUEST AND AGREEMENT

8. I acknowledge: (1) receipt of Commodity Credit Corporation (CCC) Commodity Certificate which I requested to purchase from CCC; (2) that the certificate will be exchanged with CCC in the manner specified in CCC regulations at 7 CFR Part 1400 in order that I may receive commodities from CCC which had been pledged as collateral for a CCC marketing assistance loan; and (3) that for purposes of valuing the commodity acquired under this transaction, such value will be the marketing loan repayment rate applicable under 7 CFR Parts 1421 (commodities other than upland cotton) and 1427 (upland cotton) for the commodity determined as of the day I made payment to CCC for the commodity certificate.

Producer's Signature	Date	Producer's Signature	Date
/s/ Jeff Thomas	*2-22-00*		
Producer's Signature	Date	Producer's Signature	Date

9. REMARKS:

NOTE: The above statements are made in accordance with the Privacy Act of 1974 (5 USC 522a) and Paperwork Reduction Act of 1995, as amended. 7 CFR Parts 1401, 1421, 1425, and 1427 authorize collection of the above information. Providing this information is voluntary; however, without it authorization may not be granted. 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 is 0560-0087. The time required to complete this information collection 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.

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201 Commodity Certificate Exchange for Loan Collateral (Continued)

E Commodity Certificate Exchange for Producer Agent Not Present to Sign CCC-694-2

Use this alternative when:

- commodity certificate exchanges are requested by a producer agent designated by CCC-605
- the producer agent is not present in the County Office at the time of the request.

--Note:** This alternative does not apply if a loan is requested for immediate exchange with a commodity certificate.**--

A designated producer agent must provide FSA with CCC-605, CCC-605-1, or a bale list, to be retained by the County Office for each commodity certificate exchange that must:

- be signed and dated by the producer or his agent
- have entered on either side the following statement:

"I acknowledge: (1) receipt of Commodity Credit Corporation (CCC) Commodity Certificate which I requested to purchase from CCC; (2) that the certificate will be exchanged with CCC in the manner specified in CCC regulations at 7 CFR Part 1400 in order that I may receive commodities from CCC which had previously been pledged as collateral for a CCC marketing assistance loan; and (3) that for purposes of valuing the commodity acquired under this transaction, such value will be the marketing loan repayment rate applicable under 7 CFR Parts 1421 (commodities other than upland cotton) and 1427 (upland cotton) for the commodity determined as of the day I made payment to CCC for the commodity certificate."

F Completing the Exchange

When either CCC-694-2 or the statement added to CCC-605 has been signed (signature of
--**1 or the other, but not both is required) and payment for the commodity certificate has been received, County Offices shall:**--

- immediately release the loan quantity in the normal manner
- record the exchange in APSS.

*--201.5 Processing Cotton Loans and Redemptions That Involve Immediate Certificate Exchanges in APSS

A Loans That Involve Certificate Exchanges

County Offices shall process upland cotton loans that involve immediate certificate exchanges in APSS according to paragraph 187, and the following additional instructions:

- "date documents received" will be determined in the normal manner using **latest** date of the following:

- CCC was made holder of receipts, even if date is after request date
- all paper documentation is received in County Office
- of loan application
- issue all loan proceeds to CCC.

Example: When a producer requests a loan and immediate certificate exchange and transfers electronic warehouse receipts to CCC on **May 1**, but the County Office does not process the loan and repayment through APSS until **May 10**, the County Office shall use:

- May 1:
  - to determine applicable AWP rate, since that is the day the request was made
  - as the "date document received" date, since all required documents were received on that date
- May 10:
  - as the loan disbursement date, since the loan was entered in APSS on that date
  - as the loan repayment date, **even though** the repayment was requested on May 1, because the certificate exchange was processed through APSS on May 10.**--***

*--201.5 Processing Cotton Loans and Redemptions That Involve Immediate Certificate Exchanges in APSS (Continued)

B Exchanges for Loans That Involve 1 Payee

When the loan involves **1 payee**, County Offices shall process immediate commodity certificate exchanges according to paragraph 201 and the following instructions:

- repayment date is date transaction is processed in APSS, **even if** the repayment was requested at an earlier date

- receipt release date is actual date County Office releases the receipts to the designated buyer using the cotton PC software

- use AWP in effect on date loan and immediate exchange for commodity certificates were **requested**

- record repayment on a **current** CCC-257 using check that was issued to CCC during loanmaking

- refund any overpayment to **producer**.--*

201.5 Processing Cotton Loans and Redemptions That Involve Immediate Certificate Exchanges in APSS (Continued)

C Exchanges for Loans That Involve Multiple Payees

When the loan involves **multiple payees**, County Offices shall process immediate commodity certificate exchanges according to paragraph 201:

- repayment date is date transaction is processed in APSS, **even if** repayment was requested at an earlier date
- receipt release date is actual date County Office releases the receipts to the designated buyer using the cotton PC software
- use AWP in effect on date loan and immediate exchange for commodity certificates were **requested**
- record loan repayments for multiple producers with multiple checks on a **current** CCC-257 as follows:
  - record checks issued to CCC beginning with **smallest amount** until collection amount is sufficient to purchase the certificate
  - refund any amount of overpayment to **producers** by:
    - multiplying refund amount times each producer's share
    - issuing a separate check to each producer as payee for applicable amount
- if additional loan checks issued to CCC remain, that were **not** needed to purchase commodity certificates, refund those amounts as follows:
  - record remaining checks as collection on current CCC-257 in Accounting through cash receipts using program code "REFREP"
  - refund "REFREP" collection amount recorded on CCC-257 to producers by:
    - multiplying check amount times each producer's share
    - issuing a check to each producer for applicable amount in Accounting through Check Writing using program code "REFREP" and reference CCC-257 number used to deposit additional check.

*--D Storage Credit for Immediate Exchange Transactions

If a loan is established for immediate exchange for a commodity certificated, 1 day of storage credit, if applicable, will be applied to the exchange calculation.**--***

202 Estimating Upland Cotton Loan Repayments

A When to Estimate Repayments

County Offices may estimate upland cotton loan repayments when the:

- computer is not operating
- workload in the County Office will not permit loan repayment processing when repayment is requested.

Note: County Offices shall ensure that the estimated repayment amount takes into consideration the producer's remaining payment limitation.

B Using Average Bale Weights

County Offices may estimate loan repayment amounts for cash redemptions and certificate *--exchanges by multiplying the national average bale weight of 500 pounds times the--* number of bales being redeemed times the lesser of the following:

- AWP, according to paragraph 22, adjusted for any positive location differential
- highest loan rate applicable to the loan, plus applicable interest.

Note: The location differential is equal to the difference between the county loan rate where the cotton is stored minus NALR.

* * *

202 Estimating Upland Cotton Loan Repayments (Continued)

C Example Repayment Value Calculation

Estimated loan repayment value is equal to the national AWP, adjusted for any positive location differential, times the average bale weight, times the number of bales being redeemed.

This example is for 10 bales of 2000 crop cotton stored at a warehouse in Lonoke County, Arkansas.

AWP = $0.3380
Location Differential = $0.0070 ($0.5305 -$0.5235)
Bale Weight = 480 (Arkansas average)

($0.3380 + $0.0070) x 480 lbs. = $165.60 x 10 = $1,656.00.

D Using Producer- or Agent-Supplied Repayment Data

If a producer or, if applicable, an agent provides bale repayment data and the data is determined reasonable by the County Office, the County Office may use the data instead of ***--**the national average bale weights.**--***

The data must show, at a minimum, the following for all bales being redeemed:

- actual individual bale repayment amount
- total repayment amount.

Note: If the data does not meet the minimum requirement, estimate the repayment using ***--**average bale weights according to subparagraph C.**--***

202 Estimating Upland Cotton Loan Repayments (Continued)

E Entering Repayment Into APSS

County Offices shall, as soon as possible, but no later than 30 calendar days after releasing warehouse receipts based on estimates or producer- or agent-supplied repayment data, process the transaction as a manual repayment through APSS according to paragraph 199.

See paragraph 210 for instructions about release of receipts.

--Notes:** If a balance or refund is due, follow subparagraph F.**--

If according to subparagraph 210 B, the person has been advised that an insufficient amount has been received, the County Office shall not process the repayment before the earlier of:

- the date the additional amount is received
- 16th calendar day after the notification.

Note: Take action according to when additional amount is received as follows.

IF additional amount is received...	THEN County Office shall...
within the 15 calendar days	immediately release the additional warehouse receipts.
after the 15th calendar day but before the repayment is processed in APSS	immediately release the additional warehouse receipts and, when repayment is processed in APSS, use the repayment rate in effect on the day: • the initial repayment amount was received in the County Office for warehouse receipts that were initially released • the additional amount was received in the County Office for the additional warehouse receipts that were released.
after the repayment has been processed in APSS	apply the repayment to any outstanding amount due and refund any excess or return the payment if no amount is due.

202 Estimating Upland Cotton Loan Repayments (Continued)

F Balances Due and Applicable Refunds

After the repayment has been entered into APSS and a:

- balance is due CCC, request the person that redeemed the bales to provide the additional amount due within 15 calendar days

  Note: Send the notification letter and, if applicable, demand letter according to paragraph 42, to the contact producer listed on CCC-Cotton A if:

  - a producer on CCC-Cotton A made the repayment
  - repayment is not received within 15 calendar days from the person redeeming the loan.

- refund is due, make the refund payable to the person who redeemed the bales.

Note: County Office shall not make manually calculated refunds.

G Reviewing Repayment Data, if Applicable

If, after recording repayment data through APSS, it is found that an agent or a producer continually submits less cash than is needed for the repayment amount, advise the producer or agent that:

- further producer- or agent-supplied repayment calculations will not be accepted
- warehouse receipts will not be released until both of the following occur:

  - the repayment has been processed through APSS
  - a determination has been made that the remittance is sufficient to redeem all bales requested.

203 Insufficient Cash Repayment Amounts

A Applicability

County Offices shall use this process when processing a repayment that is not an estimated repayment or a repayment with denied market gain for which an insufficient repayment amount is received to redeem all bales requested.

Note: Continue to estimate repayments according to paragraph 202.

B Handling Insufficient Payments

If the repayment amount received is less than the amount indicated on Screen PPC42900 when processing the repayment, print Screen PPC42900 and PRESS "Cmd7". Process the repayment again redeeming only the number of bales for which sufficient funds are received.

County Offices shall:

- release only those warehouse receipts repaid during the APSS repayment
- not issue any refund check that was generated by APSS for a maximum of 15 calendar days
- immediately notify the person making the repayment:
  - of the amount required to redeem the additional bales not released, minus the amount of the refund check
  - if the additional amount due is received within 15 calendar days, repayment for the additional bales will be made at the same repayment rate as those bales previously redeemed and released

203 Insufficient Cash Repayment Amounts (Continued)

B Handling Insufficient Payments (Continued)

- if additional funds are:

  - received within 15 calendar days, cancel the refund check and reissue the check to CCC to repay the unreleased bales, using the additional money received and the refund check, at the same repayment rate used for the released bales

    Note: In this case, the withheld bales shall be considered redeemed and processed on the same date as the previously released bales.

  - not received within 15 calendar days, issue the refund check to the person making the repayment on the 16th calendar day.

    Note: After 15 calendar days, the repayment for the withheld bales must be calculated at the rate in effect on the date any additional funds are received in the County Office.

C Intentional Insufficient Repayments

If it appears that the only reason the repayment is insufficient was to lock in AWP, County Offices shall immediately send any refund check to the person making the repayment.

In addition to issuing the refund check, notify the person making the repayment that the repayment rate for the bales not released shall be calculated at the rate in effect on the date additional funds are received in the County Office.

*--204 Using CCC-605, Authorization of Electronic Agent and Designation of Agent - Cotton

A General Use and Purpose

[7 CFR 1427.5(e)(2)(iii)] and [7 CFR 1427.19] Producers use a single CCC-605 for each loan to:

- identify and designate an agent for the 1 loan specified on the form
- authorize such agent the option to redeem all or a portion of the bales of cotton pledged as collateral for a loan identified on the form
- authorize CCC to process the redemption and release of the loan collateral using the CCR process.

Producers using this form provide **both** the agent designation and authorizations established by the producer; none of these functions can be provided separately or independent of the others.

Execution of CCC-605 does not relieve any producer from the terms and conditions of the loan note and security agreement.

B Producer Use and Cancellation

[7 CFR 1427.5(e)(2)(F)] A producer who executes CCC-605 has several options regarding the disposition of the cotton loan collateral identified on CCC-605. The producer may:

- cancel CCC-605 by providing written, signed, and dated notice to the County Office where the loan was processed containing the following information:
    - the agent name
    - loan number
    - applicable bales
- redeem the loan collateral or exchange the loan collateral for commodity certificates either themselves, effectively canceling CCC-605, or by request of the producer's designated agent processed by either of the following:
    - County Office by providing the required repayment funds
    - CCR, which is available for use by producer or producer's agent that has an established EWR holder ID provided by EWR provider, who are registered and authenticated for CCR use
- forfeit the loan collateral to CCC unless redeemed by the producer's agent.--*

204 Using CCC-605, Authorization of Electronic Agent and Designation of Agent - Cotton (Continued)

C Resolving Concurrent Agent and Producer Redemption Requests

Requests for loan redemption may be submitted through CCR and County Office at the same time. CCC processes the request and releases the cotton to the first entity, either the producer or producer's agent that provides repayment funds to CCC.

Under CCR, cotton loan collateral is:

- **committed when funds are received** and **not** available for a subsequent redemption requested at a County Office

- **not committed** by a pending CCR invoice for which no funds have been received.

When a County Office is informed that CCR invoice is pending, before accepting funds for a subsequent redemption request, the County Office shall determine whether funds have been ***--**transmitted to CCC by calling Shannon Fulghem, Cotton Operations Processing Staff , at **--*** 816-926-1533.

If **funds have not been transmitted** to CCR based on a pending invoice request by an agent, and the EAD indicator is:

- "N", the County Office shall process the repayment in APSS, and release bales
- "Y", the County Office shall:

  - reset the indicator to "N", process the repayment in APSS, and release bales
  - reset the indicator to "Y", if there are outstanding bales.

If **funds have been transmitted** to CCR, County Office shall **not** process the request presented to them. The cotton will be released under CCR.

D Use by Producers' Designated Agents

Entities designated and authorized by producers on CCC-605, and any subsequent-designated agents, have authority to exercise an option to obtain cotton loan collateral by either repaying the producer's cotton loan or requesting that such cotton be exchanged for commodity certificates.

Producers' designated agents are **not** obligated to exercise the option provided under the terms of CCC-605.

*--204 Using CCC-605, Authorization of Electronic Agent and Designation of Agent - Cotton (Continued)

D Use by Producers' Designated Agents (Continued)

Such agents do **not** own the cotton or any "equity" in it. Any loss of ownership, title, or control of the cotton by the producer during the term of the loan constitutes loss of beneficial interest in the cotton, making the cotton loan subject to immediate repayment in full.

Designated agents of the producer may request release of the cotton from loan. They may:

- at the County Office:
  - redeem the loan collateral by providing:
    - a paper copy of the producer-endorsed CCC-605
    - a list of the requested bales
    - sufficient funds
  - request exchange of the loan collateral for commodity certificates by providing:
    - a paper copy of the producer-endorsed CCC-605, endorsed in Part E by the agent to request a certificate exchange
    - a list of the requested bales
    - sufficient funds
- use the CCR process to redeem all or a portion of the loan collateral or request such collateral be exchanged for commodity certificates.

E Subsequent Designation of Agent

Designated agents of the producer may transfer the designation to a subsequent agent by endorsement of the CCC-605.

Subsequent agents, designated on CCC-605, may further transfer the designation to other subsequent agents on CCC-605 by endorsement.**--***

***--204 Using CCC-605, Authorization of Electronic Agent and Designation of Agent - Cotton (Continued)**

E Subsequent Designation of Agent (Continued)

If any subsequent agent designation is for less bales than:

- are associated with the applicable loan, CCC-605-1 or other bale list **must** be completed according to subparagraph 207 C

- originally designated by the producer, CCC-605-2 and CCC-605-1 shall be completed according to subparagraphs 207 B and 207 C, respectively.

F County Office Use

CCC-605, CCC-605-1, and CCC-605-2 shall be prepared only by producers and their designated agents and never by FSA personnel.

County Offices make these forms available for use by producers and their agents, but CCC bears no responsibility for establishing or maintaining the record of the current designated agent, or electronic record of such agent designation, for any producer or producer loan

When a valid CCC-605, CCC-605-1, or CCC 605-2 are presented at a County Office, the last agent designated for the identified bales may do either of the following:

- redeem the cotton
- exchange commodity certificates for the cotton according to subparagraph 201.

G Policy and Procedures for Filing

CCC-605, CCC-605-2, and CCC-605-1 are **not** filed by County Offices because CCC is **not** a party to these agreements. County Office filing would infer that CCC will be knowledgeable of and responsible for managing such agreements which is **not** a responsibility CCC agrees to undertake. Thus, these forms are **not** to be filed by County Offices.**--***

Exception: If a designated agent is redeeming part of the cotton covered by CCC-605 or CCC-605-2, the County Office shall place a copy of CCC-605 or CCC-605-2 and supporting CCC-605's, CCC-605-1's, and CCC-605-2's in the loan folder and return the originals to the agent.

The County Office employee making any photocopy of an original CCC-605 or CCC-605-2 shall write or stamp, initial, and date the following statement on the photocopy: "This is a photocopy of the original having the required original signatures."

205 Required Signatures and Documents for Agent Designations

A Signatures Required for Valid CCC-605

Agents presenting CCC-605 to a County Office are responsible for that form to be properly completed.

A FAXed copy of CCC-605 is acceptable and may be acted upon by the County Office if the producer has signed CCC-Cotton A, dated 09-02-04 or later.

B Signature Required for Valid CCC-605-2

For a presented CCC-605-2 to be considered valid, the agent **must** present:

- a properly completed CCC-605-2 that has the signature of the transferring agent according to subparagraph E
- a copy of the original CCC-605 that was properly completed and signed by the producer
- copies of all CCC-605-2's transferring designation for the presented CCC-605-2.

C Impressed Signatures on CCC-605's and CCC-605-2's

Any signature that is affixed to an original CCC-605 or CCC-605-2 and is a reproduction of the person's or authorized person's signature shall be considered an impressed signature.

Signatures that were reproduced by a photocopy machine or a FAX machine are **not** considered impressed signatures.

*** * ***

205 Required Signatures and Documents for Agent Designations (Continued)

D Approved Impressed Signatures

State Offices shall notify each cotton County Office of the impressed signatures that have been registered with the State Office and the format in which an impressed signature is to be represented.

Example: Southern Cotton Merchants has registered the following impress with the State Office:

Southern Cotton Merchants

The State Office would notify cotton County Offices that an impress signature for Bill E. Jones is acceptable on CCC-605's or CCC-605-2's if it is in the following format:

"Southern Cotton Merchants
/s/ Bill E. Jones".

E Presenting Documents at the County Office

[7 CFR 1427.5(e)(2)] The following table shows what **must** be presented at the county office or LSA where the loan originated by designated agents based on who is presenting CCC-605 and whether all or a portion of the loan quantity is being redeemed.

Type of Designation	Producer to Agent "A"	Agent "A" to Agent "B"
Situation	Producer has designated Agent "A" to redeem all or a portion of the bales of a specific loan.	Agent "A" has transferred the designation to Agent "B" for all the producer bales designated by the producer.
CCC-605 or CCC-605-2 Presented	CCC-605: • original signatures of producer • "ALL" is checked (item 8) • No. of bales = 100 (item 9).	CCC-605: • original endorsement by Agent "A" on CCC-605 (Reverse) • "ALL" is checked (item 8) • No. of bales = 100 (item 9).
Document Needed for Redemption	CCC-605	CCC-605

205 Required Signatures and Documents for Agent Designations (Continued)

F Presenting Documents at the County Office (Continued)

Type of Designation	Agent "B" to Agent "C"	Agent "C" to Agent "D"
Situation	Agent "B" has transferred the designation to Agent "C" for a portion of the bales transferred by Agent "A".	Agent "C" has transferred the designation to Agent "D" for a portion of the bales transferred by Agent "B".
CCC-605 or CCC-605-2 Presented	CCC-605-2: • original signatures of Agent "B" as agent • No. of Bales = 25 (item 6).	CCC-605-2: • new CCC-605-2 • original signatures of Agent "C" as agent • No. of Bales = 10 (item 6).
What Is Needed Before a County Office Will Allow Redemption or Extension	CCC-605-2 and the following supporting documentation: • list of 25 bale receipt numbers • copy of CCC-605 signed by producer, and endorsed by Agent "A" transferring designation to Agent "B".	CCC-605-2 and the following supporting documentation: • list of 10 bale receipt numbers • copy of CCC-605-2 signed by Agent "B" transferring designation for 25 bales to Agent "C" • copy of the list of 25 bales transferred from Agent "B" to Agent "C" • copy of CCC-605 signed by producer and endorsed by Agent "A" transferring designation to Agent "B".

206 Using CCC-605-2, Designation of Subsequent Agent

A Preparing CCC-605-2's

Agents who want to redeem only a portion of the cotton listed on CCC-605 or CCC-605-2 designating themselves as agent, may prepare a new CCC-605-2, completed according to subparagraph 207 B, which transfers only those bales the agent wants to redeem to themselves.

Note: For this purpose, CCC-605-2, front side, is all that is required. Copies of CCC-605-2 without a reverse side shall be acceptable if the front side is completed properly.

B Supporting Documentation

Agents who prepare a new CCC-605-2 for redeeming cotton under loan must submit to the County Office a new CCC-605-2, with the original signature or approved impressed signature, and a copy of the original CCC-605 and supporting CCC-605-2's, as applicable.

C CCC-605-1 Signature

County Offices shall not require CCC-605-1, or other bale list, to be signed when accompanied by CCC-605's that transfer the right to redeem the cotton loan from an agent to themselves.

207 Completing Designation of Agent Forms

A Instructions for CCC-605

CCC-605's must be completed according to these instructions to be accepted.
*--

Item	Instructions
	Part B
4A	Enter the crop year of the loan to which the designation of agent and authorization for CCR apply. A **separate** CCC-605 is required for each individual loan.
4B	Enter the loan number of the loan to which the designation of agent and authorization for CCR apply. A **separate** CCC-605 is required for each individual loan.
4C	Enter the maturity date of the loan to which the designation of agent and authorization for CCR apply. A **separate** CCC-605 is required for each individual loan.
4D	Enter the file sequence number for the bales.
5	If the producer is designating the agent for the total loan quantity identified in item 4, check the "**ALL**" box. If the producer is designating a partial loan quantity, or a partial designated quantity is being designated by the agent or subsequent agent, check the "See attached Form CCC-605-1 or other list" box.
6A and 6B	Producer reads Parts A and B and enters in item 6 the name, address, and **holder ID** of the agent designated by the producer under the terms of Parts A and B (the holder ID is an alphanumeric code assigned to agents by the provider of electronic warehouse receipts).
7A and 7B	Enter the name and address and FAX number of the FSA office where the documents for the loans identified in item 4 are maintained.
	Part C
8A	Enter the name and address including ZIP Code of the contact producer. Only the contact producer needs to be listed in cases where several producers have signed the note and security agreement for the loan. However, the other producers must sign and date in items 9A through 10B. Part C is continued on CCC-605, page 4, to provide additional signature space.
8B	Enter the contact producer's telephone number including area code.
8C	Enter the signature of the contact producer.
8D	Enter the date (mm-dd-yyyy) the contact producer signed item 8C.
9A-10B	Each individual producer (other than the contact producer) who signed the loan note and security agreement enters their signature and date (mm-dd-yyyy) of signature.
	Part D
11-14	Agents must endorse items 11 through 14 if they transfer their authority to a subsequent agent.

--*

207 Completing Designation of Agent Forms (Continued)

A Instructions for CCC-605 (Continued)

Item	Instructions
	Part E
*--15A	Producer's agent enters the holder ID of the entity to which the loan collateral is to be released.
15B	Producer's agent signs, if agent is returning CCC-605 to County Office to exchange the loan commodity for a commodity certificate. Signature is **not** required to confirm item 15A entry.
15C	Producer's agent enters date of signature.
	Part F
16	Enter the date (mm-dd-yyyy) CCC-605 was received in the County Office.--*
	Part G
17	Enter the crop year of the loan collateral. This is the same as entered in item 4A.
18	Enter the loan number of the loan. This is the same as entered in item 4B. A separate Part G is required for each individual loan.
19A	Enter the maturity date of the loan for which the transfer authorization is provided. This is the same as entered in item 4C for the loan.
19B	Enter the file sequence number of the loan to which the transfer authorization is granted. This is the same as entered in item 4D.
20	*--If the producer is designating the agent for the total loan quantity identified in item 4, check the "**ALL**" box. If the producer is designating a partial loan quantity, or a partial designated quantity is being designated by the agent or subsequent agent, check the "See attached Form CCC-605-1 or other list" box.--*
21A	The producer reads Part G and enters the name, address, and holder ID of the agent designated by the producer in item 6.
21B	Enter the holder ID for the agent. This is the same as entered in item 6.
	Part H
22A	Enter the name and address including ZIP Code of the contact producer. Only the contact producer's address needs to be listed in cases where several producers have signed the note and security agreement for the loan. However, the other producers must sign and date in items 23A and 23B. Part H is continued on CCC-605, page 4, to provide additional signature space.
22B	Enter the telephone number including area code. This is the same as item 8B.
22C	Enter the signature of the contact producer.
22D	*--Enter the date (mm-dd-yyyy) the contact producer signed item 22C.--*
23A	Each individual producer (other than the contact producer) who signed the loan note and security agreement enters their signature.
23B	*--Enter the date (mm-dd-yyyy) of signature for each signature entered in item 23A.--*

207 Completing Designation of Agent Forms (Continued)

A Instructions for CCC-605 (Continued)

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This form is available electronically. *See Page 3 for Privacy Act and Public Burden Statements.*

CCC-605
(07-10-07)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

AUTHORIZATION OF ELECTRONIC AGENT AND DESIGNATION OF AGENT - COTTON

Instructions for completing CCC-605: Producer reads Parts A and B. All Producers who signed the note and security agreement (CCC Cotton A) for the loan identified in Part B, Item 4 must sign Part C. Agents complete Part D to transfer designation to a subsequent agent and Part E to request Commodity Certificate Exchange.

PART A - TERMS OF AUTHORIZATION FOR CCC TO USE ELECTRONIC AGENT DESIGNATION

1. For purposes of this authorization:
   a. The term "Provider" means the individual or entity that maintains electronic warehouse receipts for the collateral applicable to the loan identified in Part B of this authorization in a central filing system. As of September 1, 2006, the CCC-approved Providers were: EWR, Inc., FAMBRO Electronic Warehouse Receipts, Inc., Intelligent Storage Services, Inc., and Plains Cotton Cooperative Assoc. The list of Providers can change and may have changed by the time this document is executed.
   b. The term "Designated Agent" means the individual or entity identified by the Provider on the electronic warehouse receipt bale data file as being authorized, through a grant by the Producer or by succession to a grant by the Producer, to redeem all or a portion of the cotton pledged as collateral for the loan(s) identified in Part B, Item 4 of this authorization.
2. The undersigned Producer(s) hereby requests and authorizes CCC to accept repayment of all bales of the loan or loans, as identified in Part B, Item 4 of this authorization, from the individual or entity identified as the Designated Agent on the electronic warehouse receipt bale data file maintained by the Provider for such loan collateral. Producer agrees further that the Producer will hold CCC harmless for any errors that may result from reliance on the information supplied in that regard by the Producer through the electronic warehouse receipt or otherwise.
3. The undersigned Producer(s) may request cancellation of this authorization by submitting a signed and dated request of such cancellation that identifies the applicable loan number. Producer agrees that CCC will not permit the loan collateral identified in Part B, Item 4 to be redeemed by the Producer at a County Office until the producer cancels this authorization. Producer acknowledges that cancellation of this electronic authorization and agent designation occurs when the electronic record is affected and not at the time of the producer request, and that cancellation of the electronic authorization does not constitute cancellation of any agency designation provided in Part B.

PART B - DESIGNATION OF AGENT FOR LOAN REDEMPTION

THE UNDERSIGNED PRODUCER(S) ("PRODUCER") hereby authorizes the agent identified in Item 6 or, if applicable, the subsequent agent identified by endorsement on Page 2 of this form or the execution of a Form CCC-605-2, to redeem all or a portion of the cotton pledged as collateral for the loan identified in Item 4 B, and to utilize CCC's centralized electronic redemption process for such redemption. The Producer agrees that no other Form CCC-605 has been or will be executed with respect to such cotton. If this form covers all the warehouse receipts pledged as security for the loan as described in Item 4 B, mark "**ALL**" in Item 5. If this designation of agent is for only some of the warehouse receipts pledged as security for the loan, mark "see attached Form CCC-605-1, or other list" and enter the bale receipt number(s) in numerical order on Form CCC-605-1 or other list properly dated and signed by the producer. Attach CCC-605-1 or other list to this form.

Title to the cotton shall, without a sale thereof, immediately vest in CCC upon maturity of the loan. CCC shall have no obligation to pay for any market value which the cotton may have in excess of the amount of the loan. CCC may sell, transfer and deliver the cotton or documents evidencing title thereto at such time, in such manner, and upon such terms and conditions as CCC may determine, without demand, advertisement, or notice of the time and place of sale. CCC does not guarantee that the cotton subject to this agreement will be permitted to be redeemed at a level lower than the original loan level if the producer has exceeded statutory payment limitation amounts. In addition, CCC does not guarantee that the cotton subject to this agreement will not be redeemed by anyone other than the designated agent or that the warehouse receipts representing the cotton will not be released to anyone other than the designated agent.

4. Loan Number to which authorization for electronic redemption applies to all bales:		5. Loan Quantity Applicable to this Agent Designation
A. Crop Year 2007	B. Loan Number 0008	[X] All [ ] See attached Form CCC-605-1 or other list
C. Maturity Date 04/20/2008	D. File Sequence Number 1	
6A. Agent's Name and Address *(Including Zip Code)* Fortune Cotton, Inc. 23 South Street Lublick, TX 12345		7A. Name and Address of County FSA Office Providing Loan Beltway FSA 100 E. 66th Street Lublick, TX 12345
6B. Holder ID Number:		7B. FAX Number:

PART C - SIGNATURE OF PRODUCER(S) WHO SIGNED LOAN NOTE AND SECURITY AGREEMENT (CCC COTTON A) FOR LOAN(S) ***(SIGNATURES CONTINUED ON PAGE 4)*** **TO DESIGNATE AND AUTHORIZE AN AGENT**

8A. Name and Address of Contact Producer *(Include ZIP Code)*	8B Telephone Number *(Include Area Code)*	
Mary M. Maddox 24 Sparkle Lane Lubblick, TX 12345	860-814-0015	
	8C. Signature of Contact Producer ***/s/ Mary M. Maddox***	8D. Date *(MM-DD-YYYY)* ***10/15/07***

9A. Other Producers Signature	9B. Date *(MM-DD-YYYY)*	10A. Other Producers Signature	10B. Date *(MM-DD-YYYY)*

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207 Completing Designation of Agent Forms (Continued)

A Instructions for CCC-605 (Continued)

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CCC-605 (07-10-07) Page 2 of 4

PART D - ENDORSEMENT

The transfer or endorser must complete the relevant information for each transfer. Failure to complete the information renders this CCC-605 void.

BY ENDORSEMENT:

11. _____ (Name of agent) does hereby transfer the functions specified in Part B: TO _____ (Name of subsequent agent) BY _____ (Signature of agent)	12. _____ (Name of agent) does hereby transfer the functions specified in Part B: TO _____ (Name of subsequent agent) BY _____ (Signature of agent)
13. _____ (Name of agent) does hereby transfer the functions specified in Part B: TO _____ (Name of subsequent agent) BY _____ (Signature of agent)	14. _____ (Name of agent) does hereby transfer the functions specified in Part B: TO _____ (Name of subsequent agent) BY _____ (Signature of agent)

PART E - REQUEST/ACKNOWLEDGEMENT FOR COMMODITY CERTIFICATE EXCHANGE

I acknowledge: (1) receipt of CCC Commodity Credit Certificate which I requested to purchase from CCC; (2) that the certificate will be exchanged with CCC in the manner specified in CCC regulations at 7 CFR Part 1400 in order that I may receive commodities from CCC which had previously been pledged as collateral for a CCC marketing assistance loan; and (3) that for purposes of valuing the commodity acquired under this transaction, such value will be the marketing loan repayment rate applicable under 7 CFR Part 1427 for the commodity as of the day I made payment to CCC for the commodity certificate.

15A. Holder ID to Which Loan Collateral Released	15B. Signature of Producer's Agent	15C. Date *(MM-DD-YYYY)*

PART F - FOR COMMODITY CREDIT CORPORATION'S USE ONLY

16. Date Received *(MM-DD-YYYY)*

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207 Completing Designation of Agent Forms (Continued)

A Instructions for CCC-605 (Continued)

*--

CCC-605 (07-10-07) Page 3 of 4

PART G - AUTHORIZATION FOR AGENT TO TRANSFER LOAN COTTON *(If submitted by a producer or LSA, Part G of CCC-605 must be submitted with Part C. If submitted by a CMA, Part C does not apply.)*

The undersigned producer(s) hereby:

1. Understands that the producer may grant authorization to transfer (relocate) the producer's loan cotton only to the agent designated and authorized in Part B, Item 6 of this form. The producer is not obligated by CCC to grant authorization to transfer loan cotton as a condition of designating and authorizing any agent to redeem from loan all or a portion of the cotton identified in Item 4B.
2. Authorizes the agent identified in Part G, Item 21, or if applicable, the subsequent agent identified by endorsement on Page 2 of this form or the execution of a form CCC-605-2, to transfer all or a portion of the cotton pledged as collateral for the loan identified in Item 4B of this form to another warehouse that has entered into a cotton storage agreement with CCC, on the condition that if the agent named in Part G, Item 21, or a properly designated subsequent agent, requests such a transfer, the agent will be responsible for any loss of quantity, quality, or value, or for any charges that may result from the transfer or intended transfer of cotton including but not limited to, those associated with the receipt, compression, storage, transportation, and restocking or load-out of the cotton from the shipping warehouse.
3. Requests and authorizes CCC to settle the obligation of the loan identified in Item 18, if requested before the maturity of such obligation, based on the original loan terms and credits and charges applicable at the shipping warehouse; and, requests and authorizes CCC to settle the obligation of such loan, or any portion of such loan, upon delivery of the loan collateral to CCC, based on the credits and charges applicable to such delivered collateral at the receiving warehouse.
4. Agrees that CCC shall not be held responsible for any charges, fees, costs, or expenses incident to the transfer of cotton loan collateral.
5. Understands that (i) CCC does not assume any loss in quantity or quality resulting from transfer of loan collateral; (ii) CCC shall hold the producer responsible for losses or charges including those that, despite Part G, Item 2, of this agreement, are not paid by any agent of the producer; and (iii) the transfer may occur without notice to the producer of the date of relocation or the new location of the cotton.
6. Understands that the cotton may not be eligible for storage credits for the entire term of the loan and agrees to refund upon demand by CCC all excessive storage credits that may have been applied at time of loan redemption.
7. Understands that CCC shall consider the authorizations provided by both Parts B and Part G of this form as cancelled if the producer provides written notification to CCC that the designation of agent is cancelled. A producer may not authorize an agent to transfer loan cotton unless such agent is also authorized to repay the producer's loan obligation for the same cotton.

17. Crop Year	18. Loan Number	20. Loan Quantity Applicable to this Agent Authorization
19A. Maturity Date	19B. File Sequence Number	☐ All ☐ See Attached List

21A. Agent's Name and Address *(Including Zip Code)*

21B. Holder ID Number:

PART H - SIGNATURE OF PRODUCER(S) WHO SIGNED LOAN NOTE AND SECURITY AGREEMENT TO AUTHORIZE TRANSFER OF COTTON LOAN COLLATERAL SUBJECT TO THIS AGENT DESIGNATION/AUTHORIZATION

22A. Name and Address of Contact Producer *(Including Zip Code)*	22B. Telephone Number *(Include Area Code)*	
	22C. Signature of Contact Producer	22D. Date *(MM-DD-YYYY)*

23A. Other Producer Signature	23B. Date *(MM-DD-YYYY)*	23A. Other Producer Signature	23B. Date *(MM-DD-YYYY)*

NOTE: *The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. 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.*

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is the Cotton Loan Program Regulations at 7 CFR Part 1427. This information will be used to determine who may repay cotton loans. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. ***This form shall be returned to the County Office identified in Part B, Item 7 only to support a request for cash redemption of loan collateral by such office.***

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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207 Completing Designation of Agent Forms (Continued)

A Instructions for CCC-605 (Continued)

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CCC-605 (07-10-07) Page 4 of 4

PART C - SIGNATURE OF PRODUCERS WHO SIGNED LOAN NOTE AND SECURITY AGREEMENT (CCC COTTON A) FOR LOAN(S) IDENTIFIED IN PART B *(Continued from Page 1)*

9A. Other Producers Signature	9B. Date *(MM-DD-YYYY)*	10A. Other Producers Signature	10B. Date *MM-DD-YYYY)*

PART H - SIGNATURE OF PRODUCER(S) WHO SIGNED LOAN NOTE AND SECURITY AGREEMENT FOR LOAN COVERED BY THIS AUTHORIZATION *(Continued from Page 3)*

23A. Other Producer Signature	23B. Date *(MM-DD-YYYY)*	23A. Other Producer Signature	23B. Date *(MM-DD-YYYY)*

--*

207 Completing Designation of Agent Forms (Continued)

B Instructions for CCC-605-2

CCC-605-2's, including supporting CCC-605-2's, must be completed according to this table before being accepted.

Item	Instruction
1	Agent's name and address must be entered.
2	Subsequent agent's name and address must be entered.
3	County Office name and address where loan documents are held must be entered.
4	Maturity date for the loan under which the cotton is currently pledged must be entered.
5	Applicable loan number must be entered. **Note:** Separate CCC-605-2's are required for each loan.
6	Enter number of bales listed on attached CCC-605-1 or other acceptable bale list.
7	Crop year of the cotton must be entered.
8	The transferring agent must sign.
9	If the entire loan quantity indicated on the front of CCC-605-2 is being transferred, the transferor shall: • enter the transferor's name • enter the transferee's name • endorse by signing. **Note:** If the entire quantity covered by the front of CCC-605 is not being transferred, a new CCC-605-2 must be prepared and completed.

207 Completing Designation of Agent Forms (Continued)

B Instructions for CCC-605-2 (Continued)

This form is available electronically. Form Approved - OMB No. 0560-0074

CCC-605-2
(09-19-00)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

DESIGNATION OF SUBSEQUENT AGENT - COTTON

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 1427). The information will be used to determine who may repay cotton loans. Furnishing the requested information is voluntary, however, without it assistance cannot be provided. 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.***

INSTRUCTIONS: Items 1 - 8 must be completed by Agent.

PART A - LOAN AND AGENT DATA

1. AGENT'S NAME AND ADDRESS	2. SUBSEQUENT AGENT'S NAME AND ADDRESS	3. OFFICE HOLDING WAREHOUSE RECEIPTS
Jack Herber Rt. 1, Box 89 Sometown, SS 23485	Bill Aftermore P.O. Box 44 Sometown, SS 23485	Seedfar County FSA Office P.O. Box 234 Sometown, SS 23485

4. MATURITY DATE (MM-DD-YYYY)	5. LOAN NUMBER	6. NUMBER OF BALES	7. CROP YEAR
7-31-0X	67	6	200X

PART B - DESIGNATION OF SUBSEQUENT AGENT FOR LOAN REDEMPTION

THE UNDERSIGNED AGENT ("AGENT") hereby authorizes the subsequent agent identified Item 2 as the agent to act on behalf of the Producer or another subsequent agent as evidenced by endorsement on Page 2 of this form or the execution of a subsequent Form CCC-605-2, to redeem the cotton pledged as collateral for the loan identified in Part A which is listed on the attached Form CCC-605-1 or other list properly dated and signed by the Agency. The Agent agrees that no other Form CCC-605-2 has been or will be executed with respect to such cotton. A copy of the CCC-605 and any other CCC-605-2 that provide proof of the Agent's authority to designate a subsequent agent shall be attached.

Title to the cotton shall, without a sale thereof, immediately vest in CCC upon maturity of the loan. CCC shall have no obligation to pay for any market value which the cotton may have in excess of the amount of the loan. CCC may sell, transfer and deliver the cotton or documents evidencing title thereto at such time, in such manner, and upon such terms and conditions as CCC may determine, without demand, advertisement, or notice of the time and place of sale. CCC does not guarantee that the cotton subject to this agreement will be permitted to be redeemed at a level lower than the original loan level if the producer has exceeded statutory payment limitation amounts. In addition, CCC does not guarantee that the cotton subject to this agreement will not be redeemed by anyone other than the designated agent or the warehouse receipts representing the cotton are not released to anyone other than the designated agent.

8. SIGNATURE OF AGENT	DATE (MM-DD-YYYY)
/s/ Jack Herber	11-17-0X

9. REMARKS

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.

207 Completing Designation of Agent Forms (Continued)

B Instructions for CCC-605-2 (Continued)

CCC-605-2 (Page 2) (09-19-00)

ENDORSEMENTS

THE TRANSFEROR OR ENDORSER MUST COMPLETE THE RELEVANT INFORMATION FOR EACH TRANSFER. FAILURE TO COMPLETE THE INFORMATION RENDERS THIS CCC-605-2 VOID.

Endorsement transfers both functions specified in Part B, and the transferor agent's authority is extinguished.

10. BY ENDORSEMENT:

A. Bill Aftermore
(Name of agent)

does hereby transfer the functions specified in Part B:

TO Mary Tastone
(Name of subsequent agent)

BY /s/ Bill Aftermore
(Signature of agent)

D. _____
(Name of agent)

does hereby transfer the functions specified in Part B:

TO _____
(Name of subsequent agent)

BY _____
(Signature of agent)

B. _____
(Name of agent)

does hereby transfer the functions specified in Part B:

TO _____
(Name of subsequent agent)

BY _____
(Signature of agent)

E. _____
(Name of agent)

does hereby transfer the functions specified in Part B:

TO _____
(Name of subsequent agent)

BY _____
(Signature of agent)

C. _____
(Name of agent)

does hereby transfer the functions specified in Part B:

TO _____
(Name of subsequent agent)

BY _____
(Signature of agent)

F. _____
(Name of agent)

does hereby transfer the functions specified in Part B:

TO _____
(Name of subsequent agent)

BY _____
(Signature of agent)

207 Completing Designation of Agent Forms (Continued)

C Instructions for CCC-605-1

If the producer or, if applicable, the agent or subsequent agent designates less quantity than the loan quantity or designated quantity, a properly completed CCC-605-1 must be attached to CCC-605 or CCC-605-2 before being accepted.

Note: A list other than CCC-605-1 may be attached if the same information that is on CCC-605-1 is provided and the list is signed and dated by the producer or, if applicable, the agent.

Item	Instruction
1	Name and address of producer or, if applicable, the name and address of transferring agent must be entered.
2	Name and address of agent, or if applicable, the name and address of subsequent agent must be entered.
3	Name of County Office holding warehouse receipts must be entered.
4	Maturity date of applicable loan must be entered.
5	Applicable loan number must be entered.
6	Applicable crop year must be entered.
Whse. Receipt No.	List of applicable warehouse receipt numbers in numerical order must be entered.
Signature and Date	Producer's signature and date or, if applicable, transferring agent's signature and date must be entered. **Note:** If CCC-605-2 is prepared according to paragraph 206, signature is not required.

207 Completing Designation of Agent Forms (Continued)

C Instructions for CCC-605-1 (Continued)

REPRODUCE LOCALLY. Includes form numbers and date on all reproductions.

Form Approved - OMB No. 0560-0074

CCC-605-1
(09-19-00)

U. S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

DESIGNATION OF AGENT - COTTON
(CONTINUATION SHEET TO FORM CCC-605)

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). The information will be used to determine who may repay cotton loans. Furnishing the requested information is voluntary, however, without it assistance cannot be provided. 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.***

1. PRODUCER'S NAME AND ADDRESS	2. AGENT'S NAME AND ADDRESS	3. COUNTY OFFICE HOLDING WAREHOUSE RECEIPTS
Jim Howard RT. 1, Box 120 Somotown, SS 23485	Bill Smith P.O. Box 2364 Somotown, SS 22998	Seedfar County FSA Office P.O. Box 234 Somotown, SS 23485
4. MATURITY DATE	**5. LOAN NUMBER**	**6. CROP YEAR**
6-30-0X	67	200X

7. List warehouse receipt numbers in numerical order.

	WHSE. RECEIPT NO.		WHSE. RECEIPT NO.		WHSE. RECEIPT NO.		WHSE. RECEIPT NO.
1	915666	21		41		61	
2	915667	22		42		62	
3	915700	23		43		63	
4	915703	24		44		64	
5	915706	25		45		65	
6	915707	26		46		66	
7	915708	27		47		67	
8	915709	28		48		68	
9	915710	29		49		69	
10	915720	30		50		70	
11		31		51		71	
12		32		52		72	
13		33		53		73	
14		34		54		74	
15		35		55		75	
16		36		56		76	
17		37		57		77	
18		38		58		78	
19		39		59		79	
20		40		60		80	

8. SIGNATURE OF PRODUCER	DATE
/s/ Jim Howard	***9-15-0X***

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 320-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.

208 Maturity Date Notification Letter

***

A Notice of Maturity Letter

Send the following notification letter to producers of maturing warehouse-stored nonrecourse *--loans no earlier than 60 calendar days or no later than 45 calendar days from the maturity date. Appeal rights or process are not referenced because there is no adverse action or determination. See paragraph 256 for seed-cotton loan maturity notifications.--*

(**Date**)_____, 20__

Dear _____:

This is to notify you that your (**crop year**) cotton loan, No. (**loan number**) will mature on (**maturity date**). Loan extensions have not be authorized.

Under the terms and conditions of the loan, the following options are available:

- repay the loan on or before the maturity date
- forfeit the loan collateral to CCC if not repaid by close of business on the maturity date.

If you choose to forfeit, or if you designated an agent using CCC-605 and that agent or any subsequent agent does not redeem this loan by close of business on the maturity date, you must pay all of the following charges:

- warehouse storage charges that accrued before the date all documents required from you for the loan were provided to this County Office
- unpaid warehouse receiving charges including any charges for new ties
- any difference between the CSA loan storage rate specified in the storage agreement between the warehouse and CCC and the storage credit cap during the loan period
- any other unpaid charges that reduce the value of the cotton delivered to CCC including unpaid compression charges based on the tariff rate.

If you do not take action by loan maturity, your loan collateral will be forfeited to CCC automatically.

Sincerely,

County Executive Director,
_____ County FSA Office

* * *

209 Wire Transfer Repayments

A Processing Wire Transfer Repayments

Follow this table to process loan redemptions made by CCC-258.

CCC-258 is provided to cotton producers or merchants by County Offices to cross-reference loans redeemed by CCC-258.

County Offices can use their manual log of wire transfer numbers maintained according to 3-FI, paragraph 39, to enter the loan numbers to which the wire transfer will apply.

The date the wire transfer receipt and CCC-258 are received in the County Office is the date of repayment. Use AWP and CCA in effect on the date the receipt of the wire transfer is received.

Step	Action

1	Upon request by a cotton merchant or producer for a loan redemption by wire transfer, provide (by FAX if requested) CCC-258 completed as follows:
	
	• item 3 is the date requested for repayment by the merchant or producer that is used to calculate the repayment amount entered in item 8
	
	• items 4 and 10 are pre-printed and no additional entries are to be made
	
	• item 8 is the repayment amount to be either of the following:
	
	  • computed and entered by the County Office
	
	  • entered by the County Office based on the merchant's repayment estimate that will be verified at the time the repayment is processed

--

209 Wire Transfer Repayments (Continued)

A Processing Wire Transfer Repayments (Continued)

Step	Action
1 (Cntd)	• item 11 has BNF = /AC -4992 OBI=CCC/ pre-entered on all versions after which, on the same line, the County Office shall enter: • "1" to show the type of payment, followed by "/" • State and county codes and check digit, followed by "/" • "SCH#" and the 4-digit log number between "9001" and "9998", which is from the County log of wire transfer numbers maintained according to 3-FI, subparagraph 39 B, followed by "/" **Note:** An example of the complete entry in item 11 looks like the following: **BNF=/AC -4992 OBI=CCC/1/XXXXXX/SCH#xxxx/** • item 12 may be used by the County Office, at their option, to enter the name of the merchant or producer and the loan number or numbers for which payment will be wired • item 13 may be used by the County Office, at their option, to enter "FAX receipt of the Bank wire transfer to the County Office on the date of the wire transfer to the fax number entered in Item 14" as additional instruction to the bank • item 14 shall contain the voice and FAX telephone numbers for the County Office • item 15 is signed by the County Office representative.
2	Advise the merchant or producer that the completed CCC-258 is to be: • transmitted to the bank providing the wire transfer •***--**FAXed by the bank or the merchant to the County Office **on the day of the--* wire transfer** with the bank's receipt of the wire transfer.
3	Accept the wire transfer receipt from the bank as confirmation of receipt of funds and record the repayment through APSS. The system will generate CCC-500 as a receipt for the wire transfer. The date the wire transfer receipt is received in the County Office is the date of repayment. Use AWP and CCA in effect *** * *** on the date received.

210 Release of Warehouse Receipts

A Policy

When a cotton loan is repaid with cash or the loan collateral is exchanged for a commodity certificate, the warehouse receipts for the collateral are released to:

- the producer or other entity authorized by the producer to repay the loan
- another entity, if specified by the entity providing the loan repayment or certificate exchange.

B Releasing Receipts Based on Estimated Repayment Amounts

County Offices should release receipts no later than 6 workdays after sufficient monies have been received in the County Office.

Bales may be released based on estimated repayment value if the remittance for the repayment is equal to or exceeds an amount based on either of the following:

- average bale weights, according to subparagraph 202 B
- *****--producer- or agent-supplied repayment data, according to subparagraph 202 D.--*****

If the remittance is not sufficient to redeem all of the bales requested, County Offices shall:

- release only the bales for which sufficient payment is received
- advise the person redeeming the cotton:
  - of additional amount required to redeem the additional bales requested
  - that the warehouse receipts for the additional bales will not be released unless the additional amount is received
  - that, if additional amount required to redeem the additional bales is not received within 15 calendar days, any amount over what is required to redeem the released bales will be refunded.

*--210.1 Transferred Loan Collateral

A Loan Bale Transfer Policy

CCC permits cotton bales pledged as loan collateral to be transferred by producers' designated agents if the producer has separately authorized their agent to request the transfers. Producers grant transfer authorization by endorsing CCC-605, Part G.

Transfer requests are submitted by producer agents directly to KCCO. County Offices shall not accept or take action on any transfer requests.

Transferred cotton loan collateral **must** be redeemed using CCR based on the loan terms and rates applicable at the original storing location. In most cases, the producer will play no role in this redemption.

B Transfer Process

Transfer requests are submitted to KCCO by EWR providers. If the transfer request passes bale validations by EWR providers and COPS, the request will be approved. COPS will generate an e-mail to the County Office advising of "Pending transfer" status.

For bales approved for transfer, COPS releases the bale EWR's to the storing warehouse. The original receipts of transferred bales are cancelled when the cotton is shipped from the original warehouse and new receipts are issued by the receiving warehouse.

When the loan obligation on a transferred bale is redeemed through CCR, the receipt issued by the receiving warehouse for the bale is released. This new receipt is identified in COPS but not in the original loan record.

C Identifying Transfer Bales and Transfer Status

The transit status of a bale can be viewed on the COPS Bale Information Screen that indicates:

- approved and pending transfer status with code "G"
- shipped from original warehouse and in-transit status with code "R"
- new EWR's issued at receiving warehouse and transfer complete status with code "T".

After all bales on a shipping order have been transferred, COPS will create an e-mail to the County Office informing them that:

- the transfer is complete
- subsequent action, except another loan/LDP or repayment, may be processed.

County Offices may also use the Cotton Transfer Detail Report in COPS.--*

***--210.1 Transferred Loan Collateral (Continued)**

D County Office Action

County Offices shall do the following.

- File copies of all e-mails in the loan folder.

- Process any CCR loan redemption for transferred bales in the normal manner as provided in paragraph 210.5. County Office does not have to identify transferred bales when processing CCR repayments.

- Refer to the cotton transfer detail report in COPS.

- Process any corrections, violations, or EAD updates on transfer bales only **after** the transfer is completed. Producers retain BI for transfer bales and may cancel agent authorizations in writing; similarly, merchants may establish subsequent agents for bales after transfers occur.

- Reject any requests for cash redemptions submitted to the County Office for transferred bales either before or after the transfer is completed. Transferred bales are both repaid and released only by the CCR process. However, if for any reason the planned transfer of a bale is cancelled (meaning that the bale is still represented by the original EWR at the original location) this bale can be redeemed at the County Office.

E Terminated and Cancelled Transfers

A termination of a transfer applies to bales after the original EWR for the bales has been cancelled by the original warehouse and the bales are lost during transit or rejected by the receiving warehouse. These bales are subject to immediate redemption at the current AWP. County Offices may process this redemption based on instructions from KCCO.

A cancellation of a transfer may apply to bales while the bale is still represented by the original EWR. This may occur if the bale is not relocated. For these bales, the original holdership/sub-holdership are restored and the bale is eligible for a subsequent transfer request or for cash redemption at the County Office.

F Merchant Requests for Redeeming Transfer Bales

When a merchant requests repayment of loan collateral in the County Office, it **must** first be determined whether any of the bales included in the request have been transferred.

Note: County Offices will receive cotton PC error “9”, if transferred bales are released using the cotton PC software, indicating that the bale has **not** been released.

County Offices do not have to identify transferred bales in a CCR repayment. CCR repayments shall be processed in the normal manner.**--***

***--210.1 Transferred Loan Collateral (Continued)**

F Merchant Requests for Redeeming Transfer Bales (Continued)

When receiving a repayment request by a merchant, County Offices shall:

- use the transfer e-mail notification and the Cotton Transfer Detail Report in COPS to determine which bales can be redeemed in the County Office

- **not** process repayment for any bale that has been approved for transfer **unless** the transfer has been:

  - terminated, and repayment instructions have been provided by the National or Kansas City Offices

  - canceled

- advise the State Price Support Specialist that a repayment for transferred bales has been received.

G Repayment of Lost/Rejected Transfer Bales

If after the original warehouse receipt is canceled, the transferred bale is lost, misdirected, or damaged, and it is rejected or not receipted by the receiving warehouse, CCC will require immediate repayment of the loan obligation for this bale at a rate effective on the date the original receipt was canceled.

Notification of this early redemption requirement will be sent to the producer and copied to the current EWR subholder of the bales. CCC will request repayment within 15 calendar days from notification. Under normal circumstances, the producer's agent (bale EWR subholder) who transferred the loan cotton will be redeeming these bales.

H Producer Charges Associated With Forfeitures of Transferred Cotton

Charges billed to the producer for transferred, forfeited bales will be based on tariffs at the receiving warehouse, and not tariffs at the original storing warehouse. However, pre-loan accrued storage at the receiving warehouse will likely have been paid by the producer agent.

The charges billed to the producer would be limited to:

- any unpaid receiving charge at the receiving warehouse

- compression at the receiving warehouse, if any

- accrual storage at the receiving warehouse, that exceeds the storage-credit rate.**--***

210.5 Redeeming Loans Using CCR

A General Information

CCR is a web-based system that:

- provides a centralized process for merchants to redeem upland cotton loans disbursed by County Offices
- allows receipts from multiple loans and multiple counties to be redeemed in a single transaction
- uses EAD established based on a producer-signed CCC-605
- performs all calculation, collection, and release functions for cotton loans redeemed using CCR
- allows users to select either a:
  - ***--**commodity certificate exchange when AWP is less than NALR for up to and including 2009 crop cotton**--***
  - principal plus interest repayment when the AWP is equal to or greater than the NALR
- releases receipts automatically to the merchant once funds have been received and posted to COPS.

B CCR Business Rules

To be a valid CCR redemption request, each EWR **must**:

- be under a County Office issued loan
- **not** be in forfeiture status
- **not** be in a pending status for another CCR request
- be a valid EWR reflecting CCC as the current holder
- **not** have any COPS errors
- contain EAD holder ID that matches the COPS record.

The requested repayment date **must** be within the current AWP period of Friday through Thursday.

The storage credit will be calculated up to the applicable due date or repayment date plus 2 calendar days for certificate exchanges regardless of the date the bales are released.

The CCR invoice is valid for 21 calendar days, but may be canceled by the merchant any time before payment is submitted.

210.5 Redeeming Loans Using CCR (Continued)

B CCR Business Rules (Continued)

CCR will accept a repayment:

- **earlier** than the requested repayment date based on the amount due on the requested repayment date. Bales will be automatically released the later of:
  - date payment is processed
  - original due date
- **later** than the due date, but before the invoice expires. The repayment amount will be recalculated based on:
  - repayment rate in effect on the date of the wire transfer
  - a storage credit up to the wire date plus 2 days for certificate exchanges.

If insufficient funds are received:

- only bales for which funds are sufficient will be redeemed
- a new request will be required for remaining bales.

If overpayment is received, CCC will provide a refund by direct deposit to the merchant's account.

C Merchant Action

To use CCR, a merchant **must**:

- register to use the system
- obtain producer signature on CCC-605 dated June 21, 2004, or later
- coordinate with the EWR provider to make merchant the EAD holder for bales that are being redeemed
- electronically transmit to:
  - CCC a redemption request to the CCR system
  - CCC the requested repayment date
  - CCC a list identifying the receipts to be redeemed
  - FRB funds according to invoice instructions.

210.5 Redeeming Loans Using CCR (Continued)

D County Office Action

County Offices shall:

- review Exhibit 17.5 that provides a sequence of events for CCR's
- update the loan EAD indicator to "eligible", which allows use of CCR for that loan
- receive e-mail that CCR has been initiated for a loan
- download CCR repayment file
- liquidate loan in APSS, which completes the CCR process
- provide copies of CCC-500 to the producer
- file CCC-500 in the producer's loan file.

*--E Using CCC-605 When EAD Record Exists

Under normal circumstances loan bales will be redeemed through CCR if an agent of the producer, or a subsequent agent, generates the EAD record. However, there may be occasions when this agent, although able to use the CCR process, presents a redemption request at a County Office.

CCC-605 is:

- not required to be submitted in paper copy to a County Office for loan bales or an entire loan if:
  - the agent requesting repayment at the County Office is identified in COPS as the current EAD
  - the loan is repaid and bales released through CCR
- required for a redemption if there is no EAD established or if the existing EAD is not the same entity as the agent requesting repayment at the County Office.

  Note: If the entity requesting redemption is different from EAD in COPS, see subparagraph 210.7 B.

The original producer-signed paper copy of CCC-605 is required to be held by the producer's agent or subsequent agent that requested establishing the EAD record.--*

210.6 (Withdrawn--Amend. 22)

210.7 Updating the EAD Indicator

A Updating EAD Indicator * * *

***--**The following is a timeframe of events that affect setting the EAD status flag.

- When the EAD indicator for an individual loan is set to:

  - "N", CCR will reject loan redemption requests
  - "Y", the bales can be redeemed using CCR.

- The EAD status flag may be set **in APSS**. APSS includes the question, "Are these bales covered by EAD?" The answer to this question entered into APSS will automatically set the EAD flag in COPS. There will be no further need to enter COPS to set the EAD flag unless the producer requests in writing or on CCC-Cotton A:

  - a change from the current flag setting
  - an agent cancellation or that loan be removed from the CCR process.

- The EAD status flag may be reset **in COPS** for all loans after the loan is established (3-5 days after disbursement in APSS) based on the following:

  - receiving CCC-605 in the County Office (set flag to "Yes")

  - answer to the question on CCC Cotton A-5, item 21, or on CCC-Cotton A, "Do you agree that any agent you authorize to redeem this loan may use the automated EAD redemption process?" This question is included on CCC Cotton A-5 and CCC-Cotton A, dated September 30, 2005.--*****

210.7 Updating the EAD Indicator (Continued)

B Setting EAD Indicator for Redemptions Requested at County Office

County Offices shall set the EAD indicator for redemptions requested according to the following.

IF the EAD flag is set to…	AND the following request is made…	THEN the EAD indicator shall be…
"Yes"	producer cancels CCC-605 in writing	***--**set to "No". **Note:** Merchants previously identified as EAD cannot redeem loan**--*** cotton through CCR or at County Office.
	producer requests to redeem cotton	set to "No" and redemption request of producer is processed.
	entity that is not EAD request redemption	set to "No". This event indicates a dispute between merchants or an EAD error to be resolved before redemption is processed.
	entity that is EAD requests partial or full loan redemption	not changed and redemption request is processed.
"No"	merchant requests redemption of partial or all loan cotton	not changed and redemption request must be supported by submitting CCC-605.

--210.8 Processing CCR Transactions--

A COPS E-Mail Notification for Pending CCR

COPS places the receipts requested for redemption using CCR in a pending status. Pending status prevents subsequent action on the receipts (including redemption at a County Office) until the loan is redeemed or the repayment request is cancelled.

A CCR invoice is created that contains the following information based on the merchant's request:

- repayment date
- repayment amount
- invoice amount
- invoice expiration date.

COPS will send an e-mail to the County Office that provided the loan to advise that CCR has been requested for the applicable loan numbers. **County Offices shall place the applicable loan folder in a pending status.**

COPS will send additional e-mails when the:

- CCR has been completed and the County Office can process the repayment in APSS
- invoice is cancelled.

*--B Invoices With Negative Repayment Amounts

If CCR invoice contains a bale with a negative AWP bale value, COPS:

- defaults the negative AWP bale value to zero

  Note: Net repayment value can be negative because of storage credit.

- calculates the invoice repayment amount as the sum of all AWP bale values greater than zero

Note: The repayment amount will **not be adjusted** for the negative repayment amount.

Example: Receipts 1 and 2 have an AWP bale value of $200 each and a storage credit of $10 each. The net repayment for these two bales is $380 ($400 - $20). Receipt 3 has an AWP bale value of zero and a storage credit of $10. Net repayment for this bale is -$10 ($0 - $10). Repayment amount for the CCR invoice is $380. Repayment amount is not reduced by the -$10 for receipt 3.

Note: Before these modifications, CCR calculated the invoice repayment amount as $370 ($380 - $10).**--***

***--210.8 Processing CCR Transactions (Continued)**

B Invoices With Negative Repayment Amounts (Continued)

- provides the merchant with the ability to accept an invoice if **all** bales on the invoice have a negative repayment value, thereby confirming the redemption request

Upon repayment or acceptance of a zero balance invoice, the CCR system will:

- release all bales, including those with negative repayment value, to the buyer

- generate the following COPS errors:

  - R121, "CCC is not current receipt holder for CCR loan transaction", for bales with a positive repayment amount

  - R118, "CCR bale requires manual APSS redemption", for bales with a negative repayment amount

  Note: Errors will be removed when repayment has been recorded in APSS.

- remove bales with negative repayment values from county download files, which will contain only bales with positive repayment values

- create CCR County Bales for Manual Redemption Report for bales with negative repayment value that includes the following information:

  - invoice number
  - repayment date
  - storage credit date
  - AWP
  - merchant name and address
  - crop year
  - loan number
  - warehouse code/receipt number

- send e-mail notifications to County Offices that invoices with negative repayment bales require manual redemption.**--***

--210.8 Processing CCR Transactions (Continued)--

C Downloading and Processing CCR Repayment File (Continued)

When funds are wired and posted to COPS, receipts are released to EAD holder, and CCR repayment file is created that:

- contains:
  - repayment date
  - repayment amount
  - bales chosen for redemption
  - CCC-257 schedule number
- pre-fills all APSS repayment fields
- is downloaded and transferred to APSS using the cotton PC software.

To process CCR repayment, the County Office shall:

- download CCR repayment file according to COPS User Guide, Part 4.2
- transfer the repayment file to APSS according to paragraph 210.9
- liquidate the loan in APSS according to paragraph 210.10.

***--**If an invoice includes bales with a repayment value less than zero, CCR repayment file will be modified to remove these negative value bales and contain only bales with a repayment value greater than zero. County Offices shall:

- download CCR repayment file according to COPS User Guide, Part 4.2
- transfer the repayment file to APSS according to paragraph 210.9
- record the repayment of bales with a positive repayment value in the normal manner in APSS according paragraph 210.10.

Note: Bales with a negative repayment value will remain outstanding.

Repayment of bales with negative repayment values must be processed as **separate** repayments in APSS. County Offices will receive email notifications of invoices with negative repayment bales, and shall record the repayment of these bales as follows:

- print the CCR County Bales for Manual Redemption Report according to subparagraph 210.8 D
- process the repayment in APSS:
  - as a manual repayment so that a prior repayment date can be entered**--***

***--210.8 Processing CCR Transactions (Continued)**

C Downloading and Processing CCR Repayment File (Continued)

- as certificate redemption using **Option 2**, Commodity Certificate Repayment, on Screen PPC00000

- using CCR County Bales for Manual Redemption Report as the source document to complete applicable data fields

Note: Enter the storage credit date from report as the "Est. Receipt Release Date" on Screen PPC40200.

- issue check for storage credit to the redeeming merchant indicated on the report

- mail a copy of CCC-500 to the redeeming merchant along with the check for storage credit.**--***

*--210.8 Processing CCR Transactions (Continued)

D Accessing and Printing Report

County Offices shall access and print the CCR County Bales for Manual Redemption Report according to the following table.

Step	Action	Result	
1	On the COPS Home Page, select “Invoice Review” under the “Invoicing” tab.	Invoice Review Criteria Screen will be displayed.	
2	On the Invoice Review Criteria Screen, do 1 of the following:		
	• from the “Invoice Type” drop-down box, select “Cotton Redemption Invoice” and CLICK “List” • enter the invoice number in the invoice number data field.	• Invoice List Screen will be displayed with all invoices for the applicable county. Go to step 3. • Cotton Redemption County Invoice Screen will be displayed. Go to step 4.	
3	On the Invoice List Screen, select the invoice by clicking on the applicable line number.	The Cotton Redemption County Invoice Screen will be displayed.	
4	**IF...**	**THEN...**	
	the invoice contains bales that require manual redemption	• the Cotton Redemption County Invoice Screen will display the message, “There are bales to be manually redeemed on this invoice”; click the “Bales for Manual Redemption” button to view the .pdf report • an additional button labeled “Bales for Manual Redemption”.	
		IF...	**THEN...**
		the button labeled “Bales for Manual Redemption” displays	CLICK the “Bales for Manual Redemption” button; the CCR County Bales for Manual Redemption report will be displayed in .pdf report; print report.

--*

*--210.8 Processing CCR Transactions (Continued)

D Accessing and Printing Report (Continued)

The following is an example of the CCR County Bales for Manual Redemption report.

Note: Report may contain data for multiple loans.

CCR County Bales for Manual Redemption
Tuesday, January 31, 2006 14:46:45 CST

United States Department of Agriculture
Cotton Online Processing System

Fiscal Year = 2006, Invoice Number = 000000044, State Code = 13, County Code = 031, Repayment Date = 01/24/2006, Storage Credit Date = 01/26/2006, AWP = 0.4358,
Merchant Name = PF WILSON COTTON BUYERS, Address = PO BOX 4820 St Joseph, MO 64506

Crop Year	Loan Number	Warehouse Code/Receipt Number
2005	999	
		125501/2000030

This report contains 1 bale.

--*

210.9 Transferring CCR Repayment File to APSS

A Transfer Process

County Offices shall transfer CCR repayment file that has been downloaded from COPS to APSS for processing according to the following table:

Step	Action	Result
1	Select Option 4, "Centralized Repayment Functions", on Menu 001.	Menu 400 will be display.
2	Select Option 1, "Transfer Repayment Files to APSS", on Menu 400.	Screen PWC40100 will be display.
3	On Screen PWC40100, select: • **1 or more files** by clicking on the File Name. Click **"Next Screen"** • **all** files by clicking on **"Select All"** button.	**"Sign On to AS400"** box will be display.
4	Enter user's AS400 user ID and password. **Note:** Use AS400 password if it differs from System 36 password.	The selected files will be transferred to the AS400. Menu 400 will be redisplayed.

*--210.10 Processing CCR Repayments in APSS

A Recording CCR Repayment

County Offices shall record CCR repayments in APSS according to the following table.

Note: **All** repayments on a single invoice must be recorded in APSS on the **same** day so CCC-257 can be closed out before end-of-day processing.

Step	Action	Result	
1	On Menu PCA005, select Option 4, "Repay a Loan/Refund LDP Amount". PRESS "Enter".	Screen PCA11000 will be displayed.	
2	On Screen PCA11000, enter: • producer's ID and type • crop year • loan number. PRESS "Enter".	Screen PCA12000 will be displayed.	
3	On Screen PCA12000, Enter: • "Y" or "N", as applicable, to the question, "Is this the correct producer?" • "N" to the question, "Is this a recording of a manually made action?". CCR repayments **cannot** be recorded as a manual transaction. PRESS "Enter".	**IF** the producer is…	**THEN**…..
		correct	Screen PCA14000 will be displayed. Go to step 4.
		not correct	Screen PCA11000 will be redisplayed. Return to step 2.
4	On Screen PCA14000, the loan information will be displayed. Enter "Y" or "N", as applicable, to the following questions: • "Is this the correct loan?" • "Do you wish to see bin/receipt information for this loan?". PRESS "Enter".	**IF…**	**THEN…**
		"Y" was entered to both questions	Screen PCA14000 will be redisplayed. Go to step 5.
		the loan is **not** correct	Screen PCA11000 will be redisplayed. Return to step 2.
		the loan is correct and the user does **not** wish to see disbursements on this loan	Screen PCA14000 will be redisplayed. Go to step 5.

--*

*--210.10 Processing CCR Repayments in APSS (Continued)

A Recording CCR Repayment (Continued)

Step	Action	Result	
5	On Screen PCA14000, the message, "The loan is now marked as in-use by your workstation. Please Wait", will be displayed.	**IF the user…**	**THEN…**
		requested to see the disbursements on this loan	Screen PCA15000 will be displayed. Go to step 6
		did **not** request to see the disbursements on this loan	Menu PPC00000 will be displayed. Go to step 7.
6	On Screen PCA15000, the disbursements made on the loan will be displayed. After viewing disbursements, PRESS "Cmd1". **Note:** PRESS "Enter" to continue viewing disbursements on additional bales.	Menu PPC00000 will be displayed.	
7	On Menu PPC00000, ENTER 3, "Centralized Repayment". PRESS "Enter".	Screen PPC00090 will be displayed.	
8	On Screen PPC00090, ENTER the file name of the CCR invoice you wish to process.	Screen PPC00095 will be displayed.	
9	On Screen PPC00095, verify that the correct file has been selected.	**IF….**	**THEN…**
		correct	ENTER "Y" to the question, "Is this the correct file?". Screen PPC42700 will be displayed.
		incorrect	PRESS "Cmd7". Menu PCA005 will be displayed.

--*

*--210.10 Processing CCR Repayments in APSS (Continued)

A Recording CCR Repayment (Continued)

Step	Action	Results	
10	On Screen PPC42700, Enter "Y" or "N" to the question, "Do you wish to complete this Repayment?"	**IF you…**	**THEN…**
		answered "Y"	Screen PPC98000 will be displayed. The amount received will be pre-filled. PRESS "Enter". Screen PCA97000 will be displayed.
		answered "N"	Menu PCA005 will be redisplayed.
11	On Screen PPC98000, enter the printer ID and number of copies to print forms. PRESS "Enter".	CCC-500 will be printed. Screen PCE50010 will be displayed.	
12	On Screen PCE50010, Enter "Y" or "N" to the question, "Do you want to reprint this form?"	**IF…**	**THEN…**
		"Y" was entered	CCC-500 will be reprinted. Screen PCE50010 will be redisplayed. Repeat this step.
		"N" was entered	CCC-Cotton A-1 will be printed. Screen PCE50010 will be displayed.

210.10 Processing CCR Repayments in APSS (Continued)

A Recording CCR Repayment (Continued)

Step	Action	Results
13	Accounting – Cash Receipts procedure begins. Complete the accounting process according to 1-FI with the following: • "**1EFT**" for the Check/Item Number • **total invoice amount** as the amount of the remittance. **Note:** If the invoice contains multiple loan repayments, ENTER "**1EFT**" for the Check/Item Number for each subsequent repayment. The balance of the total invoice amount will be used to repay each subsequent ***--**transaction. For excessively large invoices, use more than 1 check/item number. **Example:** "1EFT" would include repayments for the first 300 repayments, "2EFT" would be used for the next 300 repayments, and so on.**--***	After Accounting procedure is complete, Menu PCA005 will be redisplayed. Return to Step 1. CCC-257 **must** be prepared after **all** repayments on a single invoice have been recorded. Provide copy of CCC-500 to: • contact producer • warehouse where the loan collateral was stored.

*--210.11 Correcting COPS Errors

A Processing CCR Repayments for Loans that Contain COPS Errors

County Offices shall **immediately** research and resolve all COPS errors on disbursed loans as soon as notified because CCR will:

- reject bales if they have COPS errors that are listed in subparagraph B
- allow a bale to be redeemed if it contains other errors not listed in the table, but these errors must be corrected before processing CCR in APSS because they could affect the repayment amount.

If COPS errors remain on a loan which has a pending CCR, County Offices shall take the following action:

- do **not** correct COPS errors for receipts in a pending CCR invoice until notified that the loan **has been repaid**
- correct COPS errors **after** the receipt has been repaid, but **before** recording the repayment in APSS
- record CCR according to subparagraph C.**--***

*--210.11 Correcting COPS Errors (Continued)

B COPS Errors That Result in CCR Rejection

CCR will reject bales that have any of the following COPS errors.

COPS Error Code	Error Description
R015	Warehouse Code/Warehouse Receipt number does not match EWR.
R025	Gin tag number is invalid.
R030	Duplicate gin code/gin tag.
R031	Gin code/gin tag was duplicated by another bale. Confirm bale information.
R040	State and/or County code are invalid.
R050	Disbursement date is invalid.
R122	CCC cannot be the holder of an LDP.
R125	Selected warehouse is not an approved warehouse or is not in active status.
R130	Loan number is invalid.
R140	Disbursement date is prior to storage start date.
R141	Disbursement date is less than document received date.
R142	Disbursement date is less than storage start date.
R143	Disbursement date is less than crop year start date.
R201	Loan or LDP made without AMS classing.
R202	Loan or LDP must be recalculated.
R907	State/County does not match current CRTS record.

--*

210.11 Correcting COPS Errors (Continued)

C Reversing and Re-entering CCR Repayments in APSS

It may be necessary to reverse a CCR repayment to correct a loan that contains COPS errors. Reversing and re-entering CCR repayments **cannot** be done in the same manner as regular cash or certificate repayments because of certain conditions that exist for deposits with an alpha-numeric deposit number.

--**Instructions for reviewing CCR repayments to correct loans will be in a forthcoming amendment.**--

*** * ***

***--210.11 Correcting COPS Errors (Continued)**

C Reversing and Re-entering CCR Repayments in APSS (Continued)

If the repayment to be re-entered is a certificate exchange and the loan has a current receivable, this receivable **must be repaid** before re-entering the certificate exchange.

Note: APSS will not allow the entry of a certificate exchange on loans that have an outstanding receivable or overpayment.

If the amount of the REFREP check is:

- **more** than the receivable plus the corrected loan repayment, process the receivable repayment first, then re-enter the loan repayment

  Note: A refund should be issued to the merchant redeeming the loan.

- **less** than the receivable amount plus the corrected loan repayment:

- collect the balance of the loan repayment from the merchant or producer who redeemed the loan

- re-enter the repayment using the REFREP check and the additional funds.

  Note: APSS will only allow a certificate exchange if there are sufficient funds.**--***

--

Section 4 Loan Forfeitures, Ginned Cotton

211 Forfeiture Policy

A Producer Charges

[7 CFR 1427.12 and 1427.13] If upland cotton or ELS cotton loan collateral is forfeited to CCC in satisfaction of the loan obligation, the producer will be billed and shall pay to CCC any unpaid warehouse charges for:

- storage that accrued before the date all documents required from the producer for the loan were received at the County Office at the rate established by the warehouse

- any charges for storage during the term of the loan represented by the difference between ***--**the CSA rate for loan cotton and the rate established by CCC for storage credits**--***

- any unpaid warehouse receiving charges including charges for new ties

- any unpaid warehouse compression charges or other charges added by the warehouse that reduce the value of the cotton delivered to CCC.

See paragraph 224.6 about charges for outside-stored ELS loan cotton.

B Charges Related to Transfer or Reconcentration

Any charges, fees, costs, or expenses resulting from:

- the reconcentration of cotton (the relocation of CCC-owned inventory) shall be paid by CCC

- the transfer of cotton while under loan and before forfeiture to, and ownership by, CCC shall be paid by the requestor of the transfer. Any such transfer charges that are unpaid at the time of forfeiture to CCC shall be billed to the producer by CCC.

211 Forfeiture Policy (Continued)

C Processing Forfeitures

County Offices shall process cotton loan forfeitures **immediately** after the maturity date.

*--County Offices may **not** accept funds from a producer or buyer to repay a matured loan at principal plus interest if funds are submitted after maturity but before the forfeiture has--* been processed.

* * *

Process loan forfeitures through APSS according to paragraph 212.

D Charges Due on Forfeited Loans

County Offices will be notified by COPS of the applicable charges to be collected from the producer according to paragraph 214.

212 Loan Forfeitures Process Through APSS

A Purpose

This process will allow partial or full forfeiture of a cotton loan.

Important: Do **not** release EWR's when processing a partial or full forfeiture. For EWR's, CCC **must** continue to be listed as holder when bales are forfeited to CCC.

B Forfeiture Process

Process forfeiture according to the following table.

Step	Action	Result	
1	On the Price Support - Main Menu PCA005: • ENTER "6" • PRESS "Enter".	Screen PCA11000 will be displayed.	

2	On Screen PCA11000:
	• enter:
	  • producer ID and type
	  • crop year
	  • *****--the loan number of the forfeited bales--*****
	• PRESS "Enter".
		Screen PCA12000 will be displayed.	

3	On Screen PCA12000: • ENTER "Y" or "N" • PRESS "Enter" to answer the question, "Is this the correct producer?"	**IF...**	**THEN...**
		"Y" was entered	• Screen PCA14000 will be displayed • go to step 4.
		"N" was entered	• Screen PCA11000 will be redisplayed • go to step 2.
4	On Screen PCA14000: • ENTER "Y" or "N" • PRESS "Enter" to answer the question, "Is this the correct loan?"	**IF...**	**THEN...**
		"Y" was entered	Screen PFA20000 will be displayed.
		"N" was entered	• Screen PCA12000 will be redisplayed • go to step 3.

212 Loan Forfeitures Process Through APSS (Continued)

B Forfeiture Process (Continued)

Step	Action	Result	
5	On Screen PFA20000, select 1 of these options: • "1", full cotton forfeiture • "2", partial cotton forfeiture - display receipt numbers to be forfeited • "3", partial cotton forfeiture - enter receipt numbers to be forfeited	**IF...**	**THEN...**
		"1" was selected	Screen PFA22000 will be displayed. Go to step 8.
		"2" was selected	Screen PFA21000 will be displayed. Go to step 6.
		"3" was selected	Screen PFA21500 will be displayed. Go to step 7.
6	Screen PFA21000 will display all of the warehouse receipt numbers. If: • all warehouse receipt numbers displayed on the screen are to be forfeited, PRESS "Cmd22" • part of the receipt numbers displayed on the screen will be forfeited, ENTER "Y" by each receipt number to be forfeited. PRESS "Enter" to continue.	Screen PFA22000 will be displayed.	
7	Screen PFA21500 will be displayed. • Enter all receipt numbers that will be forfeited. • PRESS "Enter".	Screen PFA22000 will be displayed.	
8	Screen PFA22000 will be displayed for verification. If: • statements are correct, PRESS "Enter", and the loan will be updated and forfeited • statements are incorrect, PRESS "Cmd7" to end forfeiture. All forfeiture data will be deleted.	The Price Support - Main Menu PCA005 will be redisplayed.	

213 Sending Forfeiture Documents to KCCO

A When to Send

Immediately after the loan maturity date and after the loan has been forfeited in APSS, County Offices shall send applicable documents to KCCO.

B What to Send

County Offices shall package the following together in a box or regular envelope:

- paper warehouse receipts, if applicable
- a copy of Producer Loan Statement B for reconcentrated cotton
- the transmittal control document that lists both paper and EWR's warehouse receipts and that is generated by the end-of-day process.

Note: Identify packages as "1 of 2", "2 of 2", etc. County Office shall maintain a file of all documents sent to KCCO.

C Marking the Package

County Offices shall:

- show return address and the State and county codes on the outside of the package
- mark the front of the package or regular envelope, "COTTON FORFEITURE DOCUMENTS".

D Mailing the Documents

County Offices shall send package or envelope by first-class mail to:

--**KCCO, CMD, SCB **--
STOP 8748
PO BOX 419205
KANSAS CITY MO 64141-6205.

214 Collecting Charges Due on Forfeited Loans

A Determining Charges Due

[7 CFR 1427.11(f)] The payment of charges under warehouse loans, forfeitures, and ***--**transfers are summarized in Exhibit 18. When loans are forfeited, and after warehouse charges are paid by KCCO, KCCO will determine the total of the following 4 amounts**--*** that will be billed to the producer:

- warehouse storage charges that accrued **before** the date all documents required from the producer for the loan were provided to the County Office

- unpaid warehouse receiving charges including any charges for new ties

- ***--**unpaid warehouse compression charges

- warehouse storage changes that accrued starting the date all documents were received that exceed the storage credit rate.

Any charges billed to the producer will be based on the tariffs effective at the warehouse where forfeited. Thus, charges related to loan bales that were transferred and then forfeited are based on charges at the receiving warehouse.**--***

The <u>date documents provided</u> (enter on CCC Cotton A-5, item 8) is the **later** of the following dates that CCC received any of the following documents required for the loan:

- the date of receipt of a signed CCC Cotton A-5 and all other required documents listed in subparagraph 181 B

- the date CCC was made holder of EWR's as specified on the EWR Validation Review Report

  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.

- the date paper warehouse receipts were delivered to the County Office.

B Collecting Charges Due From Producer

[7 CFR 1427.13(e)] When the producer collection invoice is posted to COPS, the County Office shall:

- follow subparagraph 215 A to access the invoice

214 Collecting Charges Due on Forfeited Loans (Continued)

B Collecting Charges Due From Producer (Continued)

- follow subparagraph 215 B to print the invoice

  Important: COPS will generate an invoice for charges of $9.99 or less, but will automatically write off the charges. County Offices shall **not** take collective action for these invoices. Invoices of $9.99 or less may be accessed and printed in COPS under Invoice Review by selecting:

  - Invoice Type of "Producer Collection Invoice"
  - Status of "Writer-off Producer Collection $9.99 or Less".

- determine whether the producer collection invoice is for the correct producer and loan

- ***--**if statement of charges is incorrect, contact ADC-PSCAO-CLG to request a corrected**--***
  statement of charges by:

  - telephone at 816-926-2638
  - e-mail at **janet.delancey@kcc.usda.gov**

- if statement of charges is correct, establish receivables in CRS according to 67-FI, with:

  - **all** producers who signed CCC-Cotton A as debtor or co-debtors
  - discovery code of "10"
  - reason code of "300"
  - program code of "XXUPCNFORF"

Note: "XX" is the last 2 digits of the crop year.

- send producer CRS-generated initial notification letter

- immediately update the producer collection invoice with the receivable information according to subparagraph 215 C

- notate the receivable number on the producer collection invoice and file a copy in the producer's loan folder.

214 Collecting Charges Due on Forfeited Loans (Continued)

C Collecting Charges Due for LSA Producers

If LSA producer invoices remain **unpaid 30 calendar days after** the date of the LSA notification letter, LSA's shall contact producer's administrative County Office to request that a receivable be established. LSA will provide a case file that contains copies of:

- producer collection invoice
- LSA notification letter
- documentation of any collection activity.

Administrative County Offices shall:

- establish a receivable according to 67-FI with:
  - **all** producers who signed CCC-Cotton A as debtor or co-debtors
  - discovery code of "10"
  - reason code of "300"
  - program code of "XXUPCNFORF"

--Note:** County Offices do **not** have access to LSA producer invoices in COPS; however, they will record the receivable number on the COPS Invoice Payment Screen according to subparagraph 215 C. The receivable number should be obtained from required documentation submitted by LSA.**--

- issue the computer-generated notification letter created by CRS; notate that this debt is related to a loan disbursed by LSA

  Important: Because LSA **cannot** provide due process to producers for debts owed CCC, the administrative County Office **must** issue a notification letter and 1st demand letter before a claim can be established.

- continue producer notification and debt collection according to 67-FI and 58-FI

•***--**contact Diana Johnson by e-mail to **diana.johnson@kcc.usda.gov** and provide the**--*** following:

- receivable number
- LSA name.

Any funds collected by LSA after the receivable has been established will be forwarded to the administrative County Office to be recorded as a debt collection.

214 Collecting Charges Due on Forfeited Loans (Continued)

D Explanation of Debt in Notification Letters

County Offices shall add the following text on Screen AQK15201 to the notification letter generated in the receivable software:

"The forfeiture of your cotton loan number ____ (issued by _____ LSA, if applicable). You were notified of this loan's maturity date and of the options available to you. By having decided to forfeit the loan collateral in satisfaction of the loan, you agreed to pay to CCC at rates that are specified in the storage agreement between the warehouse and CCC all:

- warehouse storage charges that accrued before the date all documents required from you for the loan were provided to the County Office, and

- unpaid warehouse receiving charges including any charges for new ties

- *****--unpaid warehouse compression charges

- warehouse storage charges that accrued staring the date all documents were received that exceed the storage credit rate.**--***

214 Collecting Charges Due on Forfeited Loans (Continued)

D Explanation of Debt in Notification Letters (Continued)

This is an example of the initial notification letter for charges due.

*--

United States Department of Agriculture
Farm Service Agency

LOGAN COUNTY FSA OFFICE
21 LONA DRIVE
STERLING, CO 80751-4715
Telephone: 303-522-7440

Debt Notification Date: (**Current Date**)

SAMIE SAENZ
2 EAST BEVA ROAD
CHEYENNE, WY 82001-9605

Dear SAMI SAENZ:

This is to notify you that the County Committee has determined that you have a debt arising from the forfeiture of your cotton loan number_____ (**issued by** _____). You were notified of this loan's maturity date and the options available to you. By having decided to forfeit the loan collateral in satisfaction of the loan, you agreed to pay to CCC at the rates that are specified in the storage agreement between the warehouse and CCC all:

1) warehouse storage charges that accrued before the date all documents required from you for the loan were provided to the County Office

2) unpaid warehouse receiving charges including any charges for new ties

3) unpaid warehouse compression charges, if applicable, and

4) warehouse storage charges exceeding the storage credit rate that accrued during the loan period.

The amount you owe consists of:

Principal Interest Other Charges
Total

(**enter applicable amounts**)

The amount shown above has been recorded for offset from any FSA or CCC payment due you.

We want to work with you to resolve this matter. Depending upon your situation, there is the possibility of paying this debt in installments. If you have any questions regarding this matter, please do not hesitate to contact us.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the County Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedure found at 7 CFR Part 780. If you appeal to the County Committee, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you appeal this determination to the County Committee, you may later appeal an adverse determination of the County Committee to the FSA State Committee or National Appeals Division (NAD). To appeal, write to the County Committee at the following address and explain why you believe this determination is erroneous. (**insert COC address**).

You may contact the County Office to receive a copy of the documents related to this determination.

Sincerely,

County Executive Director

--*

215 Accessing and Updating Producer Collection Invoices

A

Accessing *--Invoices in COPS

County Offices shall access COPS to print producer collection invoices in "Waiting Payment" status according to the following table.

Step	Action	Result
1	Enter the COPS Internet address, **http://www.fsa.usda.gov/cotton**, into the address field on the Internet browser.	The COPS Home Page will be displayed.
2	On the COPS Home Page, click "Invoice Review" under the "User Function" heading.	The Secure System Logon Screen will be displayed.
3	On the Secure System Logon Screen: • enter the user ID and password • click "Logon". **Note:** If the user does not have a user ID and password, contact the State Price Support Specialist through the State Office Security Officer.	The COPS Logon Confirmation Screen will be displayed.
4	On the COPS Logon Confirmation Screen, click "Continue".	The COPS Invoice List Criteria Screen will be displayed with the county's State and county code shown.
5	To display the COP's Invoice List Criteria Screen: • select producer collection invoice from the Invoice Type drop-down list box • select "Awaiting Payment" from the Status drop-down list box • for single county users, the State and county codes will be defaulted • for multiple county users, select the applicable State and county codes from the drop-down list boxes • click "List".	The COPS Invoice List Criteria Screen will be redisplayed with a list of all producer collection invoices with a "Waiting Payment" status. To print this screen: • click "File" on the Tool Bar • select "Print Frame" from the File drop-down menu • click "OK" to print.--*

Continued on the next page

B
Printing
***--Producer**
Collection
Invoices

After completing steps in subparagraph A, County Offices shall print the producer collection invoices by continuing with the following table.

Step	Action	Results
1	On the COPS Invoice List Screen, click "Line No." to print the invoice.	The Producer Collection Invoice Detail Screen will be displayed with the following information: • the first 100 bales • invoice page number in the upper right hand corner of the screen. A screen print will be necessary for each page of invoice. **Example:** "Invoice page: 1 or 3" will require 3 print jobs to capture the entire invoice.
2	On the Producer Collection Invoice Detail Screen: • click "File" on the Tool Bar • click "Print Frame" from the drop down menu.	The print dialogue box will be displayed.
3	Click "OK".	Invoice for the first 100 bales will be printed.
4	If the invoice contains more than 100 bales, scroll down to bottom of the screen. Click "Next 100 Receipts".	Page 2 of the invoice listing the remaining bales, or next 100 bales if the invoice contains more than 200 bales, will be printed. Repeat steps 2 through 4 to print the remaining pages of the invoice.**--***

Continued on the next page

C

Updating Invoice

***--**After a receivable has been established for the producer collection invoice, County Offices shall **immediately** update the invoice payment status in COPS with the receivable information according to the following table. **Do not** wait to update COPS after payment has been received.

Step	Action	Result
1	Type the COPS Internet address, **http://www.fsa.usda.gov/cotton**, into the address field on the Internet browser.	The COPS Home Page will be displayed.
2	On the COPS Home Page, click "Invoice Payment" under the "User Function" heading.	The Secure System Logon Screen will be displayed.
3	On the Secure System Logon Screen: • enter the user ID and password • click "Logon". If the user does not have a user ID and password, contact the State Price Support Specialist through the State Office Security Officer.	The COPS Logon Confirmation Screen will be displayed.
4	On the COPS Logon Confirmation screen, click "Continue".	The COPS Invoice Payment History Criteria Screen will be displayed.
5	On the COPS Invoice Payment History Criteria Screen, enter the invoice number and click "Submit".	The Invoice Payment Screen for the chosen invoice will be displayed.

--*

Continued on the next page

C
Updating Invoice (Continued)

Step	Action	Result
6	On the Invoice Payment Screen, enter: •*--date receivable was established • receivable number • re-enter receivable number • click "Update Receivable".	The dialog box will be displayed with the question, "Are You Sure You Want to Update This Invoice to Receivable Status?". Verify the receivable number and date. If the user selects: • "Yes", the Invoice Payment Screen will confirm that the invoice has successfully updated • "Cancel", the dialogue box will be removed. Repeat step 6 to re-enter the receivable information. To return to the: • Invoice Detail Screen, click "To Invoice Details" • the COPS Home Page, click on "COPS Home.

D
Establishing Claims

If invoice charges remains unpaid 60 days after the notification letter has been sent to the producer(s), County Offices shall transfer the receivable to claims status according to 67-FI, Part 6.--*

Continued on the next page

215 Accessing and Updating Producer Collection Invoices (Continued)

E Recording Collections of Invoice Charges

County Offices shall record a collection of invoice charges according to instructions in:

- 58-FI, Part 7, for claims
- 67-FI, Part 5, for receivables.

Note: Since COPS was updated with the receivable information, it is **not** necessary to update the producer collection invoice to "Paid".

216, 217 (Reserved)

Section 5 (Withdrawn--Amend. 32)

218-220 (Withdrawn--Amend. 32)

221 (Reserved)

Part 3.5 Outside-Stored ELS Loans

Section 1 Eligibility and General Requirements, Outside-Stored ELS

222 Producer Eligibility Requirements

A General Eligibility Requirements

General producer loan eligibility requirements applicable to all cotton loan applications are provided in Part 2, Section 1.

B Outside-Stored Loan Eligibility

The eligibility requirements for producers requesting an outside-stored, ginned ELS cotton loan are the same requirements that apply to producers applying for other ginned cotton loans.

* * *

222.5 Cotton Eligibility Requirements [7 CFR 1427.5(c)] [7 CFR 1427.10(e)]

A Quality Requirements

Under the outside-stored loan program, ELS cotton is subject to the same quality requirements that apply to warehouse-stored ELS loan collateral according to subparagraph 123 C. Producers are not required to present classification information to substantiate the quality of collateral for this loan, but any cotton delivered to CCC under this loan will be considered ineligible if the minimum quality requirements are not met.

B Requirements Not Applicable to Outside-Stored Loans

Under an outside-stored loan, ELS cotton is not subject to:

- the requirement for an applicant to provide CCC with classification information on the cotton, as required for warehouse-stored cotton

- the storage and warehouse receipting requirements stated in subparagraphs 121 A and C.

Note: ELS cotton is **ineligible** for an outside-stored loan if a warehouse receipt has been issued for it, whether or not such receipt is presented to CCC. Such cotton is eligible for a warehouse-stored loan as provided under Part 3.

222.5 Cotton Eligibility Requirements [7 CFR 1427.5(c)] [7 CFR 1427.10(e)] (Continued)

*--C Areas Approved for Outside Storage

Loans for outside-stored ELS cotton are available only in the counties or areas identified in Exhibit 18.5.

Areas approved for outside storage of ELS are determined by 1 of the following methods.

- Effective for the 2003 and subsequent crops, CCC determined and announced the arid areas identified in the following table as approved for outside storage of farm-stored ELS loan bales. Warehouse-receipted ELS loan bales must be stored inside an approved cotton warehouse unless CCC additionally determines that the entire State is storage deficit for a crop year.

Arid State	Areas Approved for Outside Storage of Farm-Stored ELS Loan Bales
Arizona	Maricopa, Pinal, and Yuma Counties
California	Imperial and Kings Counties Fresno County West of Hwy 90 Kern and Tulare Counties West of Hwy 99 Merced County South of Hwy 152
New Mexico	Dona Ana and Luna Counties
Texas	El Paso County

Note: If CCC determines and announces that any of the arid States are also storage deficit for an individual crop year, then warehouse-receipted ELS and upland cotton loan bales may be stored outside in this State subject to the following requirements.

- Starting with the 2007 crop, CCC will annually announce whether any State is determined to be storage-deficit for the crop year. In these States:

  - farm-stored ELS loan bales may be stored outside in the entire State

  - warehouse-receipted upland or ELS cotton loan bales may be stored outside at a warehouse that applies and receives CCC approval for such storage subject to various insurance, handling, and reporting requirements.**--***

222.6 Bale Eligibility Requirements [7 CFR 1427.5(b)(9)] [7 CFR 1427.8(b)]

A Bale Requirements Similar to Warehouse Loan Bale Requirements

For eligibility under the outside-stored loan program, bales must:

- meet basic requirements as provided by subparagraphs 118 B and C, 123 C, and 124 A and paragraphs 119 and 120 *** * ***

- weigh at least 325 pounds

  Note: Bales exceeding 600 pounds net weight will be provided a loan rate based on 600 pounds net weight.

- **not** be:

  - reginned
  - repacked
  - ginned on a saw gin
  - mixed ELS and upland cotton
  - fire damaged or water damaged.

B Requirement Specific to Outside-Stored Loans

Bales must be identified by the gin code and gin tag (bale number) and sufficient address information to enable CCC to view the cotton. This requirement replaces the need for a list of warehouse receipts.

The bales must be located in an area identified in Exhibit 18.5 to be eligible for an outside-stored loan.

*--222.7 Producer Responsibilities and Liabilities [7 CFR 1427.18]

A Terms and Conditions of Loan Note

Producers shall be advised to understand the terms and conditions in CCC-601 ELS Appendix. The terms and conditions applicable to outside-stored ELS cotton are different than those for warehouse-stored loans. See Exhibit 19 for an example of CCC-601 ELS Appendix.

B Producer Certification of Cotton

The producer is required to certify, by signing CCC-601 ELS Appendix, that the cotton:

- is packaged in a hermetically sealed bag at an internal humidity level to safeguard cotton quality
- meets the same minimum quality requirements as apply to warehouse-stored ELS loan collateral set forth in 7 CFR 1427.5(c)
- has not been ginned on a saw gin and is not reginned, repacked, mixed ELS and upland cotton, fire damaged, or water damaged.

  Note: County Offices are not required to verify the quality of cotton used as collateral for an outside-stored loan. Cotton loan collateral below the minimum requirements is not deliverable to CCC.

C Producer Certification of Packaging and Storage

The producer is required to certify, by signing CCC-601 ELS Appendix, that the cotton:

- packaging materials meet or exceed industry minimum standards
- the storage area is:
  - suitable for cotton storage
  - constructed to prevent water accumulation under the cotton
  - outside a 100-year floodplain
  - serviced by bale handling and transport equipment that will not damage the bag or the drainage characteristics of the storage area.--*

222.8 Loan Requirements, Exemptions, Conversion to Warehouse

A Requirements

Outside-stored ELS cotton loans are subject to the requirements of warehouse-stored loans regarding:

- producer and commodity eligibility
- beneficial interest
- availability and maturity dates
- service, research, and promotion fees
- allowable and nonallowable charges.

B Exemptions

Outside-stored ELS cotton loans **are exempt from** the requirements of warehouse-stored loans to be:

- stored in an approved warehouse
- represented by a warehouse receipt
- represented by classification information before the loan is disbursed.

C Converting Outside-Stored Loans to Warehouse Loans

ELS cotton pledged as collateral for an outside-stored loan may be repledged as collateral for a warehouse loan. *** * ***

223 Bale Information Requirements

A Classification Information

Loan applicants are **not** required to provide classification information as a condition of applying for, or receiving, an outside-stored ELS loan.

CCC does **not** request or use any classification information established before the loan application is made or the loan is disbursed.

If the collateral of an outside-stored ELS loan is delivered (forfeited) to CCC, the producer is responsible to present CCC with classification information based on samples drawn by an approved individual within 30 calendar days after the cotton has been delivered into a warehouse designated by CCC.

B Other Required Information

Applicants for outside-stored ELS loans **must** provide the following information before a loan application can be accepted:

- gin code and gin tag numbers for each bale
- net weight of each bale
- address of the cotton collateral storage location.

Preprocessed bale data can be accepted by diskette or e-mail. If bale data is submitted electronically, the **producer must sign and date a paper copy** of the bale information to ensure that the electronic list corresponds to the producer's loan request.

Follow paragraph 330 to process cotton bale data received electronically. Any diskette received does **not** need to be retained; the signed, paper copy is sufficient record.

C Information Not Required

The forms and documentation identified in subparagraph 181 B, as required for a loan application, also apply to an outside-stored ELS loan, except for the following:

- warehouse receipts
- classification data.

*** * ***

223.5 Loan Rate

A Loan Rate Calculation

The loan rate for an outside-stored ELS cotton loan is the national average loan rate for ELS, ***--**without adjustment of any premiums or discounts that may apply to warehouse-stored ELS loans. The loan principal is the national average loan rate times the net weight of the bales.

Do not reduce the disbursement amount to 75 percent of the computed amount.**--***

223.6 Fees: Loan Service and Research and Promotion

A Service Fees

According to paragraph 173, loan service fees are calculated and applied to outside-stored ELS loans in the same manner as warehouse-stored loans.

B Research and Promotion Fees

--**Research and promotion fees **do not** apply to ELS cotton loans.**--

*--223.7 Filing UCC's for Outside-Stored ELS Cotton

A Revision to Article 9 of UCC

All States have adopted the revision to Article 9 of UCC. One of the key changes included centralizing the electronic filing of most security interests for States without a pre-existing centralized filing system. However, as States transition to a centralized, electronic UCC filing and recording system, the means by which UCC's are filed and paid for may vary from State to State. State Offices shall:

continue to follow the advice of the regional attorney
request, from PSD, isolated exceptions to policy in this paragraph based on the following:

written direction or recommendations from the regional attorney
PSD concurrence.

Example: The regional attorney advises that filing UCC-1 without a loan applicant's signature negates the double jeopardy protection afforded secured lenders by certain State laws according to Pub. L. 99-198, Section 1324. In this case, upon PSD concurrence, the State Office may direct County Offices to continue requiring that a loan applicant must sign UCC-1, as advised by the regional attorney.

B Applicability

County Offices shall file applicable UCC-1's required by State law to protect CCC's security interest for all ELS cotton submitted as collateral for an outside-stored loan.

Note: An outside-stored ELS loan cannot be provided to cotton for which a warehouse receipt has been issued.**--***

*--223.7 Filing UCC's for Outside-Stored ELS Cotton (Continued)

C When to Disburse Loans

County Offices shall:

disburse loan proceeds after:

appropriate documents have been filed
written verification of the UCC-1 filing date and time are received

not delay loan disbursements until the applicable form has been **recorded** by the proper official.

D Where to File UCC's

Generally, UCC's are filed in the State where, in the case of an:

individual, the individual resides
organization or entity, the organization or entity was registered.

Note: See CCC-10, item 5, to determine the UCC filing location.

The UCC-1 filing location no longer depends on the location of the commodity, as shown in the following table.

IF...	THEN...
nonreceipted ELS loan cotton is stored in: multiple counties within the same State a State different from the producer's principle residence	file UCC in the State having jurisdiction according to the current CCC-10, unless otherwise advised by the regional attorney.
farm-stored loan collateral is moved to another State for storage after perfection of the lien	no additional UCC-1 is filed because the lien is still perfected, unless otherwise advised by the regional attorney.

--*

223.7 Filing UCC's for Outside-Stored ELS Cotton (Continued)

E Describing Collateral on UCC's and Other Situations

Describe collateral on UCC's according to the following.

IF...	THEN...
additional quantity is placed under loan	file another UCC-1 describing the collateral if the quantity is **not** covered by a previously recorded UCC.
existing UCC-1 for that commodity covers all the current year production	it is **not** necessary to file additional UCC-1's.
producer requests a specific quantity	only that quantity needs to be described on UCC-1 before the loan is disbursed.
producer agrees to lien on quantity greater than the loan quantity requested that may also apply to more than 1 crop year or may be effective until UCC-1 expires	describe the collateral on UCC-1 as advised by OGC.

F Paying Filing Fees

***--**Paying filing fees required for lien searches or filing of UUC-1 shall be according to the following policy and procedure.

If the lien search or UCC-1 recording fees are paid by…	THEN….
the producer	• the lag time between a loan request and disbursement may be reduced • producers pay for lien search or filing fees with a negotiable document (check, cashier's check, money order) payable to the applicable recording office.
CCC	• a delay may occur because of fees being mailed by NPS to the recording office • County Office payments are made by NPS according to 1-FI procedures • producer **must** have filed CCC-10.

Note: If a producer requests termination of CCC's security interest, the COF prepares an applicable UCC, at producer's expense.**--***

*--223.8 Special Instructions for Loan Application Forms

A Special Instructions

The following special instructions apply to forms completed for outside-stored ELS cotton loan applications.

Form	Item	Instruction
CCC Cotton A-5	6	Enter the address of the storage location. A warehouse location may be accepted as long as a warehouse receipt has **not** been issued for the cotton collateral for the outside-stored loan.
	7	Enter the number of bales. There should be no warehouse receipts.
CCC-Cotton A	Warehouse Code	Enter the storage address of the cotton. Loan amount is calculated as the total net weight of the loan bales times the national average loan rate for ELS. No adjustments are made for any quality factor.
CCC-601 ELS Appendix		CCC-601 ELS Appendix **must** be signed and dated by all loan applicants. This form contains the terms, conditions, and producer certifications specific to an outside-stored ELS loan.

--*

223.9 Manual Process for Outside-Stored ELS Loans

A When Manual Loans Shall Be Prepared

If APSS is inoperable and it is expected to be inoperable for at least 4 workdays from the time the loan is requested, and all documents required from the producer for the loan are presented by the producer or authorized agent for loan, County Offices shall prepare the loan manually, only if requested by the producer or authorized agent to do so.

Note: Until modified software is available, County Offices shall prepare all outside-stored ELS cotton loans manually.

B When Not to Manually Prepare a Loan

If APSS is operable or is expected to be operable within 4 workdays of the day the producer or authorized agent requests the loan, do **not** manually prepare the loan.

C Action Taken to Prepare and Disburse a Manual Loan

County Offices shall:

- determine the eligibility of the producer and cotton
- calculate the total loan disbursement amount as follows:
  - multiply the total net pounds times the loan rate

    Note: This is the loan amount.
  - calculate the service fee according to paragraph 173
  - calculate the research and promotion fee according to paragraph 175
  - subtract the service fee and research and promotion fee from the loan amount

    Note: This is the total disbursement amount.
- complete CCC-Cotton A, CCC-Cotton A-1, and if applicable, CCC-Cotton A Continuation, according to paragraphs 189 through 191

*** * ***

- immediately when APSS is operable, enter the loan data.

*--223.10 Outside-Stored ELS Cotton Loanmaking in APSS

A APSS Procedure

Process outside-stored ELS cotton loans according to the following table:

Step	Action	Results	
1	On Menu PCA005, ENTER “2”, and PRESS “Enter”.	Screen PCA11000 will be displayed.	
2	On Screen PCA11000, enter: • either the producer’s last name or the producer’s ID and type • the crop year • “N” for the loan number. PRESS “Enter”.	**IF...**	**THEN go to...**
		Screen MACR04-01 is displayed	step 3.
		Screen PCA12000 is displayed	step 4.
3	On Screen MACR04-01, enter the number for the producer and PRESS “Enter”.	Screen PCA12000 will be displayed.	
4	On Screen PCA12000, ENTER “Y” or “N”, as applicable, to the following questions: • “Is this the correct producer?” • “Is this the re-entry of a corrected loan?”. PRESS “Enter”.	**IF the producer is…**	**THEN…**
		correct and this is **not** a re-entry of a corrected loan	Menu PLA000 will be displayed; go to step 6.
		not correct	Screen PCA11000 will be redisplayed; return to step 2.
		correct, but this is a re-entry of a corrected loan	Screen PCA12000 will be redisplayed; go to step 5.
5	On Screen PCA12000, enter the crop year and loan number of the original loan. PRESS “Enter”.	Menu PLA000 will be displayed.	
6	On Menu PLA000, ENTER “4”, and PRESS “Enter”.	Screen PLC10000 will be displayed.	

--*

*--223.10 Outside-Stored ELS Cotton Loanmaking in APSS (Continued)

A APSS Procedure (Continued)

Step	Action		Results	
7	On Screen PLC10000, use the following for entering data in the applicable fields.			
	Field	**Entry**		
	Commodity	ENTER “ELS”.		
	Class	Leave blank.		
	Crop Year	Enter last 2 digits of the applicable crop year.		
	Warehouse Code	ENTER “888888”.		
	Does this loan have multiple producers?	ENTER either of the following: • “Y” if a joint loan • “N” if **not** a joint loan.		
	Loan Application	Enter the loan application date.		
	Is this a repledged loan?	ENTER either of the following: • “Y” if repledged • “N” if not repledged.		
	After all entries are completed, PRESS “Enter”.		Screen PLC10005 will be displayed.	
8	On Screen PLC10005, use the following for entering data in the applicable fields.			
	Field	**Entry**		
	Gin Code Number	Enter applicable gin code.		
	Preparation Code	ENTER “1”.		
	Date Documents/Warehouse Receipts Received	Enter the date from CCC-Cotton A-5, item 8.		
	After all entries are completed, PRESS “Enter”.		Screen PLA11000 will be displayed.	
9	On Screen PLA11000, enter applicable farm number. PRESS “Enter”.		**IF the loan is…**	**THEN…**
			a joint loan	Screen PLA12000 will be displayed; go to step 10.
			not a joint loan	Screen PLC21600 will be displayed; go to step 12.

--*

*--223.10 Outside-Stored ELS Cotton Loanmaking in APSS (Continued)

A APSS Procedure (Continued)

Step	Action		Results	
10	On Screen PLA12000, use the following for entering data in the applicable fields.			
	Field	**Entry**	**IF…**	**THEN go to…**
	Last Name	Enter last name or producer who will share in the loan that was not entered previously, including producer entered in step 2.	Screen MACR04-01 is displayed	step 11.
	ID Number	Enter applicable producer ID, if known.	Screen PLC21500 is displayed	step 12.
	Contact Point for Mailing	ENTER "Y" or "N". **Notes:** If the producer whose name was entered in step 2 will be the contact producer, ENTER "N" for all producers entered during this step. Only 1 producer can be designated as the contact producer.		
	ENTER "Y" or "N" to the question, "Are there additional producers?". PRESS "Enter".			
11	On Screen MACR04-01, confirm the producer selected by entering the number of the desired producer PRESS "Enter".		**IF there are…**	**THEN…**
			additional producers	Screen PLA12000 will be displayed; return to step 10.
			no additional producers	Screen PLC21600 will be displayed; go to step 12.

--*

*--223.10 Outside-Stored ELS Cotton Loanmaking in APSS (Continued)

A APSS Procedure (Continued)

<table>
<tr><th>Step</th><th>Action</th><th colspan="2">Results</th></tr>
<tr><td rowspan="6">12</td><td colspan="2">On Screen PLC21600, use the following for entering data in the applicable fields.</td><td colspan="2" rowspan="3"></td></tr>
<tr><td>Field</td><td>Entry</td></tr>
<tr><td>Gin Tag Number</td><td>Enter the gin tag number.</td></tr>
<tr><td>Net Bale Weight</td><td>Enter the net bale weight.</td><td colspan="2"></td></tr>
<tr><td colspan="2" rowspan="3">ENTER “Y” or “N” to the following questions:

• “Do you want to delete this receipt?”

• “Do you have another warehouse receipt to enter?”

• “Do you want to display bale data for another receipt?”.

PRESS “Enter”.</td><td>IF…</td><td>THEN…</td></tr>
<tr><td>another receipt will be entered</td><td>Screen PLC21600 will be redisplayed; repeat this step.</td></tr>
<tr><td>another receipt will not be entered and there is a need to display bale data for another receipt</td><td>Screen PLC21600 will be redisplayed.

Enter the gin tag number to be displayed and PRESS “Enter”.

The applicable gin tag number will be displayed.</td></tr>
<tr><td colspan="2"></td><td>“N” was entered for all questions</td><td>• for a joint loan, Screen PLC12500 will be displayed; go to step 13

• for a loan with a single producer, Screen PLC12500 will be displayed; go to step 14.</td></tr>
</table>

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*--223.10 Outside-Stored ELS Cotton Loanmaking in APSS (Continued)

A APSS Procedure (Continued)

Step	Action	Results
13	On Screen PLA12500, enter the producer's shares, in whole numbers plus 2 decimal places. PRESS "Enter".	Screen PLC12500 will be displayed.
14	On Screen PLC12500 the following information is displayed: • number of bales on the loan • loan amount • loan service fee. **Note:** The $7.50 loan service fee displayed may be eliminated if multiple loans are made for County Office convenience. See subparagraph 173 A. PRESS "Enter".	Screen PLC12505 will be displayed.
15	On Screen PLC12505 the following information is displayed: • loan amount • service fees • disbursement amount. PRESS "Enter".	Menu PLA005 will be displayed.

--*

*--223.10 Outside-Stored ELS Cotton Loanmaking in APSS (Continued)

A APSS Procedure (Continued)

Step	Action		Results	
16	On Menu PLA005, use the following for entering the appropriate option.			
	IF…	**THEN select…**		
	loan will be disbursed on the current workday	option 1.	**IF…**	**THEN…**
	loan will **not** be disbursed on the current workday, but loan documents are needed	option 2.	"1" or "2" was selected	Screen PLA13005 will be displayed; go to step 17.
	loan will **not** be disbursed on the current workday and loan documents are not needed	option 4	"4" was selected	Menu PCA005 will be redisplayed, return to step 1. **Note:** All loan information will be saved.
	loan will **never** be disbursed.	option 5	"5" was selected	Menu PCA005 will be redisplayed; return to step 1. **Note:** All loan information will be deleted.
17	On Screen PLA13005, to complete the loan, enter the date of the lien search, PRESS "Y" to the question, "Do you wish to complete this process?", and PRESS "Enter" **Note:** To correct the loan or end the process, ENTER "N" to the question, "Do you wish to complete this process?" PRESS: • "Cmd3" to correct entries • "Cmd7" to end processing.		Screen PCA97000 will be displayed.	
18	On Screen PCA97000, enter the printer ID to print forms and reports. PRESS "Enter".		CCC-Cotton A will be printed and Screen PCE65010 will be displayed.	

--*

*--223.10 Outside-Stored ELS Cotton Loanmaking in APSS (Continued)

A APSS Procedure (Continued)

Step	Action	Results	
19	On Screen PCE65010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?".	**IF...**	**THEN...**
		"Y" was entered	CCC-Cotton A will be reprinted. Screen PCE65010 will be redisplayed; repeat this step.
		"N" was entered	CCC-Cotton A-1 will be printed. Screen PCE66010 will be displayed; go to step 20.
20	On Screen PCE66010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?".	**IF...**	**THEN...**
		"Y" was entered	CCC-Cotton A-1 will be reprinted. Screen PCE66010 will be redisplayed; repeat this step.
		"N" was entered and there are more than 4 producers on the loan	CCC-Cotton A Continuation will be printed. Screen PCE68010 will be displayed; go to step 19.
		"N" was entered and there are 3 or less producers on the loan and this is **not** a saved loan	go to step 21.
		"N" was entered and there are 3 or less producers on the loan and this is a saved loan	Menu PCA005 will be redisplayed; return to step 1.

--*

*--223.10 Outside-Stored ELS Cotton Loanmaking in APSS (Continued)

A APSS Procedure (Continued)

Step	Action	Results	
21	On Screen PCE68010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?".	**IF...**	**THEN...**
		"Y" was entered	CCC-Cotton A Continuation will be reprinted. Screen PCE68010 will be redisplayed; repeat this step.
		"N" was entered and this is **not** a saved loan	go to step 22.
		"N" was entered and this is a saved loan	Menu PCA005 will be redisplayed; return to step 1.
22	Accounting - Checkwriting procedure begins. See 1-FI for Accounting - Checkwriting procedure.	After Accounting - Checkwriting procedure is complete, Menu PCA005 will be redisplayed; return to step 1.	

--*

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224 Loan Repayments and Forfeitures

A General Repayment Provisions

An outside-stored ELS loan is subject to many of the general repayment provisions as apply to warehouse-stored ELS loans. Applicable provisions of this handbook are in paragraphs:

- 197 B, for number of bales
- 197 F, for types of remittances accepted
- 197 G, for releasing the original CCC-Cotton A
- 199 D, for cash repayments through APSS
- 204 through 207, for agent designations using CCC-605.

Note: Commodity certificates are **not** issued for exchange with collateral of any ELS cotton loan.

B Forfeiture Provisions

Many of the forfeiture provisions for an outside-stored ELS loan are substantially different from provisions that apply to warehouse-stored loans. The provisions for forfeiture of this loan collateral, as contained in CCC-601 ELS Appendix, are:

- cotton collateral shall be delivered to CCC in the original bag with original bale identification as provided by the ginner

  Note: There is no warehouse receipt for bale identification.

- cotton shall be delivered to a warehouse designated by CCC

- within 30 calendar days after delivery to the CCC-designated warehouse, producer shall provide AMS classification information to CCC

- loan settlement value is based on the classification information determined after delivery to the CCC-designated warehouse

- unlike cotton warehouse loan forfeitures, CCC does not bill the producer for warehouse receiving charges that CCC paid to the storing warehouse

- compression charges that may be added by the warehouse are paid by the buyer.**--***

224.5 Maturity Date Notification Letter

A Sample Letter

At least 45 calendar days, but not to exceed more than 60 calendar days, before loan maturity, County Offices shall send the following letter to each producer of an ELS outside-stored cotton loan.
*--

Dear Producer:

This is to notify you that your (**year**) crop outside-stored ELS cotton loan, number (**loan number**), will mature (**maturity date**).

Under the terms and conditions of this loan, the following options are available:

- repay the loan before maturity
- forfeit the loan collateral to CCC at maturity.

If you elect to forfeit the loan collateral to CCC, you are responsible for all charges associated with:

- moving the cotton into a warehouse designated by CCC

- warehouse charges for receiving the cotton, issuance of an electronic warehouse receipt, compression, and any miscellaneous charges; CCC assumes responsibility for storage effective on the date of presentation of an electronic warehouse receipt

- providing classification information from AMS based on a sample drawn by an approved sampler after delivery to the warehouse.

The loan settlement value will be based on the classification that occurs after delivery to the warehouse.

If you do not take action by loan maturity, your loan collateral will be forfeited to CCC automatically.

If you designated a buyer as agent using CCC-605 and that agent, or any subsequent agent, does not redeem this loan by maturity, you are responsible for the above charges.

Sincerely,

County Executive Director

--*

*--224.6 Charges

A Charges Payable by Producer

A producer is responsible for the following charges associated with the forfeiture of outside-stored ELS loan collateral:

storage **during and following the period of the loan**, up to the presentation of EWR to CCC

warehouse receiving, weighing, compression, EWR issuance, and other as may be levied by the receiving warehouse

classification by AMS after delivery to the warehouse.

These charges will not be paid by CCC. CCC will bill producers for unpaid storage from the storage start date to the date of receipt of the warehouse receipt.**--***

Part 4 Seed Cotton Loans

Section 1 Basic Policy

225 Loan Availability and Maturity Dates

A Source of Loans

[7 CFR 1427.160(c)] [7 CFR 1427.161(f)] Eligible producers of seed cotton may obtain a recourse seed cotton loan at the County Office that keeps the records for the farm. Ginners must be approved according to paragraph 73.

B Availability Period

[7 CFR 1427.169(a)] Recourse cotton seed loans are available from the beginning of harvest through March 31 of the calendar year after the calendar year in which the crop was planted.

Note: When the final availability date falls on a nonworkday, the final date shall be extended to the next workday.

C Ability to Change Availability Dates

Loan availability dates may be changed to conform to State or local quarantine regulations by STC.

D Maturity Date

[7 CFR 1427.174] Loans are due:

- on May 31 of the year after the calendar year the crop was planted
- before May 31, if CCC demands payment to conform to State or local quarantine regulations or for other reasons.

225 Loan Availability and Maturity Dates (Continued)

E Repayment

All loans must be repaid by the date specified in subparagraph C.

*--F Notification of Producer's CMA or LSA

To ensure that the proceeds from a ginned-cotton loan provided by CMA or LSA are used to repay a seed cotton loan obligation, County Offices shall provide written or e-mail notification to every CMA or LSA used by the producer of the producer's:

- name and farm number
- module numbers submitted as collateral for the seed-cotton loan.

A copy of any notification to the CMA/LSA shall be retained in the loan file.**--***

226 (Withdrawn--Amend. 32)

227 Quality of Seed Cotton and Loan Rate

A Quality Determination

[7 CFR 1427.165(b)] The County Office shall determine the quality to be used in determining the loan rate in each lot by using 1 or more of the following criteria:

- the average quality determined by the AMS classing office for cotton that the producer had ginned before applying for a seed cotton loan
- the average quality determined for the gin by AMS
- the average quality being ginned based on consultation with the ginner
- quality shown on the class card if a control sample is taken from the lot and is classed by AMS classing office.

Warning: If a control sample is graded by AMS, the quality must be of a quality described in paragraph 123.

B Loan Rate

--[7 CFR 1427.160(b)]** Use the base quality loan rate.**--

228 Estimating Eligible Lint Cotton Quantity

A Computing Quantity for Loan

[7 CFR 1427.170] The commodity inspector shall compute the quantity of lint cotton in each lot of seed cotton that is eligible for loan by determining the estimated quantity of seed cotton by weight or measurement.

B Determined by Weight

Determine the estimated weight of the seed cotton by multiplying the weight on the weight ticket times the lint turnout factor determined according to paragraph 229.

The estimated quantity, determined by weight, of lint cotton that is eligible for loan shall not exceed 95 percent of the estimated quantity.

C Determined by Measurement

Use the following table for estimating the quantities of seed and lint cotton based on the measurements of a module or other stored quantity of seed cotton.

Step	To estimate…	Multiply the…
1	cubic feet of seed cotton	length, times the width, times the depth of the rick or module.
2	pounds of seed cotton	cubic feet of seed cotton (result of step 1) times the density factor (pounds/cubic foot) provided by the State Office. **Note:** This factor is estimated by each State based on *****--estimates obtained from gins or the Extension Service.--*****
3	pounds of lint cotton	pounds of seed cotton (result of step 2) by the lint turnout factors in subparagraph 229 C.

No more than 90 percent of the total estimated quantity of lint cotton (result of step 3) is eligible for loan.

228 Estimating Eligible Lint Cotton Quantity (Continued)

D Reducing Maximum Loan

COC may reduce the maximum percentage for loan on an individual producer or lot basis:

- if COC determined it to be necessary to protect CCC interest based on the following factors:
    - condition or suitability of the storage facility
    - condition of the cotton
    - location of storage facility
    - other factors peculiar to the individual farm or producer
- at producer's request.

229 Lint Turnout Factor

A Determining Lint Turnout Factor

[7 CFR 1427.170] The commodity inspector shall:

- determine the factor for any lot of seed cotton in the initial inspection of the cotton
- express the factor as a percentage of the pounds of seed cotton.

B If a Portion Is Weighed and Ginned

[7 CFR 1427.170] If a control portion of seed cotton in a lot is weighed and ginned, use the turnout factor determined for the portion ginned.

C If a Portion Is Not Weighed or Ginned

If a control portion is not weighed or ginned, use the average turnout factor determined for the gin by AMS.

***--**If AMS does not have an average lint turnout for the gin, determine an average turnout factor from 1 of the following:

- the ginner's records in consultation with the ginner

- averages of nearby ginners, in new production areas when the ginner has no prior year records

- a state-wide maximum lint factor established separately for machine picked and for machine stripped cotton, as established by the STC based on acceptable proof of prevailing lint turnout

In the absence of acceptable proof from AMS or ginner records, do not use more than:

- 32 percent as a lint turnout factor for machine-picked cotton
- 22 percent as a lint turnout factor for machine-stripped cotton.**--***

D Proven Lint Turnout Factors

If the producer can prove a turnout factor greater than those listed in subparagraph C, use the proven turnout factor.

230 Approved Storage

A Minimum Requirements

[7 CFR 1427.171] Approved storage shall be storage located on or off the producer's farm that is determined by the commodity inspector to:

- adequately protect against loss or damage
- be located within a reasonable distance from an approved gin.

Note: Approved warehouses shall be considered approved storage.

The producer is responsible for any loss in quality or quantity of the seed cotton under loan.

B Stored Off Farm

[7 CFR 1427.171] If the cotton is stored off the producer's farm:

- the producer must provide satisfactory evidence:
  - of authority to store the cotton on the property
  - the owner of the property has no lien against the cotton
- unencumbered access to the cotton must be available at all times to both of the following:
  - producer or producer's agent
  - County Office representative
- storage may consist of:
  - baled seed cotton
  - rick, pallet, or module storage
  - cotton stored on the ground, if adequately protected
  - other storage, if determined cotton is adequately protected.

230 Approved Storage (Continued)

C Insurance

[7 CFR 1427.166] Seed cotton must be insured at the full loan value against loss or damage by fire.

Note: STC may require additional insurance for losses because of:

- wind
- flood
- rising water.

If cotton is insured at the market price, loans may only be approved if market price is more that the loan value.

Warning: If market price falls below loan levels, the producer shall be required to obtain additional insurance, or the loan will be called.

If the insurance policy has a deductible clause, the loan amount shall be reduced by the deductible amount.

231 Approved Cotton Cooperatives

* * *

A Eligible Producer Members

Producer members must:

- give the cooperative, through a marketing agreement, authority to pledge the cotton
- be considered eligible producers according to paragraph 101 and produced seed cotton that is eligible according to paragraph 118.

232 Loan Service Fee

A Service Fee

[7 CFR 1427.169] Service charges shall be assessed on all seed cotton loans disbursed, including seed cotton loans disbursed to approved cooperatives. The service fee shall be the smaller of the following:

- ½ of 1 percent (.005) times the gross loan amount
- $45 per loan, plus $3 for each rick or module over 1.

233-235 Reserved

236 Pre-Loan Inspections

A Requirements

[7 CFR 1427.163(a)] [7 CFR 1427.164] Upon request for a loan, County Offices shall determine producer and cotton eligibility and, if necessary, arrange for an inspection.

If, according to paragraph 59, County Offices are:

- **not** approved to inspect a percentage of loans requested, follow subparagraph B
- approved to inspect a percentage of loans requested, follow subparagraph C.

B All Loans To Be Inspected

For each loan requested, the commodity inspector shall:

- inspect the seed cotton, at CCC's expense
- prepare CCC-877 according to paragraph 238
- affix CCC-683 on each lot according to paragraph 239.

C Percent of Loans To Be Inspected

The commodity inspector shall inspect, measure, and affix CCC-683 on the first 2 loans requested in the county, at CCC's expense.

After the first 2 loans, commodity inspector shall inspect, measure, and affix CCC-683's, at CCC's expense, on a percentage, determined by the State Office according to paragraph 59, of the rest of the loans requested.

For loans that were not inspected, the County Office shall:

- accept the producer's or ginner's measurement or weight of cotton, and make loans on this basis

- use the turnout factor and grade provided by the producer

- provide and instruct applicants for loans to affix CCC-683 on the ricks or modules that were not measured.

237 Before Processing the Loan

A Eligibility

[7 CFR 1427.167] The eligibility requirement for the producer and cotton shall be *--determined according to Part 2 before processing loans. See paragraph 124 for lien--* requirements.

B Required Forms and Documentation

When a producer requests a seed cotton loan, the producer shall complete CCC Cotton A-5 according to paragraph 182 and provide:

- AD-1026 according to 6-CP
- BI Certification, when requested by COC, according to subparagraph 103 C
- CAT or a written waiver according to subparagraph 101 B

* * *

- *--CCC-679, when applicable, according to subparagraph 124 D--*
- FSA-211, when applicable, according to paragraph 45
- FSA-578 according to 2-CP
- CCC-877 according to paragraph 238.

Exception: If a producer provides an ADP printout or other form showing all information required on CCC-877, CCC-877 is not required.

238 Completing CCC-877, Seed Cotton Loan Worksheet

A General Information

Complete CCC-877 to serve as a source document for preparing cotton loans.

Except as provided by paragraph 28, the commodity inspector shall verify all required information on CCC-877.

Note: In preparing CCC-877, seed cotton that is stored in modules that are of the same estimated size and quality may be grouped by lot on CCC-877. This is **not** permitted for seed cotton stored in ricks.

B Instructions

CCC-877 shall be:

- prepared as an original and 1 copy by the commodity inspector during initial inspection, if applicable
- completed by the County Office after the initial inspection, if applicable
- filed in the producer's loan file.

  Note: Keep the original in the file and use the copy for reinspection.

Continued on the next page

C
Completing CCC-877 (Front)

Complete the front side of CCC-877 according to this table.

Item	Initial County Office Entries
1-6	These items are self-explanatory.
7A	Enter location where modules are stored.
8	Enter "✓" in the applicable block. If the cotton is not stored on the producer's farm, determine whether the producer has authority to store the cotton where it is located.
9	Enter "✓" in the applicable block. Check "Yes" for item: • 9A, if the producer or ginner, based on where the cotton is stored, is insured at the full loan value against loss or damage by fire **Note:** If the cotton is insured at the market price, follow subparagraph 230 C. • 9B, if the spacing requirements are met according to the applicable insurance • 9C, if the insurance has a deductible cause.
10	Enter name and address of gin where the producer reports the cotton will be ginned.
	Commodity Inspector Entries
11 and 12	Enter the type of cotton, last 2 digits of the crop year, loan number, and lot number. Enter data for each module or rick as a separate lot. **Exception:** For modules only, modules may be grouped by lots if: • the cotton was harvested in the same manner • the cotton is stored in modules that are the same measurement and quality • each module is posted with CCC-683 to show the individual number assigned to each module of the lot.

Continued on the next page

238 Completing CCC-877, Seed Cotton Loan Worksheet (Continued)

C Completing CCC-877 (Front) (Continued)

Item	Initial County Office Entries
13	Enter “Rick”, “Module”, or “Grouped Modules”.
14	Check appropriate block. See paragraph 230 for storage requirements.
15	Enter “Picked” or “Stripped”.
16-20	If quantity will be determined by weight, leave blank. If quantity is determined by measurement, enter the appropriate data. If stored as group modules, enter the data for the average size module.
21	If quantity is determined by: • weight, enter weight from weight tickets or other evidence of weight • measurement, enter quantity determined by multiplying length times width times depth to determine cubic feet. Multiply cubic feet of the cotton in the lot times the density factor provided by the State Office.
22	For grouped modules, enter number of modules.
23	Multiply total quantity by the number of modules in the lot. Enter the result here and in item 26.

238 Completing CCC-877, Seed Cotton Loan Worksheet (Continued)

D Completing CCC-877 (Reverse)

Complete the reverse side of CCC-877 according to this table.

Item	Commodity Inspector Entries
24	Enter the corresponding seal and lot number from items 11 and 12.
25	Enter "√" in the appropriate column to indicate the condition of the cotton.
26	Enter "√" to indicate whether quantity was determined by weight or measurement.
27	Enter the quantity from item 23.
28	Enter lint turnout factor. See paragraph 229 for determining lint turnout factor.
	County Office Entries After Inspection
29	Enter the quantity of lint cotton by multiplying the lint factor (item 28) times the quantity of seed cotton (item 27).
30	Enter the quantity eligible for loan by multiplying the quantity of lint cotton (item 29) times: • 90 percent, if the cotton was measured • 95 percent, if the quantity was weighed. **Note:** COC may reduce this entry on an individual producer or lot basis if necessary to protect CCC's interest.
31	Enter the grade, staple, strength, and micronaire for quality of the cotton based on the method of determination indicated in item 34.
32	***--**Enter the base quality loan rate.**--***
33	Enter the loan amount for the loan by multiplying the adjusted loan rate (item 32) times the quantity eligible for loan (item 30).
34	Enter "√" in the appropriate box. See paragraph 228 for determining what method to use.
35	Instruct the commodity inspector to enter comments about method used to determine quantity and quality of the seed cotton.
36	Instruct the inspector to sign and date after inspection.
37	If CCC-877 is approved for CCC, CED or designee shall sign and date. A second-party review of eligibility and CCC-877 shall be performed before disbursement and shall be recorded by the second-party entering initials and date on CCC-877.

238 Completing CCC-877, Seed Cotton Loan Worksheet (Continued)

E

***--Example of CCC-877**

The following is an example of CCC-877.--*

REPRODUCE LOCALLY. Include form number and date on all reproductions.

Form Approved - OMB No. 0560-0074

CCC-877
(10-31-96)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

SEED COTTON LOAN WORKSHEET

1. STATE & COUNTY CODE	2. CROP YEAR	3. LOAN NUMBER	4. FARM NUMBER
48029	2000	004	6315

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). The information will be used to determine eligibility for seed cotton loan program benefits. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for seed 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.*

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.***

5. NAME, ADDRESS, AND TELEPHONE NUMBER OF COUNTY OFFICE

Beltwide County FSA Office
666 Cotton Lane
Lubbock, TX 98765

6A. NAME AND ADDRESS OF CONTACT PRODUCER

Mary Louise Maddox
24 Sparkle Lane
South Lubbock, TX 59348

7A. LOCATION OF COTTON

Maddox Compress
Route 27, Box 4
Lubbock, TX 59436

	YES	NO
8. Does producer have authority to store cotton at this location?	X	
INSURANCE REQUIREMENTS		
9A. Is insurance adequate to cover value?	X	
9B. Are space requirements met?		X
9C. Is there a deductible cause?		

10. NAME AND ADDRESS WHERE COTTON WILL BE GINNED?

Tonya's Gin
411 Courthouse
Lubbock, TX 59436

6B. TELEPHONE NO. *(Include area code)*: 243-894-3166

6C. PRODUCER ID.: 542-61-3844

7B. TYPE OF COTTON: UPLAND [X] ELS [ ]

11. SEAL NO.	12. LOT. NO.	13. TYPE OF STORAGE 1/	14. IS STORAGE ADEQUATE YES	14. IS STORAGE ADEQUATE NO	15. METHOD OF HARVEST 2/	16. LENGTH *(ft.)*	17. WIDTH *(ft.)*	18. HEIGHT *(ft.)*	19. CUBIC *(ft.)*	20. DENSITY FACTOR *(lbs.)*	21. TOTAL QUANTITY/ RICK OR MODULE *(lbs.)*	22. NO. OF MODULES IN LOT *(Group Modules Only)*	23. TOTAL QUANTITY IN LOT *(lbs.)*
SJP-00-004-22006		Module	X		Picked	35	7	8	1960	11 lbs.	21460	3	64,680

1/ "RICK", "MODULE," or "GROUPED MODULES".
2/ Enter "PICKED" or "STRIPPED".

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

238 Completing CCC-877, Seed Cotton Loan Worksheet (Continued)

E
***--Example of CCC-877--* (Continued)**

CCC-877 (REVERSE) (10-31-96)

24. SEAL/LOT NO.	25. CONDITION OF COTTON		SEED COTTON QUANTITY 26.		27. TOTAL (lbs.)	28. LINT TURNOUT FACTOR	29. QUANTITY LINT COTTON	30. QUANTITY ELIGIBLE FOR LOAN	31 QUALITY	32 LOAN RATE	33. LOAN AMOUNT
	GOOD	POOR	WT.	MS.							
SUD-CC-004-21008	X			X	64,680	.32	20698	18628	See Item 35	51.92	9,672

34. METHOD OF QUALITY DETERMINATION (Check appropriate box)

[X] AVERAGE CLASS FOR PRODUCER'S GINNED COTTON [ ] AVERAGE AMS QUALITY FOR GIN [ ] AVERAGE QUALITY DECLARED BY GINNER [ ] AMS CLASS FOR A CONTROL SAMPLE

35. COMMENTS

Quality: SLM 1 1/16 (leaf 4)
Micronaire 3.5, Strength 27, Uniformity 81

36. INSPECTOR'S SIGNATURE DATE

37. APPROVED FOR CCC BY DATE

239 Completing CCC-683, Commodity Loan Seal

A General Information

CCC-683 shall be:

- prepared by commodity inspector (cooperative or gin representative, if applicable) at the time of inspection
- affixed to each lot of seed cotton under loan.

Exception: Use this procedure only if approved by State Office according to paragraph 235:

- have commodity inspector affix CCC-683 to ricks or modules on the first 2 loans made in the county
- have commodity inspector affix CCC-683 to a percentage of the rest of the loans
- instruct applicants for loans that were not inspected to affix CCC-683 to the ricks or modules that were not inspected.

B Preparing CCC-683

Prepare CCC-683 according to this table.

Item	Instructions
1	Enter name, address, and telephone number of County Office.

2	In the block for seal number, enter the following, separated by hyphens:
	• type of seed cotton under loan; enter:
	  • "SUP" for upland seed
	  • "SELS" for ELS seed
	• last 2 digits of the crop year
	• loan number
	• lot number (gin-assigned module or trailer number).

3	Enter initials and the date each time the seed cotton and storage facility is inspected.

Continued on the next page

239 Completing CCC-683, Commodity Loan Seal (Continued)

C
Example of CCC-683

COMMODITY LOAN SEAL

Do not remove loan contents from this structure without written consent of the County FSA Committee

The commodity under loan stored in this structure is mortgaged to secure a loan made under a program of Commodity Credit Corporation (CCC), an agency of the United States Department of Agriculture; accordingly, this structure is hereby placed under seal.

Entry into this structure and access to its contents are restricted to persons with written authorization by CCC.

Any person who, without proper authority, tampers with or breaks this seal and enters this structure, or interferes in any manner with the commodity stored in this structure is subject to criminal prosecution under State or Federal law.

NAME, ADDRESS AND TELEPHONE NUMBER OF COUNTY FSA OFFICE

(1) FAIRFAX COUNTY FSA
8961 MAIN ST
FAIRFAX, VA 23104
703-720-4168

SEAL NUMBER (2) SUP-00-004-21006

Inspected (Initials and Date)

GSR 09/26/00			
(3)			

CCC-683
(03-10-93)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

240 Seed Cotton Loan Processing in APSS

A
Preparation

Verify that loan rates and other related tables are correctly updated according to paragraph 65.

B
APSS Procedure

Process seed cotton loans according to the following table.

Note: See paragraph 244 for manually prepared seed cotton loans.

Step	Action	Result	
1	On Menu PCA005: • ENTER "2" • PRESS "Enter".	Screen PCA11000 will be displayed.	
2	On Screen PCA11000: • enter: • either the producer's last name or the producer's ID and type • the crop year • "N" for the loan number • PRESS "Enter".	**IF...**	**THEN go to...**
		Screen PCA12000 is displayed	step 4.
		Screen MACR04-01 is displayed	step 3.
3	On Screen MACR04-01: • enter the number for the desired producer • PRESS "Enter".	Screen PCA12000 will be displayed.	
4	On Screen PCA12000: • ENTER "Y" or "N", as applicable, to the following questions: • "Is this the correct producer?" • "Is this the re-entry of a corrected loan?" • PRESS "Enter".	**IF the producer is...**	**THEN...**
		correct and this is **not** a re-entry of a corrected loan	Menu PLA000 will be displayed. Go to step 6.
		not correct	Screen PCA11000 will be redisplayed. Return to step 2.
		correct, but this is a re-entry of a corrected loan	Screen PCA12000 will be redisplayed. Go to step 5.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result
5	On Screen PCA12000: • enter the original loan number • PRESS “Enter”.	Menu PLA000 will be displayed.
6	On Menu PLA000: • ENTER “2” • PRESS “Enter”.	Screen PLB10000 will be displayed.
7	On Screen PLB10000, use the following table for entering data in the applicable fields.	Screen PLB10005 will be displayed.
	Field / **Entry**	
	Commodity: Enter either of the following: • “SUP” for upland cotton • “SELS” for ELS cotton.	
	Class: Leave blank.	
	Crop Year: Enter last 2 digits of the applicable crop year.	
	After all entries are completed, PRESS “Enter”.	
8	On Screen PLB10005, use the following table for entering data in the applicable fields.	Screen PLB10010 will be displayed.
	Field / **Entry**	
	Does this loan have multiple producers? / Is a spot check required for this loan?: ENTER “Y” or “N”.	
	Loan Application Date / Insurance Deductible: “Help” is available.	
	After all entries are completed, PRESS “Enter”.	

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	

9	On Screen PLB10010:
	
	• enter:
	
	  • location of seed cotton
	  • gin code where the seed cotton will be ginned
	
	• PRESS “Enter”.
		Screen PLA11000 will be displayed.	

10	On Screen PLA11000,: • enter applicable farm number • PRESS “Enter”.	**IF the loan is...**	**THEN...**
		a joint loan	Screen PLA12000 will be displayed. Go to step 11.
		not a joint loan	Screen PLB12000 will be displayed. Go to step 13.

Continued on the next page

B
APSS Procedure
(Continued)

<table>
<tr><th>Step</th><th colspan="2">Action</th><th colspan="2">Result</th></tr>
<tr><td rowspan="6">11</td><td colspan="2" rowspan="2">On Screen PLA12000, use the following table for entering data in the applicable fields.</td><td>IF...</td><td>THEN go to...</td></tr>
<tr><td>Field</td><td>Entry</td><td rowspan="2">Screen MACR04-01 is displayed</td><td rowspan="2">step 12.</td></tr>
<tr><td>Last Name</td><td>Enter last name of producer who will share in the loan that was not entered previously, including producer entered in step 2.</td></tr>
<tr><td>ID Number</td><td>Enter applicable producer ID, if known.</td><td rowspan="3">Screen PLB12000 is displayed</td><td rowspan="3">step 13.</td></tr>
<tr><td>Contact Point for Mailing</td><td>ENTER “Y” or “N”.

If the producer whose name was entered in step 2 will be the contact producer, ENTER “N” for all producers entered during this step.

Note: Only 1 producer can be designated as the contact producer</td></tr>
<tr><td colspan="2">• ENTER “Y” or “N” to the question, “Are there additional producers?”

• PRESS “Enter”.</td></tr>
<tr><td rowspan="3">12</td><td colspan="2" rowspan="3">On Screen MACR04-01:

• confirm the producer selected by entering the number of the desired producer

• PRESS “Enter”.</td><td>IF there are...</td><td>THEN...</td></tr>
<tr><td>additional producers</td><td>Screen PLA12000 will be redisplayed.
Return to step 11.</td></tr>
<tr><td>no additional producers</td><td>Screen PLB12000 will be displayed.
Go to step 13.</td></tr>
</table>

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action		Result
13	On Screen PLB12000, use the following table for entering data in the applicable fields.		Screen PLB12005 will be displayed.
	Field	**Entry**	
	Seal Number	Change the preassigned seal number if a manual number has already been assigned.	
	Farm Number Where Stored	Entry required if not stored at gin.	
	Measurement Date	Enter date measurement was completed.	
	Storage Type	ENTER “Rick” or “Module”.	
	Length	Enter measurement data from CCC-877. 1/ Enter either the diameter of circumference, if applicable.	
	Density Factor		
	Height		
	Width		
	Diameter 1/		
	Circumference 1/		
	Number of Modules in Lot		
	Cubic Feet		
	Weighed Quantity	Required when measurements are not used.	
	Location Where Stored	Enter brief description.	
	Lint Turnout Factor	Shown on CCC-877.	
	PRESS “Enter”.		

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	

14	On Screen PLB12005:
	• the following data is displayed:
	  • seal number
	  • measured quantity for loan
	  • maximum percent eligible for loan
	  • maximum loan quantity
	• enter, as applicable:
	  • either a percentage less than the maximum or a loan quantity less than the maximum
	  • State and county codes, if commodity is stored in another county
	  • "Y" or "N" to the question, "Are there additional Bins/Lots?"
	• PRESS "Enter".
		IF...	**THEN...**

		"Y" was entered	Screen PLB12000 will be redisplayed. Return to step 13.
		"N" was entered	Screen PLB13000 will be displayed. Go to step 15.

15	On Screen PLB13000:
	• the following data, by seal number, will be displayed:
	  • mortgaged quantity
	  • loan quantity
	  • loan rate
	  • insurance deductible
	  • total loan amount
	• PRESS "Enter".
		IF this is...	**THEN...**

		a joint loan	Screen PLA12500 will be displayed. Go to step 16.
		not a joint loan	Screen PLB13500 will be displayed. Go to step 17.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result
16	On Screen PLA12500: • enter the producer's shares, in whole numbers plus 2 decimal places • PRESS "Enter".	Screen PLB13500 will be displayed.

17	On Screen PLB13500:
	• the following information is displayed:
	  • mortgaged quantity
	  • loan quantity
	• enter, if applicable, service fees, if amount displayed is incorrect
	• PRESS "Enter".
		Screen PLB13505 will be displayed.

18	On Screen PLB13505:
	• the following information is displayed:
	  • gross loan amount
	  • insurance deductible
	  • total loan amount
	  • service fees
	• PRESS "Enter".
		Screen PLB13510 will be displayed.

19	On Screen PLB13510:
	• the following information is displayed:
	  • mortgaged quantity
	  • loan quantity
	  • loan amount
	  • disbursement amount
	• PRESS "Enter".
		Menu PLA005 will be displayed.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action		Result	
20	On Menu PLA005, use the following table for entering the appropriate option.			
	IF loan...	**THEN select...**	**IF...**	**THEN...**
	will be disbursed on the current workday	option 1.	"1" or "2" was selected	Screen PLA13005 will be displayed. Go to step 21.
	will **not** be disbursed on the current workday, but loan documents are needed	option 2.		
	will **not** be disbursed on the current workday and loan documents are **not** needed	option 4.	"4" was selected	Menu PCA005 will be redisplayed. Return to step 1. All loan information will be saved.
	will never be disbursed	option 5.	"5" was selected	Menu PCA005 will be redisplayed. Return to step 1. All loan information will be deleted.
	PRESS "Enter".			

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	

21	On Screen PLA13005:
	• enter:
	  • the date of the lien search
	  • "Y" to the question, "Do you wish to complete this process?"
	• PRESS "Enter".
		Screen PCA97000 will be displayed.	

22	On Screen PCA97000: • enter the printer ID to print forms and reports • PRESS "Enter".	• CCC-881 will be printed. • Screen PCE63010 will be displayed.	
23	On Screen PCE63010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-881 will be reprinted • Screen PCE63010 will be redisplayed. Repeat this step.
		"N" was entered and there are more than 4 producers on the loan	• CCC-881-1 will be printed • Screen PCE64010 will be displayed. Go to step 24.
		"N" was entered and there are 4 or less producers on the loan and this is **no**t a saved loan	go to step 25.
		"N" was entered and there are 4 or less producers on the loan and this is a saved loan	Menu PCA005 will be redisplayed. Return to step 1.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
24	On Screen PCE64010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-881-1 will be reprinted • Screen PCE64010 will be redisplayed. Repeat this step.
		"N" was entered and this is **not** a saved loan	go to step 25.
		"N" was entered and this is a saved loan	Menu PCA005 will be redisplayed. Return to step 1.
25	Accounting - Checkwriting procedure begins. See 1-FI for Accounting - Checkwriting procedure.	After Accounting - Checkwriting procedure is complete, Menu PCA005 will be redisplayed. Return to step 1.	

241 Preparing Manual Seed Cotton Loans

A When to Prepare Loans Manually

If the APSS system is inoperable and a loan is requested by the producer or authorized agent, County Offices shall prepare the loan manually.

B When Not to Prepare Loans Manually

If the APSS system is operable, County Offices shall **not** manually prepare the loan.

C Steps to Prepare and Disburse a Manual Loan

County Offices shall:

- determine the eligibility of the producer and cotton
- use loan rate determined according to paragraph 227
- determine the eligible quantity for loan according to paragraph 228
- complete CCC-881 and, if applicable, CCC-881-1 according to paragraphs 242 and 243

*** * ***

- immediately when APSS is operable, enter the loan data according to paragraph 244.

242 Completing Manual Loans Using CCC-881

A Description

CCC-881 is a computer-generated form printed during the APSS loanmaking procedure. Blank CCC-881's can be printed for manual loan preparation.

Note: Keep an adequate supply of blank CCC-881's on hand for preparing manual loans when the computer is inoperable.

B Completing CCC-881

Complete CCC-881 according to this table.

Notes: These instructions are for manually prepared loans, except for items 19 through 21 which are required to be entered on loans prepared and disbursed through APSS.

For items 9 through 15, if CCC-877 is completed or ADP printout is used instead of CCC-877, County Offices may enter "See Attached Schedule" and attach CCC-877 or the ADP printout.

Item	Instructions
1	ENTER "X" if more space is needed: • for lot information (items 9 through 15) • to enter producer information (item 16) • for signatures (item 19).
2	Enter name and address of contact producer from County Office records.
3	Enter location where seed cotton is stored.
4	Enter State and county codes and farm number where produced.
5 a	Enter the loan number assigned from 90,000 series.
5 b	Enter the applicable crop year.
5 c	Enter the commodity code as follows: • "SUP" for upland seed cotton • "SELS" for ELS seed cotton.
6	Enter the total loan quantity determined according to paragraph 228.

242 Completing Manual Loans Using CCC-881 (Continued)

B Completing CCC-881 (Continued)

Item	Instructions
7 a	Enter gross loan amount. **Computation:** This is the cumulative total of all lot loan amounts from CCC-877.
7 b	Enter insurance reduction, if applicable according to subparagraph 230 C.
7 c	Enter the total loan amount.
7 d	Enter the service fee according to paragraph 232.
8	Enter total disbursement. **Computation:** (Total Loan amount) - (Service Fee)
9	Enter gin code where lot will be ginned.
10	Enter assigned seal number.
11	Enter pounds of seed cotton determined by lot from CCC-877.
12	Enter pounds of lint cotton determined by lot from CCC-877.
13	***--**Enter the base quality loan rate for SLM 1-1/16 (52 cents).**--***

242 Completing Manual Loans Using CCC-881 (Continued)

B Completing CCC-881 (Continued)

Item	Instructions
14	Enter the quantity eligible for loan by lot by multiplying the quantity of lint cotton (item 12) times: • 90 percent, if the cotton was measured • 95 percent, if the cotton was weighed. **Note:** COC may reduce this entry on an individual producer or loan basis if necessary to protect CCC's interest.
15	Enter loan amount determined by lot.
16	Enter name of each person or firm to receive any of the loan proceeds.
17	Enter producer ID number.
18	Enter producer's share of loan.
19	Each producer who pledged production for the loan or persons authorized to sign for producers shall sign. **Important:** Give each producer, or authorized agent, a copy of CCC-601 (Exhibit 16) and instruct them to read CCC-601 and CCC-881 before signing. **Note:** Obtain spouse's signature if required by State law.
20	Enter date of signature for each producer, or authorized agent, whose signature is shown in item 19.
21	CED or designee shall sign and date.
22	Enter County Office name, address, and telephone number.

242 Completing Manual Loans Using CCC-881 (Continued)

B Completing CCC-881 (Continued)

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

CCC-881 (07-25-96) **U.S. DEPARTMENT OF AGRICULTURE** Commodity Credit Corporation

1. Form CCC-881-1 is incorporated into this Form CCC-881 when this box is marked: ☐

SEED COTTON PRODUCER'S NOTE AND SECURITY AGREEMENT

2. Name & Mailing Address of Contact Producer	3. Commodity Storage Location	4. St. & Co. Codes & Farm No. Where Produced
Sam Jones Rt. 1, Box 630 Same City, SS 12345	Jones Farm	13-113-202

5a. Loan No. :	90630	7a. Gross Loan Amount :	$220.39
5b. Crop Year :	9X	7b. Ins. Reduction :	
5c. Commodity :	SUP	7c. Total Loan Amount :	$220.39
		7d. Service Fee :	$11.02
6. Total Loan Quantity :	421.00	8. TOTAL DISBURSEMENT :	$209.37

TO BE GINNED AT (GIN CODE) -9-	SEAL NO. OF LOTS MORTGAGED -10-	APPROX. LBS. SEED COTTON MORTGAGED -11-	APPROX. LBS. LINT COTTON MORTGAGED -12-	LOAN RATE -13-	LBS. FOR LOAN -14-	LOAN AMOUNT -15-
123456	1	2,125.00	468.00	.5235	421.00	$220.39

PRODUCER -16-	ID NUMBER -17-	PRODUCER SHARE -18-
Sam Jones	441-77-6798	1.0000

The terms and conditions of the Note and Security Agreement are set forth in this Form CCC-881 ("Note") and Form CCC-601, "Commodity Credit Corporation Note and Security Agreement Terms and Conditions," and any appendix thereto. By signing this Form CCC-881, 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 May 31, of the year after the calender year the crop was planted. 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 the attached Form CCC-881-1, if any (even though a larger quantity than the quantity shown above as the "Total Loan Quantity") which is stored in this location shown above.

19. Signature	20. Date	19. Signature	20. Date
/s/ Sam Jones	10-19-9X		

21. APPROVED FOR CCC BY	DATE	22. Name and Address of County FSA Office
		South County FSA Office Rt. 1 Box 240 Same City, SS 12345 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

C
Distribution

Distribute CCC-881 as follows:

- file original copy of CCC-881 in loan folder with other original loan documents in a locked, fireproof file
- file County Office copy in producer's loan folder for use in entering data in APSS
- give producer copy to producer.

243 Completing Manual Loans for Multiple Producers Using CCC-881-1

A Description

CCC-881-1 is a computer-generated form printed during the APSS loanmaking procedure. Blank CCC-881-1's can be printed for manual loan preparation.

Note: Keep an adequate supply of blank CCC-881-1's on hand for preparing manual loans when the computer is inoperable.

CCC-881-1 is needed when there are more than 3 producer's signatures required or if there are more producers or lots than is allowed to be printed on CCC-881.

B Completing CCC-881-1

Complete CCC-881-1 according to this table.

Notes: These instructions are for manually prepared loans, except for item 15 which is required to be entered on loans prepared and disbursed through APSS.

For items 5 through 11, if CCC-877 is completed or ADP printout is used instead of CCC-877, County Offices may enter "See Attached Schedule" and attach CCC-877 or the ADP printout.

Item	Instructions
1	Enter State and county codes.
2	Enter loan number assigned from 90,000 series.
3	Enter applicable crop year.
4	Enter commodity code as follows: • "SUP" for upland seed cotton • "SELS" for ELS seed cotton.
A	Enter gin code where lot will be ginned.
B	Enter assigned seal number.
C	Enter pounds of seed cotton determined by lot from CCC-877.
D	Enter pounds of lint cotton determined by lot from CCC-877.
E	*--Enter the base quality loan rate (52 cents).--*

243 Completing Manual Loans for Multiple Producers Using CCC-881-1 (Continued)

B Completing CCC-881-1 (Continued)

Item	Instructions
F	Enter the quantity eligible for loan by lot for multiplying the quantity of lint cotton (item D) times: • 90 percent, if the cotton was measured • 95 percent, if the cotton was weighed. **Note:** COC may reduce this entry on an individual producer or loan basis if necessary to protect CCC's interest.
G	Enter loan amount determined by lot.
H	Enter name of each person or firm to receive any of the loan proceeds.
I	Enter producer ID.
J	Enter producer's share of loan.
5	Each producer who pledged production for the loan or persons authorized to sign for producers shall sign and date. **Important:** Give each producer, or authorized agent, a copy of CCC-601 and instruct them to read CCC-601, CCC-881, and CCC-881-1 before signing. **Note:** Obtain spouse's signature if required by State law.

B Completing CCC-881-1 (Continued)

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

CCC-881-1 (02-16-94)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

SEED COTTON PRODUCER'S NOTE AND SECURITY AGREEMENT, CONTINUATION SHEET

1. ST. & CO. CODES	2. LOAN NO.
13-113	90002
3. CROP YEAR	**4. COMMODITY**
9X	SUP

TO BE GINNED AT (GIN CODE) -A-	SEAL NO. OF LOTS MORTGAGED -B-	APPROX. LBS. SEED COTTON MORTGAGED -C-	APPROX. LBS. LINT COTTON MORTGAGED -D-	LOAN RATE -E-	LBS. FOR LOAN -F-	LOAN AMOUNT -G-
12345	3	2,125.00	468.00	.5235	421.00	$220.39

PRODUCER -H-	ID NUMBER -I-	PRODUCER SHARE -J-
Jane Doe	402-66-7699	.1333

5. NAMES AND SIGNATURES OF APPROVAL PRODUCERS AGREEING TO THIS LOAN AS SPECIFIED ON CCC-881.

Any signatures below agree to all terms and conditions on Form CCC-601 and any other Form CCC-881 with the same loan number stated in Item 2 of this Form CCC-881-1.

Signature	Date
/s/ Jane Doe	*10-8-9X*

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

243 Completing Manual Loan for Multiple Producers Using CCC-881-1 (Continued)

C
Distribution

Distribute CCC-881-1 as follows:

- file original copy of CCC-881-1 in loan folder with other original loan documents in a locked, fireproof file
- file County Office copy in producer's loan folder for use in entering data in APSS or other reference
- give producer copy to producer or authorized agent.

244 Manual Seed Cotton Loan Processing in APSS

A
Background

Follow this paragraph if the computer is inoperable and it is necessary to prepare a manual loan. Verify that loan rates and other related tables are correctly updated according to paragraph 65.

B
APSS Procedure

Process manual seed cotton loans according to the following table.

Step	Action	Result	
1	On Menu PCA005: • ENTER "2" • PRESS "Enter".	Screen PCA11000 will be displayed.	
2	On Screen PCA11000: • enter: • either the producer's last name or the producer's ID and type • the crop year • the 90,000 series number assigned • PRESS "Enter".	**IF...**	**THEN go to...**
		Screen PCA12000 is displayed	step 4.
		Screen MACR04-01 is displayed	step 3.
3	On Screen MACR04-01: • enter the number for the desired producer • PRESS "Enter".	Screen PCA12000 will be displayed.	
4	On Screen PCA12000: • ENTER "Y" to the question, "Is this a recording of a manual loan?" • ENTER "Y" or "N", as applicable, to the following questions: • "Is this the correct producer?" • "Is this the re-entry of a corrected loan?" • PRESS "Enter".	**IF the producer is...**	**THEN...**
		correct and this is **not** a re-entry of a corrected loan	Menu PLA000 will be displayed. Go to step 6.
		not correct	Screen PCA11000 will be redisplayed. Return to step 2.
		correct, but this is a re-entry of a corrected loan	Screen PCA12000 will be redisplayed. Go to step 5.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result
5	On Screen PCA12000: • enter the original loan number • PRESS “Enter”.	Menu PLA000 will be displayed.
6	On Menu PLA000: • ENTER “2” • PRESS “Enter”.	Screen PLB10000 will be displayed.
7	On Screen PLB10000, use the following table for entering data in the applicable fields.	Screen PLB10005 will be displayed.

Field	Entry
Commodity	Enter either of the following: • “SUP” for upland cotton • “SELS” for ELS cotton.
Class	Leave blank.
Crop Year	Defaulted to the crop year entered in step 2.
After all entries are completed, PRESS “Enter”.	

8	Follow subparagraph 240 B, steps 8 through 14.	Screen PLB13000 will be displayed.

9	On Screen PLB13000:
	• the following data, by seal number, will be displayed:
	  • mortgaged quantity
	  • loan quantity
	  • loan rate
	  • insurance deductible
	  • total loan amount
	• PRESS “Enter”.
		Screen PLB13500 will be displayed.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	

10	On Screen PLB13500:
	• the following information is displayed:
	  • mortgaged quantity
	  • loan quantity
	• enter, if applicable, service fees, if amount displayed is incorrect
	• PRESS "Enter".
		Screen PLB13505 will be displayed.	

11	On Screen PLB13505:
	• the following information is displayed:
	  • gross loan amount
	  • insurance deductible
	  • total loan amount
	  • service fees
	• PRESS "Enter".
		Screen PLB13510 will be displayed.	

12	On Screen PLB13510:
	• the following information is displayed:
	  • mortgaged quantity
	  • loan quantity
	  • loan amount
	  • disbursement amount
	• enter:
	  • the date loan was actually disbursed
	  • manually calculated loan amount
	  • manually calculated disbursement amount
	• PRESS "Enter".
		IF this is...	**THEN...**

		a joint loan	Screen PLA16000 will be displayed. Go to step 13.
		not a joint loan	Menu PLA005 will be displayed. Go to step 14.

Continued on the next page

B
APSS Procedure
(Continued)

<table>
<tr><th>Step</th><th colspan="2">Action</th><th colspan="2">Result</th></tr>
<tr><td>13</td><td colspan="2">On Screen PLA16000:
• enter the total manual disbursement amounts for each producer
• PRESS “Enter”.</td><td colspan="2">Menu PLA005 will be displayed.</td></tr>
<tr><td rowspan="5">14</td><td colspan="2">On Menu PLA005, use the following table for entering the appropriate option.</td><td>IF...</td><td>THEN...</td></tr>
<tr><td>IF...</td><td>THEN select...</td><td rowspan="2">“1” was selected</td><td rowspan="2">Screen PLA13005 will be displayed. Go to step 15.</td></tr>
<tr><td>loan will be disbursed on the current workday</td><td>option 1.</td></tr>
<tr><td>loan will never be disbursed</td><td>option 5.</td><td rowspan="2">“5” was selected</td><td rowspan="2">Menu PCA005 will be redisplayed. Return to step 1. All loan information will be deleted.</td></tr>
<tr><td colspan="2">PRESS “Enter”.</td></tr>
<tr><td>15</td><td colspan="2">On Screen PLA13005:
• enter:
  • the date of the lien search
  • “Y” to the question, “Do you wish to complete this process?”
• PRESS “Enter”.</td><td colspan="2">Screen PCA97000 will be displayed.</td></tr>
<tr><td>16</td><td colspan="2">On Screen PCA97000:
• enter the printer ID to print forms and reports
• PRESS “Enter”.</td><td colspan="2">CCC-881 will be printed and Screen PCE63010 will be displayed.</td></tr>
</table>

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
17	On Screen PCE63010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-881 will be reprinted • Screen PCE63010 will be redisplayed. Repeat this step.
		"N" was entered and there are more than 4 producers on the loan	• CCC-881-1 will be printed • Screen PCE64010 will be displayed. Go to step 18.
		"N" was entered and there are 4 or less producers on the loan and this is **not** a saved loan	go to step 19.
		"N" was entered and there are 4 or less producers on the loan and this is a saved loan	Menu PCA005 will be redisplayed. Return to step 1.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
18	On Screen PCE64010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-881-1 will be reprinted • Screen PCE64010 will be redisplayed. Repeat this step.
		"N" was entered and this is **not** a saved loan	go to step 19.
		"N" was entered and this is a saved loan	Menu PCA005 will be redisplayed. Return to step 1.
19	Accounting - Checkwriting procedure begins. See 1-FI for Accounting - Checkwriting procedure.	After Accounting - Checkwriting procedure is complete, Menu PCA005 will be redisplayed. Return to step 1.	

245-249 (Reserved)

Section 3 Loan Settlements, Seed Cotton

250 Basic Settlement Provisions

A Options

[7 CFR 1427.172] The producer may:

- repay principal plus interest and charges at any time before maturity according to paragraph 254

- request seed cotton to be removed from farm storage, by executing CCC-883 according to paragraph 253 and by doing 1 of the following:

  - selling the seed cotton as seed cotton

  - having the cotton ginned and selling the lint cotton and cotton seed produced from the seed cotton

    Note: If sold, the producer must repay the principal plus interest and charges immediately.

  - having the cotton ginned and, through the County Office that keeps the farm records for the farm where the cotton was produced, repaying the seed cotton loan, interest, and charges from the proceeds from obtaining a loan or LDP.

    Note: Apply proceeds to the amount of the seed cotton loan, interest, and charges according to paragraph 254.

- ***--**if the producer is a cooperative and knows that ginned cotton is also collateral for a seed cotton loan, may provide a ginned cotton loan or LDP for such cotton if the proceeds are jointly payable to the producer and CCC.**--***

250 Basic Settlement Provisions (Continued)

B Repayment Deadline

[7 CFR 1427.174] Recourse seed cotton loans must be repaid no later than the earlier of the following:

- date set by the County Office on CCC-883 according to paragraph 251
- immediately after seed cotton or lint from the seed cotton is **sold**
- immediately after the seed cotton is ginned and the following are available:
  - class data
  - warehouse receipts, if the cotton is delivered to a warehouse
- loan maturity date.

C Types of Remittances

See subparagraph 197 E for acceptable types of remittances.

Seed cotton loan collateral cannot be exchanged for commodity certificates.

251 Removing Loan Seed Cotton From Storage Before Repayment

A Individual Producers

[7 CFR 1427.172(b)(1)] For individual producers to remove loan seed cotton from storage before repayment, the producer must request and obtain approval in advance from the County Office by completing CCC-883 according to paragraph 253.

Exceptions: Producers may initiate movement of seed cotton pledged for loan on nonworkdays, without prior approval, if the producer makes a request for this movement on the next workday.

Approval may be given by telephone, but CCC-883 must be completed promptly thereafter.

Consider conversion has occurred if the conditions of this subparagraph are not met.

B Approved Cooperatives

For cooperative, approval to remove loan seed cotton before repayment is **not** required, but the cooperative shall:

- notify disbursing County Office, in writing by mail or otherwise, the morning after cotton has been moved
- include the following in the notice:
  - loan number
  - rick or module numbers
  - storing county
  - a certification that the loans will be repaid within the time specified by COC.

Continued on the next page

B
Approved Cooperatives (Continued)

When notice is received, County Offices shall:

- enter date loan must be repaid and amount due on that date on the notification
- make a copy of the notification, with due date and amount due, and send to the cooperative.

Consider conversion has occurred if the conditions in this subparagraph are not met.

C
Follow-Up Action

Take the follow-up action as necessary to ensure the loan is settled within the time specified by COC:

- on CCC-883
- the cooperative notification.

If seed cotton is removed from storage and the loan has not been settled:

- demand that the individual producer immediately repay the loan principal, plus interest and charges
- notify cooperative that the loan must be repaid before any other seed cotton may be moved
- if repayment is not made, consider the removal unauthorized.

--252 Settlement of Seed Cotton Loan From Other Loan or LDP Proceeds--

A Overview

If a producer, except a cooperative, obtains a CCC-Cotton A loan or LDP for the purpose of repaying a seed cotton loan, the County Office shall use the proceeds of the loan or LDP to repay the seed cotton loan principal plus interest and charges according to paragraph 254.

Note: Cooperative obtaining seed cotton loans must repay principal plus interest before pledging lint cotton for loan.

B Computing the Loan

Make the loan according to paragraph 187 and consider CCC a payee for the amount equal to the loan principal plus interest and charges.

Note: County Offices should calculate the repayment amount for the seed cotton loan before processing the CCC-Cotton A loan.

C Settling With the Producer

If CCC-Cotton A loan amount, minus the sum of the County Office fees and research and promotion fees, is:

- greater than the amount of the unpaid seed cotton loan, plus interest and any charges, pay the difference to the producer

- less than the amount of the unpaid seed cotton loan, plus interest and any charges, collect the difference from the producer.

*--D Applying Proceeds From CMA/LSA Loan or LDP

A producer who obtained a seed cotton loan from a County Office may apply to this loan obligation any proceeds disbursed by CMA or LSA from a loan or LDP on the same or other commodity.

Any proceeds obtained from CMA or LSA, whether from a loan or LDP, shall be jointly payable to the producer and to CCC if these proceeds are from a loan or LDP for the same cotton that is collateral for the seed cotton loan.**--***

253 Request to Move Collateral Using CCC-883

A Purpose

Producers shall request authorization to remove seed cotton pledged as collateral from storage on CCC-883 to either:

- sell as seed cotton
- gin seed cotton and sell the resulting lint cotton or pledge to CCC as security for a CCC-Cotton A loan.

Note: CCC-883 must be signed by at least 1 producer who signed CCC-881 or, if applicable, CCC-881-1 before it can be approved by CCC.

B Effective Period

CCC-883 shall expire on the earlier of:

- 60 calendar days from the date CCC-883 was approved

  Note: STC and COC may establish less than 60 calendar days.

- the loan maturity date.

C Extensions

If the seed cotton cannot be ginned before the expiration of CCC-883, COC may grant an extension allowing adequate time for the seed cotton to be ginned and for the producer to obtain classing data and, if applicable, warehouse receipts.

Notes: Extensions cannot be granted past the maturity date of the loan.

If the seed cotton or lint from the seed cotton is sold before the extension date, immediate repayment is required.

253 Request to Move Collateral Using CCC-883 (Continued)

D Preparing CCC-883

Prepare CCC-883 according to this table.

Item	Instructions
1-4	These items are self-explanatory.
5	ENTER “Upland” or “ELS”.
6A	Enter the authorization expiration date as the lessor of: • 60 calendar days or number of days established by COC from the date CCC-883 is approved • loan maturity date. **Note:** Under no circumstances shall the expiration date be greater than May 31 of the year following the crop year the cotton was planted.
6 B	Instruct producer requesting authorization to sign and date.
7	Enter the seal numbers involved in the release.
7 A	Enter the location where the seed cotton is stored.
7 B-D	Enter the mortgaged quantity: • before the release • authorized for removal • remaining in store under loan.
8 A	Obtain authorization date.
8 B	Enter the repayment amount, principal plus interest, for the date entered in item 8 A.
8 D	Enter the applicable daily interest rate.
9 A	Obtain authorized signature for CCC after all applicable signatures have been obtained.
9 B	Obtain authorization date.
9 C	Enter the date request is received by telephone, if applicable.
9 D	This item is self-explanatory.
10	Ginner shall complete these entries.

253 Request to Move Collateral Using CCC-883 (Continued)

D Preparing CCC-883 (Continued)

*--

This form is available electronically.

CCC-883 (09-21-04) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	INSTRUCTIONS TO PRODUCER	INSTRUCTIONS TO GINNER
SEED COTTON REMOVAL, GINNING AND MARKETING AUTHORIZATION	Execute original and two copies. Return original to County Office immediately. Give copy to ginner.	Complete Item 10 and return to County Office immediately after cotton is ginned.

NOTE: *The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. 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.*

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting this information is the Agricultural Act of 1949, as amended, and regulations (7 CFR Part 1421). The information will be used to determine eligibility for seed cotton loan program benefits. Furnishing the information is voluntary, however, without it, eligibility for seed cotton loan program benefits may not be able to be determined. This information may be provided to the USDA agencies, IRS, the Department of Justice, other governmental agencies, other State or 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. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE***

1. NAME AND ADDRESS OF PRODUCER *(Include street, city, state, and Zip)*	2. STATE AND COUNTY CODES	3. LOAN NUMBER
	4. CROP YEAR	5. TYPE OF COTTON

6. PRODUCER'S REQUEST

I hereby request authority with respect to the above loan, to remove the quantity of seed cotton described in Item 7C from the storage location shown in Item 7A. I agree that this seed cotton will be removed from storage and either (1) sold as seed cotton or (2) ginned and the resulting lint cotton sold or pledged to CCC as security for a loan. I agree that this authorization will not release CCC's security interest in such cotton and will release me from my liability for the amount due on the loan thereon only to the extent that actual payment is received by CCC. I agree that is the seed cotton is removed from storage, the loan thereon, plus interest and charges, will be satisfied not later than (1) the date this authorization expires in Item 6A, (2) promptly after the cotton is ginned and the producer receives the class cards, and warehouse receipts, if the cotton is delivered to a warehouse, covering such cotton, or (3) the loan maturity date, whichever is the earliest. I agree that if the seed cotton or lint cotton is sold, the loan, interest, and charges will be paid immediately. Payment shall be made to the County Office shown in Item 9D in the amount specified in Item 8.

A. THIS AUTHORIZATION EXPIRES ON: *(MM-DD-YYYY)*	B. PRODUCER'S SIGNATURE	DATE *(MM-DD-YYYY)*

7. Seed Cotton Released

SEAL NUMBERS	A. ADDRESS OF STORAGE LOCATION	QUANTITY IN POUNDS
	B. MORTGAGED QUANTITY BEFORE THIS RELEASE.	
	C. MORTGAGE QUANTITY AUTHORIZED FOR REMOVAL.	
	D. MORTGAGED QUANTITY REMAINING IN STORE UNDER LOAN.	

8. Repayment Amount

A. IF REPAYMENT IS RECEIVED ON (Date): *(MM-DD-YYYY)*	B. REPAYMENT IS (Amount): $	C. If repayment is NOT made on the date shown, adjust the repayment for each day for interest.	D. DAILY INTEREST AMOUNT $

NOTE: Make check payable to CCC and deliver to the County FSA Office named below to be received by the date this authorization expires.

9. Removal Authorization

A. FOR CCC BY:		D. NAME AND ADDRESS OF COUNTY FSA OFFICE
B. DATE OF AUTHORIZATION *(MM-DD-YYYY)*	C. DATE REQUEST RECEIVED BY PHONE *(MM-DD-YYYY)*	Telephone Number *(Include Area Code)*:

10. **To Be Completed By Ginner**

I certify that the following bales were produced from the quantity of cotton released in Item 7C.

A. LIST GIN BALE NUMBER(S)

B. GINNER'S SIGNATURE	DATE *(MM-DD-YYYY)*

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 ☐ PRODUCER'S COPY ☐ COUNTY OFFICE COPY ☐

--*

253 Request to Move Collateral Using CCC-883 (Continued)

E Distributing CCC-883

Distribute the approved CCC-883 as follows:

- file original in loan folder for control purposes
- give producer copy to contact producer
- send copy to ginner.

If requested by telephone, the County Office shall:

- retain the third copy

- send the original and second copy to the producer for signature

  Note: County Office shall inform the producer that both copies must be returned to the County Office before authorization can be approved.

- approve returned copies and return 1 of the copies to the producer

- send third copy to ginner after approval and request the ginner to complete item 10.

254 Repayments of Seed Cotton Loans Through APSS

A Background

Seed cotton loans:

- are repaid in the same manner as a farm-stored measured loan

•*****--can be repaid as:

- full repayment
- partial repayment
- lump sum repayment.

B APSS Procedure

County Offices shall process seed cotton loan repayments according to 12-PS, Part 7.--*****

255 Repayments Because of Removal From Storage

A Producer Obligation

The producer is responsible for any loss in quality or quantity of the seed cotton under loan.

B Going Out of Condition

[7 CFR 1427.172(c)] If the cotton is going out of condition or is in danger of going out of condition, the producer shall immediately notify the County Office and confirm this notice in writing.

If COC determines that the cotton is going out of condition or is in danger of going out of condition, COC shall call for settlement of the loan by a specific date. If settlement is not effected, consider the cotton abandoned. See paragraph 257 for abandonment.

C Loss of Storage Site or Danger of Damage

[7 CFR 1427.172(d)] If the producer loses control of the storage site or if there is danger of flood or damage to the storage structure that makes continued storage of the cotton unsafe, the producer must immediately repay the loan or move the cotton to the nearest approved gin for ginning. The producer shall inform the County Office when the cotton is moved.

Note: If the producer does not repay the loan or move the cotton, consider the cotton abandoned. See paragraph 257 for abandonment.

256 Notice of Maturity

A Notifying Producers

--**No earlier than 60 calendar days and no later than 45 calendar days before maturity date,**--
notify each producer who has an outstanding loan that the loan is a recourse loan and must be repaid by the maturity date. Inform the producer that:

- if a loan is not repaid, CCC shall:
  - remove the seed cotton from storage
  - have the cotton ginned
  - warehouse the lint cotton for CCC's account
  - sell the cotton
- if the proceeds from the sale of the lint cotton and cotton seed are:
  - less than the amount due on the loan principal, plus interest and charges, the producer will be liable for the difference
  - more than the amount of the loan principal, plus interest and charges, pay the difference to the producer.

--**No appeal rights are mentioned in this initial notification because no adverse action is being taken.**--

256 Notice of Maturity (Continued)

*--B Notice of Maturity Letter

Send the following notification letter to producers of maturing seed-cotton loans.

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
_____ County FSA OFFICE

(Date)

Dear_____:

This is to notify you that your (enter crop year) seed-cotton loan, No. (enter loan number) will mature on (enter maturity date). The maturity date of this loan cannot be extended.

Under the terms and conditions of the loan, this obligation must be repaid on or before the maturity date. The seed cotton cannot be delivered to CCC to satisfy this loan obligation.

If this loan is not repaid, CCC shall:

- remove the seed cotton from storage
- have the cotton ginned
- warehouse the lint cotton for CCC's account
- sell the cotton.

If the proceeds from the sale of the lint cotton and cotton seed are:

- less than the amount due on the loan principal, plus interest and charges, the producer will be liable for the difference

- more than the amount of the loan principal, plus interest and charges, pay the difference to the producer.

Sincerely,

County Executive Director
_____ County FSA Office

--*

257 Abandonment and Foreclosure

A General Information

[7 CFR 1427.173] Foreclose on seed cotton loans if the loan is **not** settled by loan maturity, or is considered abandoned.

B Producer Obligation

The producer is obligated to:

- authorize CCC to enter the storage premises and remove the cotton
- pay interest, ginning, and any other charges CCC incurs.

C Selling the Cotton

Once it is determined that foreclosure action shall be taken, COC shall:

- remove the seed cotton from storage, and have it:
  - ginned
  - classed
  - warehoused for CCC's account
- sell the seed cotton and:
  - if ginner is the buyer, credit the purchase amount against ginning costs
  - deposit any collections received from selling the seed cotton as loan repayment according to 3-FI
  - issue *** * *** payment required to be made for ginning or other charges
  - include proceeds and payment in settlement with the producer.

257 Abandonment and Foreclosure (Continued)

D Settle With Producer

If the proceeds from the sale of the lint cotton and cotton seed are:

- less than the amount due on the loan, including interest, ginning, and other charges, collect the difference according to 3-FI

- more than the amount due on the loan, including interest, ginning, and other charges, pay the excess to producer according to 1-FI.

258 Demand Letters for Unpaid Seed Cotton Loan

*--A Demand Letter

Send the producer the following demand letter for a seed cotton loan obligation not paid by its maturity date.

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
LYON COUNTY FSA OFFICE
PO BOX 389
ROCK RAPIDS IA 51246-0389

October 15, 2007

Thomas Smith
1000 Main Ave
Springfield IA 51241-7522

Dear Thomas Smith:

You were notified on (**date of loan maturity notification letter**) that your (**year**)-crop (**commodity type**) loan (**number**) was due and payable on or before (**maturity date**). The loan has matured and the debt has not been repaid. Interest will continue to accrue until the amount due is repaid.

The following apply if the principal and charges plus interest, **$_____** as of the date of this letter, are not repaid on or before the 30th calendar day after the date of this letter:

- foreclosure proceedings will begin
- the amount due will be recorded for offset from any FSA or CCC payment due you
- a claim will be established.

If the value of the commodity delivered does not liquidate the outstanding balance, you will be expected to remit the deficiency promptly upon notification by CCC.

After the claim is established:

- the claim may be reported to other Federal Agencies for offset from any amounts that may be due you
- late payment interest, based on the rate established by the Department of the Treasury, will be applied to your debt on a daily basis from the date the claim is established until the debt is paid in full.

An additional 3 percent interest shall be assessed on the unpaid balance of the debt retroactively from the date the claim is established, if payment in full is not made within 60 calendar days after the date the claim is established.

We want to work with you to resolve this matter. Depending upon your situation, there is the possibility of paying this debt in installments. If you have any questions regarding this matter, please do not hesitate to contact us.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the County Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the County Committee, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you appeal this determination to the County Committee, you may later appeal an adverse determination of the County Committee to the FSA State Committee or National Appeals Division (NAD). To appeal, write to the County Committee at the following address and explain why you believe this determination is erroneous. (**Insert COC address.**)

You may contact the County Office to receive a copy of the documents related to this determination.

Sincerely,

Harvey Lee
County Executive Director

USDA is an Equal Opportunity Provider and Employer

--*

*--258 Demand Letter for Unpaid Seed Cotton Loan (Continued)

B Demand Letter (Appeal)

Send the producer the following demand letter on the 31st calendar day if the producer has responded to the notification letter and requests appeal or reconsideration of the debt.

Producer Name Date
Producer Address

Dear *Producer Name:*

By letter dated _____, you were notified that the County Committee had determined that you owe $_____, plus interest as applicable. You requested an informal review and reconsideration of the debt. The County Committee has reconfirmed the debt determination. The debt is now past-due. Late payment interest will accrue on your debt at the rate of ___% per annum starting on the 31st day from the date of this letter until the debt is paid or otherwise resolved.

Please pay your debt now. Make your check payable to "Commodity Credit Corporation" and send it to this office at the above address. If you are unable to pay the debt in full now, you may arrange to establish a mutually acceptable repayment agreement and pay in installments. If payment in full or arrangements to pay the debt in full are not made within 60 days from the date of this letter, or upon conclusion of the appeals process, whichever is later, the debt will be sent to the Kansas City Management Office for referral to the Department of Treasury for collection by offset of qualified disbursements and refunds, including any federal income tax refund to which you may be entitled.

Because this debt may be collected by offset of your federal income tax refund, you may present, within 60 days from the date of this letter, evidence that all or part of the debt is not past-due or legally enforceable. Submit to this office a written explanation of your position that the debt is not past-due or legally enforceable, and include documentation to support your position. Of course, if you are continuing the appeal of the debt under the National Appeals Division procedures, and have included the issues of the past-due nature of the debt and its legal enforceability, we will rely on the final determination in the National Appeals Division process, and not make a separate determination on those issues. Please be assured that we will not send the debt to the Kansas City Management Office until completion of the National Appeals Division process.

Under Federal law and regulations, the following additional actions may be taken by USDA and the Department of Treasury to collect delinquent debts:

- Assessment of interest, administrative costs, and penalties
- Administrative garnishment of wages
- Offset of CCC and FSA payments
- Reporting the debt to consumer and commercial credit bureaus
- Referral of the debt to private collection agencies and Treasury-designated collection centers
- Referral of the debt to Agency counsel or the Department of Justice for litigation
- Reporting the debt to the Internal Revenue Service if the debt, or any portion of the debt, is discharged.

--*

*--258 Demand Letters for Unpaid Seed Cotton Loan (Continued)

B Demand Letter (Appeal) (Continued)

Our records do not indicate that you have filed for bankruptcy protection under Title 11 of the United States Code. If you have filed for bankruptcy, please notify your local USDA Service Center as soon as possible so that we may update our records to reflect the bankruptcy, and proceed to resolve this debt in accordance with bankruptcy procedures.

Please contact this office at _____ if you have any questions. We want to work with you to resolve this debt and to discuss repayment options, if necessary. If this debt is not resolved within 60 days of the date of this letter, or upon conclusion of the appeals process, the Kansas City Management Office will take additional collection action.

Please disregard this letter if you have already paid this debt.

Sincerely,

County Executive Director

--*

259 (Reserved)

Part 5 LDP's

Section 1 Basic Requirements

260 Source of LDP's

A Where to Apply

***--[7 CFR 1427.23]** LDP's (and loans) may be obtained by eligible producers only from any of the following:

- the County Office that keeps the farm records for the farm on which the cotton was produced (the Administrative County)**--***

  *** * ***

- ***--**an approved cotton clerk, according to 14-CN **[7 CFR 1427.6]**

- an approved CMA or LSA, according to 21-CN **[7 CFR 1427.5(a) and 1427.6]**.

Multi-county producers may request LDP's in a county other than their Administrative County. However, the actual LDP is not to be provided by any county other than the producer's Administrative County.

County Offices that are not the Administrative County for the multi-county producer must send the loan, LDP, or module lock-in request to the Administrative County for processing.**--***

261 Eligibility

A Type of Cotton

[7 CFR 1427.23] 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.

B Producer and Cotton Eligibility

[7 CFR 1427.5] Producers and cotton must meet the same eligibility requirements, according to paragraph 100, that are used for a regular upland cotton CCC-Cotton A loan, except that:

•***--**CCC does not have to be the holder of EWR's for the bales**--***

- cotton does not have to be stored in a warehouse or be represented by a warehouse receipt

- the producer is not required to have BI in the cotton if CCC-633EZ, page 1 was submitted before BI was lost.

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

Cotton remains eligible for loan and repayment at principal and interest or exchanged with commodity certificates if LDP has been requested on the cotton but was denied because of:

- payment limitation
- adjusted gross income provision.

C Payment Limitation Provisions

[7 CFR 1400] See paragraphs 25, 37, 43, and 44 for payment limitation provisions.

Cotton denied LDP because of payment limitation is eligible for loan through final loan availability date as long as all other eligibility requirements, including BI, are met. Such loans cannot be repaid with cash at a reduced rate but can be exchanged for a commodity certificate or delivered to CCC in satisfaction of the loan obligation.

262 LDP Options Relative to Harvest and Ginning

A LDP Request Options

Cotton LDP's may be disbursed, in all cases, only on eligible, ginned cotton upon presentation of production evidence in the form of a warehouse receipt or bale list.

*--Producers requesting LDP **must** submit **both** CCC-633 EZ, pages 1 and 3 for any of the--* following options.

Type	Rate used for LDP is rate effective on…	BI status at time of application…
	LDP for cotton in which producer has BI at the time of the LDP application is:	
Irrevocable module lock-in.	date of application.	producer has BI.
Gin-direct.	date of ginning.	
Irrevocable post-ginning.	date of application.	
Lost BI before application.	the date BI was lost.	BI lost.

- **Irrevocable module lock-in**. For harvested cotton in modules, before ginning, a producer may submit CCC-633 EZ, page 3 to request lock-in of AWP rate to be used for LDP calculation. AWP/LDP rate is that which **is effective on the date an accurately completed request is submitted**. The cotton is identified by a gin-supplied trailer or module number. After the cotton is ginned, the producer provides bale information that corresponds to the cotton identified by the trailer or module number. These requests for lock-in of AWP and LDP **cannot** be revised or canceled. See subparagraph 275 E.

- **Gin-direct**. A producer may request gin-direct LDP's using CCC-633 EZ, page 3. LDP rate provided is the rate payment rate effective on the date the cotton is ginned according to paragraph 274. These requests are allowed to be revised or terminated under certain circumstances. See subparagraphs 274 F and G.

- **Irrevocable post-ginning**. On cotton that has been ginned, a producer may request LDP using CCC 633 EZ, page 3 supported by a bale list. LDP rate provided is the rate effective on the date that an accurately completed application is submitted. These LDP *--requests, once submitted, **cannot** be revised or canceled. See subparagraph 275 F.--*

- **Lost BI**. If BI has been lost before the LDP is requested, and the producer had filed CCC-633 EZ, page 1 before the date BI was lost, then the producer may request LDP using CCC-633 EZ, page 3. For these LDP's, the only payment rate provided is the rate applicable on the date that BI was lost. The producer **must** provide acceptable documentation of the date BI was lost on the applicable quantity.

262 LDP Options Relative to Harvest and Ginning (Continued)

A LDP Request Options (Continued)

Notes: LDP applications submitted under any of these options may be considered complete if received without classification information. In these cases, the disbursement is to be made after classification information is received.

Cotton can be subject to only 1 loan or 1 LDP application at any moment. Benefits, whether a loan or LDP, are provided only once on any quantity of cotton. No concurrent applications for the same cotton are ever allowed.

263 Availability Dates

A Availability Dates

[7 CFR 1427.5(a)] Cotton LDP's are available by executing an LDP application from the date loan rates are announced through May 31 after the calendar year in which the crop is planted. This application deadline applies:

- to all types of LDP's
- regardless if applicant has, or has lost, BI at the time of application.

Reminder: The disbursement date shall be no 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 Accepting and Date-Stamping LDP Documents--

If CCC-633 EZ was signed by the producer more than 15 calendar days before delivery or mailing (postmark date) to the County Office, the County Office:

- shall **not** accept the application if presented by a Cotton Clerk
- may accept the application if presented by a producer.

--**All pages of CCC-633 EZ shall be date-stamped upon receipt.**--

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

C Effective Times for AWP and CCA

LDP rates are based on the same announced AWP's and CCA's, and the same effective times of these prices, as are applicable to loan redemptions. See subparagraphs 22 A through D for the effective times of announced prices.

*--261.5 Establishing LDP Eligibility Before BI Is Lost

A Eligibility When BI Lost

Effective for 2005 and subsequent crop upland cotton, a producer may apply for LDP benefits after BI is lost if the producer has submitted CCC-633 EZ, page 1 before BI was lost on the cotton.

CCC-633 EZ, page 1 is:

- only a statement of intentions
- **not** an LDP request for an identified quantity.

Producers who submit CCC-633, page 1 before BI is lost:

- may request LDP on production identified on CCC-633 EZ after BI has been lost; see options in subparagraph 262 A

- may request a marketing assistance loan on the covered quantity as long as BI is retained at the time of the loan request

- are not irrevocably committed to request either a loan or LDP for cotton identified on CCC-633 EZ.

This new policy does **not** guarantee or provide LDP eligibility in all circumstances where BI was lost. Cotton will lose eligibility for LDP unless CCC-633 EZ, page 1 is submitted before BI is lost.

B Using CCC-633 EZ to Establish LDP Eligibility

CCC-633 EZ, page 1 must be submitted **before** BI was lost on a quantity for the cotton to be assured eligibility for LDP.

The following is an example of CCC-633 EZ, page 1 that is a statement of intentions to receive LDP on all eligible production.**--***

261.5 Establishing LDP Eligibility Before BI Is Lost (Continued)

B Using CCC-633 EZ to Establish LDP Eligibility (Continued)

*--

This form is available electronically.

Form Approved - OMB No. 0560-0129

CCC-633 EZ
(09-05-07)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

LOAN DEFICIENCY PAYMENT (LDP) AGREEMENT AND REQUEST

All eligible producers entering into this agreement **MUST** meet marketing assistance loan eligibility and have beneficial interest in the quantities covered by this agreement for the applicable crop year when signing this form. A producer is considered to have beneficial interest in the specified quantities if the producer has ALL of the following:

- title to the commodity
- control of the commodity

1. Name and Address of Producer *(Include ZIP Code) (Please Print)*

2. Telephone/Cell Number *(Include Area Code)*:

3. ID Number *(Last 4 Digits)*:

4. Crop Year:

5. State(s) and County(s)

File this form **BEFORE** loss of beneficial interest (title and control) to indicate your intentions to receive Loan Deficiency Payment (LDP) benefits for this crop year for **all counties** and **all eligible harvested, sheared, or slaughtered commodities** for the individual, joint operation, or entity identified in Item 1. The CCC-633 EZ - LDP Request (Page 2), Cotton LDP Request (Page 3), or Request for Wool, Mohair, or Unshorn Pelt LDP (Page 4) must be completed **BEFORE** the final loan/LDP availability date to receive LDP benefits.

PART A - TERMS AND CONDITIONS

- The LDP rate will be based on the **earlier** of: a) the date beneficial interest is lost as applicable to specific commodity provisions; or b) the LDP request date as submitted on the CCC-633 EZ (Page 2) Part E, or CCC-633 EZ (Page 4) for wool, mohair, and unshorn pelts. For cotton LDP's requested on CCC-633 EZ Cotton (Page 3), the LDP rate will be based on the information provided on Page 3.
- Quantities covered by this agreement were produced by the producer and not purchased or acquired directly or indirectly from any other source or committed under a marketing agreement to a Cooperative Marketing Association (CMA.)
- As a condition of receiving an LDP, a producer (or members of a CMA) must first resolve delinquent federal non-tax debt(s). The debt(s) must be resolved **before** the final loan/LDP availability date.
- CCC may request copies of contracts and supplemental documentation to determine eligible quantity and when beneficial interest was lost.
- If a Marketing Assistance Loan (MAL) is disbursed for a quantity covered by this agreement and the MAL is repaid at a price **less than** principal and interest, this agreement becomes null and void for that specific quantity.
- All producers with an interest in the quantity covered by this agreement must sign a CCC-633 EZ Part C, to obtain LDP benefits.

PART B - METHODS OF PAYMENT REQUEST *(Request must be submitted by final loan/LDP availability date.)*

- For quantities represented by verifiable production evidence under this agreement, submission of evidence in combination with Part E, Part N, or Part O of this form as applicable shall be considered a request for payment. Evidence must include sufficient data to determine producer and commodity eligibility and LDP rate.
- For quantities for which verifiable evidence is unavailable (i.e., certified quantities, fed quantities, quantities used for seed, silage, etc.), the request for payment shall be initiated by recording a certification of quantity on Part E, Part N, or Part O of this form as applicable. Additional information may be requested by CCC to determine producer and commodity eligibility and LDP rate.
- Submission of an eLDP shall be a request for payment. The CCC-633 EZ Part E is not required for that specific quantity.
- **For Cotton Producers Only:** Producer agrees: a) any request for a module lock-in or post-ginning LDP is irrevocable and cannot be cancelled or revised unless the LDP is denied due to payment limitation; b) any request for a gin-direct LDP is irrevocable on or after the date of ginning; c) entry of information on Page 3 of this application constitutes an irrevocable application for the Adjusted World Price (AWP) to be locked in on the date an accurately completed application is submitted for an LDP based on gin-provided documentation identifying the bales produced from the module/storage unit for which the AWP lock-in applies.

PART C - PRODUCER SIGNATURE AND CERTIFICATION *(For additional signatures, complete CCC-633 EZ Continuation, Part C)*

I/we certify all information entered on this form is true and correct. By certifying to the terms and conditions in Part A, the producer(s) hereby enters into this agreement with CCC for all eligible commodities. The producer(s) agrees: 1) any false claim or false statement may lead to civil liability or criminal prosecution; 2) LDP's may be selected for spot-check and the producer will be required to provide supplemental documents to determine program eligibility; 3) to forgo a commodity loan on the quantity requested for LDP unless a quantity is denied LDP due to payment limitation; 4) not to refund any LDP amount in order to obtain a commodity loan; 5) this agreement and subsequent payment request is subject to CCC determination of producer and commodity eligibility subject to 7 CFR Parts 1421, 1425, 1427 and 1434; 6) that CCC shall require refund of LDP, plus interest, from the date of payment if producer(s) and/or commodity is later determined ineligible by CCC; 7) CCC shall assess administrative penalties and/or liquidated damages in accordance with 7 CFR Parts 1421, 1425, 1427 or 1434, as applicable, if producer(s) misrepresented the eligible quantity and/or commodity covered by this agreement; 8) the maximum eligible quantity and yield determinations must equal the quantity and yield determinations for disaster or crop insurance indemnity payments, when and if applicable; and 9) to submit the applicable CCC-633 EZ, Page 2, Page 3, Page 4 or an eLDP online request before obtaining LDP amounts.

6. Signature of Producer	7. Date (MM-DD-YYYY)	6. Signature of Producer	7. Date (MM-DD-YYYY)	6. Signature of Producer	7. Date (MM-DD-YYYY)

PART D - CCC AGREEMENT *(FOR CCC USE ONLY)*

8. Signature of CCC Representative	10. Date (MM-DD-YYYY)	11. Additional Information	12. Name and Address of County FSA Office or LSA or DMA
9. Title of CCC Representative			

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 7 CFR Parts 1421 and 1427. The information will be used to determine eligibility and the amounts of program benefits. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in 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.*

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 0560-0129. 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.***

Page 1

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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261.5 Establishing LDP Eligibility Before BI Is Lost (Continued)

B Using CCC-633 EZ to Establish LDP Eligibility (Continued)

*--

CCC-633 EZ (09-05-07)

PART E - REQUEST FOR LDP

13A. Contact Name and Address of Producer *(Include Zip Code) (Please Print)*

13B. Telephone/Cell Number *(Include Area Code) (Optional)*:

14. SSN *(Last 4 Digits)* or ID Number

15. Crop Year

16. State and County where Farm Records are Maintained

17. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 32. ☐ YES ☐ NO

A completed CCC-633 EZ, Page 1 must be on file before beneficial interest (title and control) is lost in the requested quantity for this to be considered a valid request for payment. This request for payment, with acceptable production evidence (if applicable), must be submitted to the County FSA office that administers the farm records for the requested commodity and quantity.

Complete Items 19 through 23 and sign/date below. Indicate in Item 21 if this is a certified LDP, request for measurement service, or indicate production evidence is attached, as applicable. When beneficial interest has been lost, indicate date of sale, fed, used for seed, etc, as applicable, in Item 23. If additional entries are needed, provide data on an additional CCC-633 EZ, Page 2.

18. LDP No. (CCC Use Only)	19. Commodity Class, Variety, Type	*20. Net Quantity Requested and Unit of Measure (bu., tons, cwt., lbs., etc.)	21. Source of Quantity (Check one of the following)			22. Stored or Delivery Location, if applicable (State, County, Warehouse, or Bin Site)	23. Effective Date of LDP Rate (MM-DD-YYYY)		24. LDP Rate (CCC Use Only)
			A. Certified	*B. Measurement Service	C. Production Evidence	**Examples:** Warehouse-Stored: Ohio, Athens Co., ABC Warehouse; Farm-Stored: Texas, Webb Co., 30' Butler Bin, North of House	A. Date of LDP Request or Date Beneficial Interest Was Lost	B. Date of Delivery	

* If measurement service is requested, I agree to pay the required fee(s) and agree this request is irrevocable. The quantity determined by measurement service will be the maximum quantity eligible at the time of this request. Producer must enter in Item 20, a specific quantity or "ALL" for this LDP application to be valid.

PART F - PRODUCER CERTIFICATION ***(For additional signatures, complete CCC-633 EZ Continuation, Part F)***

I certify all information entered on this form is true and correct. By completing Part E and signing and dating this form, I hereby make a request for payment from the Commodity Credit Corporation (CCC) for the commodity described above under the terms and conditions as provided on the CCC-633 EZ, Loan Deficiency Payment (LDP) Agreement and Request. I also understand that a CCC-633 EZ, Page 1 MUST be on file at the FSA County Office for this LDP request to be considered complete.

25. Signature of Producer	26. % Share	27. Date (MM-DD-YYYY)	25. Signature of Producer	26. % Share	27. Date (MM-DD-YYYY)

PART G - CCC APPROVAL ***(FOR CCC USE ONLY)***

28. Signature of CCC Representative	29. Title of CCC Representative	30. Date (MM-DD-YYYY)	31. Action: ☐ Approved ☐ Disapproved	32. Additional Information

Page 2

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261.5 Establishing LDP Eligibility Before BI Is Lost (Continued)

B Using CCC-633 EZ to Establish LDP Eligibility (Continued)

*--

CCC-633 EZ (09-05-07)

PART H - REQUEST FOR COTTON LDP

33. Contact Name and Address of Producer *(Include Zip Code) (Please Print)*	34. ID Number *(Last 4 Digits)*	35. Telephone/Cell Number *(Include Area Code)*	36. Crop Year	37. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 56. ☐ YES ☐ NO

38. Producer Initials to Select Type of Application	Type of LDP Requested	Must be Requested	Must have Beneficial Interest at Time of LDP Application?	The LDP Rate will be the rate in effect on the:	39. Quantity: *(Use Part K for file sequence number(s))*
	Irrevocable Module Lock-In	After Harvest, Before Ginning	YES	Date an Accurately Completed Request is Submitted. ▶	Identified by gin as being produced from the module(s) listed in Part I and identified by bale list or file sequence number(s).
	Irrevocable Post-Ginning	After Ginning	YES	Date an Accurately Completed Request is Submitted. ▶	Identified by bale list or file sequence number(s).
	Gin-Direct	Before Date of Ginning	YES	Date of Ginning ▶	GIN DIRECT ONLY: For each farm number producer enters number of bales or "ALL" to be identified by bale list or file sequence number.
	Lost Beneficial Interest	After Ginning	NO	Date Beneficial Interest Lost ▶	Identified by Bale List or File Sequence Number(s)

A. FARM NO.	B. NO. BALES	A. FARM NO.	B. NO. BALES

PART I - MODULE IDENTIFICATION OF SEED COTTON *(Completed for Module Lock-In LDP Request)*

40. Gin Code:	41. Module Location at Farm or Gin:

42. Gin's Module/Trailer Number:

PART J - PRODUCER CERTIFICATION *(For additional signatures, complete CCC-633 EZ Continuation, Part J)*

I certify all information entered on this form is true and correct.

43. Signature of Producer(s)	44. % Share	45. Date (MM-DD-YYYY)	43. Signature of Producer(s)	44. % Share	45. Date (MM-DD-YYYY)

PART K - INFORMATION FOR LDP REQUEST *(Complete Upon Receipt of Bale Data Files) (FOR CCC USE ONLY)*

46. LDP Number	47. File Sequence Number(s)	48. Date File(s) Received (MM-DD-YYYY)	49. Bale Count

PART L - CCC APPROVAL *(FOR CCC USE ONLY)*

50A. Signature of CCC Representative	50B. Title of CCC Representative	53. Date Submitted (MM-DD-YYYY)	55. Name and Address of FSA County Office or LSA	56. Additional Information
51. Action: ☐ Approved ☐ Disapproved	52. Date of Signature by CCC Representative (MM-DD-YYYY)	54. AWP on Applicable Date (MM-DD-YYYY)		

Page 3

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261.5 Establishing LDP Eligibility Before BI Is Lost (Continued)

B Using CCC-633 EZ to Establish LDP Eligibility (Continued)

*--

CCC-633 EZ (09-05-07)

PART M - REQUEST FOR WOOL, MOHAIR, OR UNSHORN PELT LDP

57. Contact Name and Address of Producer *(Include Zip Code) (Please Print)*	58. ID Number *(Last 4 Digits)*	59. Telephone/Cell Number *(Include Area Code)*	60. Crop Year	61. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 87.
	62. State and County where Farm Records are Maintained			☐ YES ☐ NO

A completed CCC-633 EZ (Page 1) must be on file for the crop year identified in Item 60 before beneficial interest (risk of loss, title, and control) is lost in the requested quantity for this to be considered a valid request for payment. **This request for payment, with acceptable production evidence (if applicable), must be submitted to the County FSA office that administers the farm records for the requested commodity and quantity.**

Complete Items 64 through 69 for wool and mohair or Items 72 through 77 for unshorn lamb pelts and sign/date below. Indicate the source of quantity in Item 67 or 75 if this is a certified LDP, indicate for wool or mohair only if the quantity is in excess of the certified quantity, or indicate if production evidence is attached, as applicable. When beneficial interest has been lost, indicate date of sale, delivery, slaughter, etc., as applicable, as the effective date of LDP rate in Item 69 or 77. If additional entries are needed, provide data on an additional CCC-633 EZ, Page 4.

PART N - COMPLETED FOR WOOL OR MOHAIR

63. LDP No. (CCC Use Only)	64. Commodity	65. Type	66. Net Quantity (lbs.)	67. Source of Quantity (Check on of the following) A. Certified	B. Production Evidence	C. Qty in Excess of Certified Qty.	68. Stored Location (State, County, Warehouse, Farm Storage Location)	69. Effective Date of LDP Rate (Date of Request or Date Beneficial Interest was Lost) (MM-DD-YYYY)	70. LDP Rate (CCC Use Only)
	Mohair								
	Wool	Graded / Ungraded							
	Mohair								
	Wool	Graded / Ungraded							
	Mohair								
	Wool	Graded / Ungraded							
	Mohair								
	Wool	Graded / Ungraded							

PART O - COMPLETED FOR UNSHORN LAMB PELTS

71. LDP No. (CCC Use Only)	72. Number of Unshorn Lamb Pelts Requested	73. Use A. Immediate Slaughter	B. Slaughter for Personal Use	C. Preserved and Stored	D. Sold as Feeders to Lamb Buyer	74. Stored Location (If applicable) (State, County, Warehouse, Farm Storage Location)	75. Source of Quantity (Check one of the following) A. Certified	B. Production Evidence	76. Current Herd/ Flock Size	77. Effective Date of LDP Rate (Date of Request or Date Beneficial Interest was Lost) (MM-DD-YYYY)	78. LDP Rate (CCC Use Only)

PART P - PRODUCER CERTIFICATION ***(For additional signatures, complete CCC-633 EZ Continuation, Part P***

I certify all information entered on this form is true and correct and that the commodity was owned/retained for at least 30 days before the date of shearing or slaughter for unshorn lambs. By completing Part N for wool and mohair or Part O for unshorn lamb pelts and signing and dating this form, I hereby make a request for a payment from Commodity Credit Corporation (CCC) for the commodity described above under the terms and conditions as provided on the CCC-633 EZ, Loan Deficiency Payment (LDP) Agreement and Request. I also understand that a CCC-633 EZ, Page 1 MUST be on file at the FSA County Office for this LDP request to be considered complete.

79. Signature of Producer	80. % Share	81. Date (MM-DD-YYYY)	79. Signature of Producer	80. % Share	81. Date (MM-DD-YYYY)

PART Q - CCC APPROVAL ***(FOR CCC USE ONLY)***

82. Signature of CCC Representative	83. Title of CCC Representative	84. Date (MM-DD-YYYY)	85. Action: ☐ Approved ☐ Disapproved	86. Is the quantity for this LDP reasonable? ☐ YES ☐ NO	87. Additional Information

Page 4

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261.5 Establishing LDP Eligibility Before BI Is Lost (Continued)

B Using CCC-633 EZ to Establish LDP Eligibility (Continued)

*--

CCC-633 EZ Continuation
(09-05-07)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

CONTINUATION SHEET FOR LOAN DEFICIENCY (LDP) PAYMENT AGREEMENT AND REQUEST
(Use with CCC-633 EZ Pages 1, 2, 3, or 4)

Attach to Form CCC-633 EZ _____

Enter a Check by the Appropriate Part to Indicate which Section this Form Applies.

PART C - PRODUCER CERTIFICATION (CCC-633 EZ Page 1) ***(Continuation)***

6. Signature of Producer	7. Date (MM-DD-YYYY)	6. Signature of Producer	7. Date (MM-DD-YYYY)

PART F - PRODUCER CERTIFICATION (CCC-633 EZ Page 2) ***(Continuation for LDP Request)***

25. Signature of Producer	26. % Share	27. Date (MM-DD-YYYY)	25. Signature of Producer	26. % Share	27. Date (MM-DD-YYYY)

PART J - PRODUCER CERTIFICATION (CCC-633 EZ Page 3) ***(Continuation for Cotton LDP Request)***

43. Signature of Producer	44. % Share	45. Date (MM-DD-YYYY)	43. Signature of Producer	44. % Share	45. Date (MM-DD-YYYY)

PART P - PRODUCER CERTIFICATION (CCC-633 EZ Page 4) ***(Continuation for Wool, Mohair, or Unshorn Pelt LDP Request)***

79. Signature of Producer	80. % Share	81. Date (MM-DD-YYYY)	79. Signature of Producer	80. % Share	81. Date (MM-DD-YYYY)

Page 5

--*

261.5 Establishing LDP Eligibility Before BI Is Lost (Continued)

C FSA Employee Instructions for CCC-633 EZ, Page 1

Producers must complete Items 1 through 4, Parts A, B, C, and E, as indicated.

Item	Instructions
1	Enter name and address of the producer. This should be the name of the individual, joint operation, or entity for which benefits may be requested.
2	Enter telephone number of the applicant.
3	Enter last four digits of the producers ID Number.
4	Enter crop year for the commodity covered by the LDP agreement.
5	Enter all States, if necessary, and counties where the producer in Item 1 has an interest for the designated crop year. This form covers interests in **all** eligible LDP commodities of the producer for the crop year entered in Item 4. The County Office that first receives CCC-633 EZ, page 1 shall forward to other County Offices, as applicable, by FAX or mail.
Part A	Terms and Conditions
	All producers requesting LDP shall review and understand the terms and conditions of this agreement.
Part B	Methods of Payment Request
	All producers requesting LDP shall review and understand the methods a payment request may be initiated under this agreement. Terms related to cotton LDP requests explained in the fourth paragraph of this part. **Note:** A request for payment is made for cotton using CCC-633 EZ, page 3 that must be received in the County Office before the final loan availability date for the applicable commodity. If this form is approved for electronic transmission and the producer has established credentials with USDA to submit forms electronically, the producer's transmission is certification that he/she has read and understands the Methods of Payment.
Part C	Producer Signature and Certification
6 and 7	After reading the certification statement, the producer signs in item 6 and enters date of signature in item 7. Use CCC-633 EZ, page 4 if additional signature space is needed. The signatures indicate the producer has reviewed and agrees to the conditions listed above.
Part D	Approval/Disapproval
8 - 10	An authorized CCC representative shall approve or disapprove CCC-633 EZ by completing blocks 8 through 10.
11	Enter any additional information pertinent to the approval or disapproval of this agreement.
12	***--**Enter name and address of the approving FSA County Office or LSA and DMA.**--***

262 LDP Options Relative to Harvest and Ginning

A LDP Request Options

Cotton LDP's may be disbursed, in all cases, only on eligible, ginned cotton upon presentation of production evidence in the form of a warehouse receipt or bale list.

***--**Applications for LDP's are submitted using CCC-633 EZ for any of the following options.

Type	Rate used for LDP is rate effective on…	BI status at time of application…
	LDP for cotton in which producer has BI at the time of the LDP application is:	
Irrevocable module lock-in.	date of application.	producer has BI.
Gin-direct.	date of ginning.	
Irrevocable post-ginning.	date of application.	
Lost BI before application.	the date BI was lost.	BI lost.

- **Irrevocable module lock-in**. For harvested cotton in modules, before ginning, a**--***producer may submit CCC-633 EZ, page 3 *** * *** to request lock-in of AWP rate to be used for LDP calculation. AWP/LDP rate is that which **is effective on the date an accurately completed request is submitted**. The cotton is identified by a gin-supplied trailer or module number. After the cotton is ginned, the producer provides bale information that corresponds to the cotton identified by the trailer or module number. These requests for lock-in of AWP and LDP cannot be revised or canceled. See subparagraph 275 E.

- **Gin-direct**. A producer may request gin-direct LDP's using CCC-633 EZ, page 3 *** * ***. LDP rate provided is the rate payment rate effective on the date the cotton is ginned according to paragraph 274. These requests are allowed to be revised or terminated under certain circumstances. See subparagraphs 274 F and G.

- ***--Irrevocable post-ginning**. On cotton that has been ginned, a producer may request**--***LDP using CCC 633 EZ, page 3 *** * *** supported by a bale list. LDP rate provided is the rate effective on the date that an accurately completed application is submitted. These LDP requests, once submitted, cannot be revised or canceled. See subparagraph 275 D.

- **Lost BI**. If BI has been lost before the LDP is requested, and the producer had filed CCC-633 EZ, page 1 before the date BI was lost, then the producer may request LDP using CCC-633 EZ, page 3. For these LDP's, the only payment rate *** * *** provided is the rate applicable on the date that BI was lost. The producer must provide acceptable documentation of the date BI was lost on the applicable quantity.

262 LDP Options Relative to Harvest and Ginning (Continued)

A LDP Request Options (Continued)

Notes: LDP applications submitted under any of these options may be considered complete if received without classification information. In these cases, the disbursement is to be made after classification information is received.

Cotton can be subject to only 1 loan or 1 LDP application at any moment. Benefits, whether a loan or LDP, are provided only once on any quantity of cotton. No concurrent applications for the same cotton are ever allowed.

263 Availability Dates

A Availability Dates

[7 CFR 1427.5(a)] Cotton LDP's are available by executing an LDP application from the date loan rates are announced through May 31 after the calendar year in which the crop is planted. This application deadline applies:

- to all types of LDP's
- regardless if applicant has, or has lost, BI at the time of application.

Reminder: The disbursement date shall be no 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 Accepting and Date-Stamping LDP Documents--

If CCC-633 EZ was signed by the producer more than 15 calendar days before delivery or mailing (postmark date) to the County Office, the County Office:

- shall not accept the application if presented by a Cotton Clerk
- may accept the application if presented by a producer.

--**All pages of CCC-633 EZ shall be date-stamped upon receipt.**--

Note: A patron postage meter date stamp is not a post mark.

C Effective Times for AWP and CCA

LDP rates are based on the same announced AWP's and CCA's, and the same effective times of these prices, as are applicable to loan redemptions. See subparagraphs 22 A through D for the effective times of announced prices.

264 Research and Promotion Fee

A Fee

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

--Note:** Assessments for research and promotion **do not** apply to ELS cotton loans.**--

For LDP's, this regulation provides that the rate shall be up to 1 percent of LDP. The current assessment is less than this regulatory maximum level.

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

For recent crops, the actual rate has been established at ½ percent (0.005) of the total LDP. LDP software calculates this amount and deducts it from the payment provided to the producer.

Note: This assessment is paid to the Cotton Board by Kansas City.

265 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 smaller of:

- the loan value
- the difference between NALR and AWP.

B Date Used to Establish Payment Rate

The date used to determine the cotton LDP payment rate varies depending on the LDP option selected by the producer. See subparagraph 262 A for an explanation of these options and to determine the date used for setting the LDP rate.

C Application of CCA

See paragraph 26 to determine any allowable CCA. When CCA is applicable, it is either added to the LDP rate for the bale or subtracted from AWP.

266 Production Evidence

A Production Evidence Defined

Production evidence must include the following:

- acceptable warehouse receipts according to paragraph 164

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 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

•*****--the date of ginning, if a gin direct LDP rate is requested.--*****

B Verifying Electronic Production Evidence

The County Office shall ensure that production evidence submitted by electronic means, such as diskettes, corresponds with the quantity for which the loan or LDP was requested by:

- accepting applications only when accompanied by production evidence
- requiring the producer to review and agree to a printed copy of any electronically submitted evidence
- otherwise ensuring that this electronic production evidence is the same quantity to which the loan or LDP request applies.

C Dating Receipt of Production Evidence

All production evidence must be date-stamped to indicate the date of receipt of the production evidence by CCC, by either a paper record or diskette.

This date may be needed to determine the date the LDP application is received. See subparagraph 275 B.

266 Production Evidence (Continued)

D Contracts or Certification Requirement

Contract or applicable certifications must be provided if beneficial interest is questioned according to paragraph 102.

E Spot Checks of Modules

The County Office shall conduct spot checks on no less than 2.5 percent of the requests for a lock-in of the AWP and LDP rates on upland cotton in modules according to subparagraph 275 E.

267 LDP's Based on Locked-in Rate

A Policy

Applications for LDP's based on a locked-in rate are available for cotton before it has been ginned. Such applications have the following unique requirements:

- applications are irrevocable, so they **cannot** be cancelled, amended, or withdrawn

--Exception:** Cotton denied LDP because of payment limitation is eligible for loan, subject to all loan, producer, and bale eligibility requirements.**--

- applicants **must** agree to identify the unginned cotton for which the locked-in LDP rate is requested by submitting a module (or other storage unit) number for each individual unit of storage

- after such cotton is ginned, the bales produced from each locked-in unit **must** be identified to CCC by the corresponding module number.

Notes: Any application for which production evidence is **not** provided is a violation subject to liquidated damages.

Modules are the largest storage unit eligible for identification and **must** be identified and distinguished from one another by discrete numbers.

Generally, LDP's under this option shall be provided only for the bales produced from the unginned cotton for which the locked rate is provided up to a **maximum of 20 bales per module** (or the maximum established by STC). Bales exceeding this maximum may receive the locked-in rate only if a higher maximum is successfully appealed to STC.

If a gin provides information that a module included under a lock-in request was ginned **before** the date of the lock-in request, LDP for such bales shall be based on LDP rate applicable:

- to the requested lock-in, if the producer had BI in the bales at the time the lock-in was requested

- on the date BI was lost, if the producer:

  - had completed CCC-633 EZ, page 1 before loss of BI
  - lost BI in the bales before the lock-in was requested.

B Applications for Module Lock-In LDP

Applicants apply for a module lock-in LDP using CCC-633 EZ, page 3 according to instructions provided.

267 LDP's Based on Locked-in Rate (Continued)

C Processing LDP for Excessive Bales

Bales that are submitted for LDP based on a locked-in rate, but exceed the maximum number approved for payment, are referred to as excessive bales and shall receive LDP based on the following process.

Bales exceeding the approved maximum level are to be paid at:

- the rate prevailing on the date the bale information was submitted
- the locked-in rate for excessive bales if approved by STC.

County Offices shall:

- identify for producers the excessive bales submitted under the request for a locked-in rate
- notify producer of option to appeal to STC the payment rate on the excessive bales
- if the excessive bales are:

  - *****--successfully appealed to STC for the locked-in rate, use the original CCC-633 EZ as the basis for providing LDP based on the locked-in rate

  - **not** appealed to STC for the locked-in rate, or appealed but denied the locked-in rate under the appeal, have producer submit a separate CCC-633 EZ and provide LDP--***** based on the payment rate effective on the date the production evidence containing the excessive bales was submitted.

267 LDP's Based on Locked-in Rate (Continued)

D Violations for Failure to Provide Production Evidence

As soon as a violation can be determined following the May 31 LDP application deadline, but **not** later than June 30, assess liquidated damages to each module or other storage unit of an application for which production evidence was **not** submitted.

The responsibility to pay any such damages is jointly shared by all applicants who signed the LDP application. Establish a receivable for liquidated damages according to 67-FI using:

- for the first charge program code (on Screen AQK10801), enter program code LIDAUPCN and the amount of liquidated damages
- for the first reference number, enter the farm number
- for the type, ENTER "FM"
- for the receivable due date, enter the current system date
- for the basis of debt code, enter 10306.

County Offices shall:

- issue automated notification letter generated when receivable was created. Insert explanation that debt occurred due to "failure to provide production evidence for an irrevocable LDP rate lock-in on module"
- issue the first demand letter if debt remains unpaid after 30 calendar days after the date of the notification letter
- establish a claim according to 64-FI if debt remains unpaid 30 calendar days after the date of the first demand letter.

268 LDP Document Retention and Distribution

A Distribution to the Producer

Each signing producer should receive a copy of the following:

- signed CCC-633 EZ, pages 1 and 3
- CCC-Cotton AA-1
- application summary for eLDP's
- Producer's Disbursement Transaction statement
- other documents signed by the producer for this LDP.

B Documents for LDP Folder

File the following documents in the loan folder:

- ***--**CCC-633 EZ, pages 1 and 3; may be signed original or signed copy**--***
- original CCC-Cotton AA-1
- copies of the following:
    - application summary for eLDP's
    - original Producer's Disbursement Transaction statement
    - other documents signed by the producer pertaining to this LDP, such as a bale list
    - all printouts from cotton PC, including validation review reports, bale lists, and bale recaps.

269, 270 (Reserved)

Section 2 LDP Processing and Issuance

271 Before Processing LDP

A Eligibility

The eligibility requirement for the producer and cotton shall be determined according to *--Part 2 before processing LDP's. A second-party review of eligibility and the LDP application shall be performed before disbursement and shall be recorded by the second-party by initialing and dating CCC-633 EZ.--*

B Required Production Evidence

For an LDP request to be processed, the required production evidence is, for:

- an LDP based on a module lock-in, **both** the module numbers submitted at the time of an LDP is requested for an irrevocable module lock-in, **and** a list of bales corresponding to the module

- gin-direct LDP's and LDP's requested after ginning, whether the rate is based on the date of request or date beneficial interest was lost, a list of bales.

C Divided or Undivided Shares

If the bales are divided among producers, give each producer on the farm an opportunity to choose whether to obtain a loan or LDP.

Note: These instructions regarding divided or undivided bales also apply when a producer requests lock-in of the AWP rate to be used for the LDP calculation. In such cases, modules or any other unit of unginned cotton must be divided if a joint LDP is not being requested.

D No Deferred Payments

LDP's cannot be deferred or delayed at any time. All payments must be made as soon as possible after the date of request.

E Determining Date Documents Received

When a gin provides a County Office preprocessed bale data by e-mail, CD or diskette, for purposes of determining the "date documents received" for processing the LDP application, the date of receipt of the data:

- is the date the electronic data were received
- is not the date the producer signed and dated a paper copy of the bale data.

272 (Withdrawn--Amend. 28)

273 FAXed Applications Not Received

A Handling Unreceived FAXed Applications

If a producer inquires about a FAXed LDP application and the application is subsequently not received, County Offices shall:

- require producers to submit a copy of the FAX transmission report or some type of documentation to verify that the FAX transmission was attempted to verify that the application was FAXed
- accept producer's completed LDP application
- document the date that the LDP application was FAXed and the reason the FAX was not received
- approve, with concurrence, the LDP application
- use the LDP rate in effect on the date printed by the FAX machine on the original LDP application
- not accept or approve producer's LDP application if the actual date of the FAX cannot be verified by the producer.

274 Gin-Direct LDP's

A Applicability

[7 CFR 1427.23] Producers who want to receive LDP's based on the date ginned may file CCC-633 EZ, page 3 *** * ***

- on or before the date of ginning
- for 1 or more farm's expected production
- for all or a portion of the expected production.

B Time of Executing Gin-Direct LDP Request

CCC-633 EZ, page 3 *** * *** must be submitted on or before the date of ginning.

***--Notes:** An application may be entered into after ginning begins; however, any cotton ginned before the date of the application is not covered.

See paragraph 275.5 for preparing CCC-633 EZ, page 3.**--***

274 Gin-Direct LDP's (Continued)

C Quantity Included on Application

The entire quantity included on the application is eligible for the LDP rate, including a zero rate that is in effect **on** the date of ginning.

Note: If the LDP rate on the date of ginning is zero, the producer will not receive LDP and will not be eligible for a loan on that quantity shown on the application.

Example: Producer submits *** * *** CCC-633 EZ, page 3 *** * ***for all the production of cotton from all farms. The producer produced 500 bales of cotton on all farms. Of the 500 bales, 50 bales were ginned on a date when LDP was equal to zero. These 50 bales are not eligible for LDP or loan.

D Specifying Delivery Locations

Producers who want gin-direct LDP provisions to be applicable for production delivered to a specific location or buyer may designate that quantity on the application.

Note: Because the cotton LDP rate is based on the date of ginning, cotton producers may designate only the cotton delivered directly from the gin to a specific location or buyer. The date of ginning will continue to be used to determine the LDP rate for the designated quantity.

Example: If the producer wants all production from Farm 57 that will be delivered to Bob River Mills, Inc. to be the only production from Farm 57 covered by the gin-direct application, the producer should enter the following onto the application in *****--CCC-633 EZ, page 3, item 39.--*****

Farm Number	Production Units
57	All to Bob River Mills, Inc.
40	All
37	300 Bales

Notes: All production from Farm 57 not delivered to Bob River Mills, Inc. is eligible for a loan or LDP if all eligibility requirements are met.

All the production from Farm 40 would be covered by the gin-direct LDP request.

300 bales from Farm 37 would be covered.

274 Gin-Direct LDP's * * * (Continued)

*--E Signatures Required for Approval

If more than 1 producer shares in a bale of cotton, each producer who has a share in the bale must sign LDP request before it can be approved.

CED or designee may approve LDP request for CCC.

Note: Only the share of the production applicable to the producers who sign the request will be considered covered.

F Revising Gin-Direct Applications

Gin-direct LDP applications may only be revised before ginning. If a producer wants to revise a gin-direct application, require the producer to:

- line through the applicable quantity to be revised
- enter the revised quantity and initial and date the entry.

Note: All producers who signed the application must initial and date all revisions for the farms of which they share in the production.

Example: If a producer signed the application for all the cotton on Farm 40, the producer could gin 300 bales and before ginning any more, revise the application to--* cover only the 300 bales, leaving the bales remaining to be ginned eligible for a loan or LDP in the normal manner.

274 Gin-Direct LDP's * * * (Continued)

*--G Terminating Gin-Direct LDP Request

Gin-direct LDP applications may only be terminated if the producer has not ginned any of the cotton covered by the application.

Example: If a producer signed an application for all the cotton on Farm 40 and 300 bales had been ginned as of the current date, the producer would not be allowed to terminate the agreement for the 300 bales ginned, but COC may permit the producer to revise the application so cotton not yet ginned would not be covered by the application.

Note: Cotton for which LDP is requested, but for which LDP is not provided because of payment limitation, may be pledged for loan if otherwise eligible and BI has been maintained. This loan cannot be repaid at a reduced rate, but can be processed using commodity certificate redemption.

H Production Evidence

To receive LDP on requested production, the producer must provide acceptable production evidence according to paragraph 266 on or before May 31 after the calendar year in which the crop is planted. Production evidence must show the date each bale is ginned.

Note: Producers are not required to provide evidence for all production covered by the application before LDP may be made. Multiple LDP's may be made under the terms of any gin-direct LDP application.--*

I Processing LDP

Once production evidence is provided, follow paragraph 276 for entering data into APSS.

Notes: Use AWP and CCA in effect on the date cotton was ginned.

*--Use the date the application was approved as the LDP Approval Date.

More than one LDP may be required when a different AWP and CCA are applicable for the production listed on any gin-direct LDP application.--*

* * *

274 Gin-Direct LDP's (Continued)

J Completing CCC-633 EZ, Page 3 for Gin-Direct LDP

Effective for 2005 and subsequent crop upland cotton, producers may request gin-direct LDP's using CCC-633 EZ, page 3.

For gin-direct LDP requests, complete CCC-633 EZ, page 3 according to the following table.

Item	Instruction
33	Enter the producer's name and address.
34	Enter the last 4 digits of the applicant's SSN or tax ID.
35	Enter the applicant's telephone/cell number.
36	Enter the crop year of the commodity for which the LDP is requested.
37	Applicant answers question by checking (√) either the "Yes" or "No" box. **Note:** If the applicant answers "Yes", then the applicant uses the remarks section of the continuation page to explain the amount owed, the Federal agency owed, and terms of any repayment agreement.
38	Applicant enters initials in box to the left of "Gin-Direct".
39	Applicant may request LDP's for 1 or more farms. For each individual farm an LDP is requested for some or all production, the applicant must enter the farm number and, in the box adjacent to the farm number, must enter either "All" to indicate that LDP is requested for all bales, or must enter the exact number of bales from the farm to which the LDP request applies.
40-42	This part is not applicable to gin-direct LDP requests.
43-45	Each producer with a share in the production on the application submitted must enter: • their signature in item 43 • their percent share of the quantity in item 44 • the date of signature in item 45.
46-49	Item 46: Enter LDP number. Item 47: Enter file sequence number of all applicable bale files provided as production evidence. Item 48: Enter date the bale list or data file was received. Item 49: Enter number of bales represented by each bale list or data file.

274 Gin-Direct LDP's (Continued)

J Completing CCC-633 EZ, Page 3 for Gin-Direct LDP (Continued)

Item	Instruction
50-56	Item 50: *--CCC Representative enters signature. Second-party review shall be recorded by entering reviewer's initials and date of review in the margin of CCC-633 EZ, page 3.--* Item 51: Enter title of CCC Representative. Item 52: Check (√) box indicating approval or disapproval. Item 53: See subparagraph B to establish the date a completed application was submitted. **Note:** Applications for gin-direct must be received on or before the date of ginning, and nor later than **May 31**. Item 54: Enter applicable AWP effective on the date of ginning. Entry of date is not required. Item 55: Enter the name/address of the FSA County Office or LSA. Item 56: May be used to amend gin-direct LDP's or to explain "Yes" answer to item 37.

K Example CCC-633 EZ, Page 3

Following is an example of CCC-633 EZ, page 3 that may be used for requesting upland cotton LDP's of any type.

CCC-633 EZ (06-07-06)

PART H - REQUEST FOR COTTON LDP

33. Contact Name and Address of Producer *(Include Zip Code) (Please Print)*	34. ID Number *(Last 4 Digits)*	35. Telephone/Cell Number *(Include Area Code)*	36. Crop Year	37. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 56. ☐ YES ☐ NO

38. Producer Initials to Select Type of Application	Type of LDP Requested	Must be Requested	Must have Beneficial Interest at Time of LDP Application?	The LDP Rate will be the rate in effect on the:	39. Quantity: *(Use Part K for file sequence number(s))*			
	Irrevocable Module Lock-In	After Harvest, Before Ginning	YES	Date an Accurately Completed Request is Submitted. ►	Identified by gin as being produced from the module(s) listed in Part I and identified by bale list or file sequence number(s).			
	Irrevocable Post-Ginning	After Ginning	YES	Date an Accurately Completed Request is Submitted. ►	Identified by bale list or file sequence number(s).			
	Gin-Direct	Before Date of Ginning	YES	Date of Ginning ►	GIN DIRECT ONLY: For each farm number producer enters number of bales or "ALL" to be identified by bale list or file sequence number.			
					A. FARM NO.	B. NO. BALES	A. FARM NO.	B. NO. BALES
	Lost Beneficial Interest	After Ginning	NO	Date Beneficial Interest Lost ►	Identified by Bale List or File Sequence Number(s)			

PART I - MODULE IDENTIFICATION OF SEED COTTON *(Completed for Module Lock-In LDP Request)*

40. Gin Code:	41. Module Location at Farm or Gin:
42. Gin's Module/Trailer Number:	

PART J - PRODUCER CERTIFICATION *(For additional signatures, complete CCC-633 EZ Continuation, Part J)*

I certify all information entered on this form is true and correct.

43. Signature of Producer(s)	44. % Share	45. Date (MM-DD-YYYY)	43. Signature of Producer(s)	44. % Share	45. Date (MM-DD-YYYY)

PART K - INFORMATION FOR LDP REQUEST *(Complete Upon Receipt of Bale Data Files)* *(FOR CCC USE ONLY)*

46. LDP Number	47. File Sequence Number(s)	48. Date File(s) Received (MM-DD-YYYY)	49. Bale Count

PART L - CCC APPROVAL *(FOR CCC USE ONLY)*

50A. Signature of CCC Representative	50B. Title of CCC Representative	53. Date Submitted (MM-DD-YYYY)	55. Name and Address of FSA County Office or LSA	56. Additional Information
51. Action: ☐ Approved ☐ Disapproved	52. Date of Signature by CCC Representative (MM-DD-YYYY)	54. AWP on Applicable Date (MM-DD-YYYY)		

Page 3

275 Module Lock-In and Post-Ginning LDP

A Request for Payment

Requests for module lock-in or post-ginning LDP's may be submitted on CCC-633 EZ, page 3. These LDP requests must be made:

- by all producers having an interest in the cotton
- before BI in the cotton is lost
- ***--**after the beginning-of-harvest date for cotton in the county as established by COC**--***
- on or before the final loan availability date.

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

By submitting any LDP request, producers certify that production:

- is eligible for loan
- has not been previously used for loan or LDP
- will not be used for a subsequent loan or LDP.

Requests for module lock-in or post-ginning LDP's, once submitted, cannot be canceled or revised. See policy in paragraph 267.

B Approval

The LDP application shall be approved by CCC on the day that either application form, signed and dated by all applicable producers, and the accompanying production evidence are **both** provided. If the application and production evidence are provided on separate days, the approval date is the later date.

When an application is to request AWP lock-in for modules, the LDP application is not approved for payment until the corresponding bales are identified. Interest is not payable for the period between AWP lock-in and submission of bale information.

Exception: CCC may approve an application for a module lock-in or post-ginning LDP before classing data is presented if:

- classing data is not yet available

  Note: Producer is required to submit classing data as soon as it is available from AMS.

- acceptable gin tag or warehouse receipts are submitted

- all producers sharing in the cotton have signed the application.

Note: If BI is questioned, follow paragraphs 102 and 275.5.

275 Module Lock-In and Post-Ginning LDP (Continued)

C Returning Warehouse Receipts

If acceptable warehouse receipts are presented as production evidence and the producer requests that the receipts be returned the same day, the County Office shall only return warehouse receipts on the same day if all requirements are met, except providing classing data, and all of the following occur:

- the application is approved
- either:

  - a list of the warehouse receipts showing the same information as the receipts are presented with the warehouse receipts

    Note: County Office shall verify that the information on the list matches the negotiable warehouse receipts.

  - photocopies of the warehouse receipts can be obtained.

    Note: If the photocopies are not made by the County Office, County Office shall verify that the photocopies represent the negotiable warehouse receipts presented.

Exception: If CCC is the holder of EWR, e-LDP must **not** be processed **before** releasing the receipt. This does **not** apply LDP's processed in APSS. This requirement will be discontinued when software can be modified.

* * *

275 Module Lock-In and Post-Ginning LDP (Continued)

D Policy for Module Lock-In LDP

Use CCC-633 EZ, page 3 *** * *** 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 for payments that will be disbursed after the cotton is ginned and bale information is provided. Procedures in subparagraph A apply. Lock-in requests will expire if bale information is not provided before the final date of availability (May 31). See paragraph 162.

Notes: 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-633 EZ, page 3 * * * does not apply to these loans**.

If the modules or trailers:

- are divided among producers, give each producer on the farm an opportunity to choose to obtain a 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).

275 Module Lock-in and Post Ginning LDP (Continued)

E Using CCC-633 EZ for Module lock-in and Post Ginning LDP

For module lock-in and post-ginning LDP requests, complete CCC-633 EZ, page 3 according to the following table.

Item	Instruction
33	Enter the producer's name and address.
34	Enter the last 4 digits of the applicant's SSN or tax ID.
35	Enter the applicant's telephone/cell number.
36	Enter the crop year of the commodity for which the LDP is requested.
37	Applicant answers question by checking (√) either the "Yes" or "No" box. **Note:** If the applicant answers "Yes", then the applicant uses the remarks section of the continuation page to explain the amount owed, the Federal agency owed, and terms of any repayment agreement.
38	Applicant enters initials in box to the left of either "Irrevocable Module Lock-in" or "Irrevocable Post-Ginning".
39	This item does not apply to either module lock-in or post-ginning LDP requests.
40-42	If the request is for a module lock-in LDP, the applicant completes Part I as follows. Item 40. Enter the gin code of the gin that supplied the module numbers and that will gin the cotton. ***--**Item 41. Enter the module location at the farm or gin so the module can be located if selected for spot-check. Item 42. Enter all gin-assigned numbers that are affixed to the storage unit to identify it with this LDP request. If additional space is needed, attach a separate list that has been initialed and dated by the producer.**--*** **Note:** This part is not applicable to post-ginning LDP requests.
43-45	Each producer with a share in the production on the application submitted must enter: • their signature in Item 43 • their percent share of the quantity in Item 44 • the date of signature in Item 45.

--*

275 Module Lock-in and Post Ginning LDP (Continued)

E Using CCC-633 EZ for Module lock-in and Post Ginning LDP (Continued)

Item	Instruction
46-49	Item 46: Enter the LDP number Item 47: Enter the file sequence number of all applicable bale files provided as production evidence Item 48: Enter the date the bale list or data file was received. Item 49: Enter the number of bales represented by each bale list or data file.
50-56	Item 50: CCC Representative enters signature. Item 51: Enter title of CCC Representative. Item 52: Check (√) box indicating approval or disapproval. Item 53: See subparagraph 274 B to establish the date a completed application was submitted. **Note:** All LDP requests must be received before **May 31**. Item 54: Enter the applicable AWP on the date the request was submitted, for ***--**both the module lock-in and post-ginning LDP requests. Entry of the date is not required.**--*** Item 55: Enter the name/address of the FSA County Office or LSA. Item 56: May be used to amend gin-direct LDP's or to explain "Yes" answer to Item 37.

F Example CCC-633 EZ, Page 3

An example of CCC-633 EZ, page 3 is provided in subparagraph 274 N.

275 Module Lock-In and Post-Ginning LDP (Continued)

*--G Distributing CCC-633 EZ

Distribute the approved CCC-633 EZ as follows:--*

- file original in LDP folder with CCC-Cotton AA-1
- provide 1 copy to each signing producer.

--If more than 1 LDP is processed based on the original signed CCC-633EZ, County Offices or LSA's may elect to photo or electronically copy any pages of the original signed CCC-633EZ for filing with CCC-Cotton AA-1.--

H Conducting Module Spotchecks Using CCC-Cotton AA-2

County Offices shall:

- conduct spotchecks:
  - on no less than 2.5 percent of the requests for a lock-in of the AWP and LDP rates on upland seed cotton

    Note: The 2.5 percent is based on the number of requests and not the number of modules or storage units.

  - each month based on the lock-in requests received that month
- record the spotcheck results using CCC-Cotton AA-2 according to the following table.

Item	Instructions
1	Enter County Office name.
2	Enter State and county codes.
3	Enter crop year.
4	Enter farm number * * *.
5	Enter gin-assigned number of the storage module or trailer selected for spotcheck.
6	Enter date of AWP lock-in from the corresponding CCC-Cotton AA.
7	Enter condition of the observed storage unit by entering either of the following: • a checkmark (√) confirming the unginned cotton location at either farm or gin • the date of ginning of the module or trailer of cotton.
8 A-C	Signature and title of person performing the spotcheck and date.

275 Module Lock-In and Post-Ginning LDP (Continued)

I Completing CCC-Cotton AA-2

Complete CCC-Cotton AA-2 according to this table.

REPRODUCE LOCALLY. *Include form number and date on all reproductions.*

CCC COTTON AA-2
(10-3-00)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

SPOTCHECK OF UPLAND COTTON SUBJECT TO AWP LOCK-IN

1. COUNTY OFFICE/LSA NAME: Northamption
2. ST./CO. CODE: 37-131
3. CROP YEAR: 2000

4. Farm Number	5. Gin-Assigned Module/Storage Number (From CCC Cotton AA)	6. AWP Lock-in Date	7. Status of Observed Storage Unit: A. Unginned Cotton At (✓): Farm	Gin	B. Date of Ginning
23401	26121, 26122, 26123	10-02-2000	X		

8A REVIEWING OFFICAL SIGNATURE

B. TITLE: *CED*

C. DATE PREPARED: *10-24-00*

275.5 Lost BI LDP

A Policy

Effective for 2005 and subsequent-crop upland cotton, BI policy allows producers to apply for LDP benefits after BI is lost if the producer submitted CCC-633 EZ, page 1 **before** BI was lost on the cotton.

Note: This policy does not guarantee or provide LDP eligibility in all circumstances where BI was lost. CCC-633 EZ, page 1 must be submitted **before** BI was lost on a quantity.

LDP's requested for cotton for which BI has been lost shall be:

- submitted only on CCC-633 EZ, page 3
- calculated based on the rate effective on the date BI was lost
- supported by acceptable:
  - production evidence as used for other LDP applications, including:
    - bale gin code/gin tag
    - bale weight
  - evidence of the date BI was lost.

B Instructions of Lost BI LDP Application

Producers submit applications for LDP's for cotton on which BI has been lost using **only** of CCC-633 EZ, page 3.

Complete CCC-633 EZ, page 3 for a lost BI LDP according to the following table.

Item	Instruction
33	Enter the producer's name and address.
34	Enter the last 4 digits of the applicant's SSN or tax ID.
35	Enter the applicant's telephone/cell number.
36	Enter the crop year of the commodity for which the LDP is requested.
37	Applicant answers question by entering a check (√) in either the "Yes" or "No" box. **Note:** If the applicant answers "Yes", then the applicant uses Item 56 to explain the amount owed, the Federal agency owed, and terms of any repayment agreement.

275.5 Lost BI LDP (Continued)

B Instructions of Lost BI LDP Application (Continued)

Item	Instruction
38	Applicant enters initials in box to the left of "Lost Beneficial Interest".
39	This item is not applicable to lost BI LDP requests.
40-42	This part is not applicable to lost BI LDP requests.
43-45	Each producer with a share in the production on the application submitted must enter: • their signature in Item 43 • their percent share of the quantity in Item 44 • the date of signature in Item 45.
46-49	Item 46: Enter LDP number. Item 47: Enter file sequence number of all applicable bale files provided as production evidence. Item 48: Enter date the bale list or data file was received. Item 49: Enter number of bales represented by each bale list or data file.
50-56	Item 50: CCC Representative enters signature. Item 51: Enter title of CCC Representative. Item 52: Check (√) box indicating approval or disapproval. Item 53: See subparagraph 274 B to establish the date a completed application was submitted. **Note:** All LDP requests must be received before **May 31**. Item 54: Enter the applicable AWP for the date BI was lost, as documented by sales invoices or other acceptable evidence. Item 55: Enter the name/address of the FSA County Office or LSA. Item 56: May be used to amend gin-direct LDP's or to explain "Yes" answer to Item 37.

C Example CCC-633 EZ, Page 3

An example of CCC-633 EZ, page 3 is provided in subparagraph 274 N.

276 Regular LDP Processing in APSS

A
Preparation

Verify that gin codes and loan rates are correctly entered into the computer according to paragraph 65.

B
APSS Procedure

Process LDP's according to the following table.

Step	Action	Result	
1	On Menu PCA005: • ENTER "13" • PRESS "Enter".	Screen PCA11020 will be displayed.	
2	On Screen PCA11020, enter: • either the producer's last name or the producer's ID and type • the crop year • "N" for the LDP number PRESS "Enter".	**IF...**	**THEN go to...**
		Screen PCA12020 is displayed	step 4.
		Screen MACR04-01 is displayed	step 3.
3	On Screen MACR04-01: • enter the number for the desired producer • PRESS "Enter".	Screen PCA12020 will be displayed.	
4	On Screen PCA12020: • ENTER "Y" or "N", as applicable, to the following questions: • "Is this the correct producer?" • "Is this the re-entry of a corrected LDP?" • PRESS "Enter".	**IF the producer is...**	**THEN...**
		correct and this is **not** a re-entry of a corrected LDP	Menu PGA000 will be displayed. Go to step 6.
		not correct	Screen PCA11020 will be redisplayed. Return to step 2.
		correct, but this is a re-entry of a corrected LDP	Screen PCA12020 will be redisplayed. Go to step 5.
5	On Screen PCA12020: • enter the original LDP number • PRESS "Enter".	Menu PGA000 will be displayed.	

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action		Result	
6	**IF preprocessed bale data according to paragraph 170 is...**	**THEN on Menu PGA000...**		
	not being used	ENTER "5", and PRESS "Enter".	Screen PGA70000 will be displayed. Go to step 9.	
	being used	ENTER "6", and PRESS "Enter".	Screen PGA09000 will be displayed. Go to step 7.	
7	On Screen PGA09000: • enter the file name for the cotton data • PRESS "Enter".		Screen PGA09000 will be redisplayed.	
8	**IF the producer displayed on Screen PGA09000 is...**	**THEN...**		
	correct	ENTER "Y", and PRESS "Enter".	Screen PGA70000 will be displayed. Go to step 9.	
	incorrect	ENTER "N", and PRESS "Enter".	Screen PGA09000 will be redisplayed. Return to step 7.	
9	On Screen PGA70000, use the following table for entering data in the applicable fields.		**IF the warehouse code is...**	**THEN...**
	Field	**Entry**	on file	Screen PGA11000 will be displayed. Go to step 13.
	Crop Year	Enter last 2 digits of the applicable crop year.	**not** on file	Screen PGA70000 will be redisplayed with the message, "Whse Code not on file. Please press "Enter" to confirm." Go to step 10.
	Preparation Code	PRESS "Help" for possible entries.		
	Warehouse Code	Enter the warehouse code that is on the warehouse receipt, if applicable.		
	Gin Code	Enter the gin code.		
	Does this LDP have multiple producers?	Enter either of the following: • "Y" if a joint LDP • "N" if **not** a joint LDP.		
	After all entries are completed, PRESS "Enter".			

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
10	If the warehouse code displayed on Screen PGA70000 is correct and is an approved warehouse, PRESS "Enter".	Screen PGA70000 will be redisplayed.	
11	Enter the applicable State and county code, and PRESS "Enter".	**IF the LDP rate is...**	**THEN...**
		on file for State and county code entered	Screen PGA11000 will be displayed. Go to step 13.
		not on file for the State and county code entered	Screen PGA70000 will be redisplayed. Go to step 12.
12	Enter the correct LDP rate, and PRESS "Enter".	Screen PGA11000 will be displayed.	
13	On Screen PGA11000: • enter applicable farm number • PRESS "Enter".	**IF LDP is...**	**THEN...**
		a joint LDP	Screen PGA12000 will be displayed. Go to step 14.
		not a joint LDP	Screen PGA71000 will be displayed. Go to step 16.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action		Result	
14	On Screen PGA12000, use the following table for entering data in the applicable fields.		**IF...**	**THEN go to...**
	Field	**Entry**	Screen MACR04-01 is displayed	step 15.
	Last Name	Enter last name of producer who will share in the crop that was not entered previously, including producer entered in step 2.	Screen PGA71000 is displayed	step 16.
	ID Number	Enter applicable producer ID, if known.		
	Contact Point for Mailing	Enter "Y" or "N". If the producer whose name was entered in step 2 will be the contact producer, ENTER "N" for all producers entered during this step. **Note:** Only 1 producer can be designated as the contact producer.		
	• ENTER "Y" or "N" to the question, "Are there additional producers?" • PRESS "Enter".			
15	On Screen MACR04-01: • confirm the producer selected by entering the number of the desired producer • PRESS "Enter".		**IF there are...**	**THEN...**
			additional producers	Screen PGA12000 will be redisplayed. Return to step 14.
			no additional producers	Screen PGA71000 will be displayed. Go to step 16.

Continued on the next page

276 Regular LDP Processing in APSS (Continued)

B APSS Procedure (Continued)

<table>
<tr><th>Step</th><th colspan="2">Action</th><th colspan="2">Result</th></tr>
<tr><td rowspan="7">16</td><td colspan="2">On Screen PGA71000, use the following table for entering data in the applicable fields.</td><td>IF...</td><td>THEN go to...</td></tr>
<tr><td>Field</td><td>Entry</td><td>Screen PCA49000 is displayed</td><td>step 17.</td></tr>
<tr><td>World Market Price</td><td>Enter AWP according to paragraph 22.</td><td>Screen PCA41000 is displayed</td><td>step 18.</td></tr>
<tr><td>Coarse Count Adjustment</td><td>Enter CCA according to paragraph 22.</td><td>Screen PCA42000 is displayed</td><td>step 24.</td></tr>
<tr><td>LDP Approval Date</td><td>*--Enter the date CCC-633EZ is approved.--*</td><td>Screen PCA43000 is displayed</td><td>step 26.</td></tr>
<tr><td>Location Differential</td><td>No entry is required. The system will enter the correct differential.</td><td rowspan="2">Screen PGA72000 is displayed</td><td rowspan="2">step 28.</td></tr>
<tr><td colspan="2">PRESS “Enter”.</td></tr>
<tr><td>17</td><td colspan="2">Print Screen PCA49000, and PRESS “Cmd7”.

Notes: Screen PCA49000 will display when 1 or more producer ID’s on LDP are 1 of the following:

• recorded in the entity file, but are not active for the applicable crop year

• not recorded in the entity file.

Producers with the following entity types must be recorded in the entity file:

• “02”, “03”, “04”, “05”, “06”, “10”, or “17”
• “07” if the ID type is “E” or “I”.</td><td colspan="2">Menu PCA005 will be redisplayed. Return to step 1.

Note: The user will not be able to complete the applicable LDP until the entity file has been corrected.</td></tr>
</table>

276 Regular LDP Processing in APSS (Continued)

B APSS Procedure (Continued)

Step	Action		Result
18	Screen PCA41000 will display members of a joint operation that are producers on LDP. The user **must** verify whether the members are correct by answering the question, "Are members correct?"		
	IF the members are...	**THEN...**	
	correct	ENTER "Y".	Screen PCA41010 will be displayed. Go to step 22.
	incorrect	ENTER "N".	Screen PCA41000 will be redisplayed. Go to step 19.
19	Screen PCA41000 will allow the user to add or delete members by answering the question, "Add or Delete Members?"		
	IF a member is to be...	**THEN...**	
	added	ENTER "A".	Screen MACR04 will be displayed. Go to step 20.
	deleted	ENTER "D".	Screen PCA41000 will be redisplayed. Go to step 21.

20	On Screen MACR04:
	• enter either of the following:
	  • the last 4 digits of the producer's ID to be added
	  • last name of producer to be added
	• PRESS "Enter".
			If more than 1 producer matches the data entered by the user, the user **must** select the correct producer from the list.
			
			After the correct producer is selected, Screen PCA41000 will be redisplayed. Return to step 18.

21	On Screen PCA41000: • ENTER "Y" next to each member to be deleted • PRESS "Enter".		Screen PCA41000 will be redisplayed. Return to step 18.

B
APSS Procedure
(Continued)

Step	Action	Result
22	Screen PCA41010 will display the following information for each member of the joint operation: • permitted entity share **Note:** Each permitted share cannot exceed 1.0000. • actual share of the joint operation. **Note:** Sum of all shares must equal 1.0000. The user must verify whether the shares are correct by answering the question, "Are the shares correct?"	
	IF shares are... / **THEN...**	
	correct / ENTER "Y", and PRESS "Enter".	Screen PCA42000 will be displayed. Go to step 24.
	incorrect / ENTER "N", and PRESS "Enter".	Screen PCA41010 will be redisplayed. Go to step 23.
23	On Screen PCA41010: • after all the shares have been corrected, ENTER "Y" to the question, "Are the shares correct?" • PRESS "Enter". **Note:** Permitted entity shares for entity type "99" must equal 0.0000.	**IF shares...** / **THEN...**
		pass the validation and **no** other joint operation is a producer on LDP / Screen PCA42000 will be displayed. Go to step 24.
		pass the validation and another joint operation is a producer on LDP / Screen PCA41000 will be redisplayed with a new joint operation to verify. Return to step 18.
		do **not** pass validation / Screen PCA41010 will be redisplayed. Return to step 22.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action		Result	
24	Screen PCA42000 will display the percent of cropland factors for each: • member of a joint operation that is associated with LDP **Note:** These producers are identified with "MJO". • producer on LDP who is **not** a joint operation and whose percent of cropland factor is less than 1.0000. The user must verify whether the percent of cropland is correct for each producer by answering the question, "Is the percent of cropland factor for each producer correct?" **Note:** See Exhibit 17 for rules for determining the correct percent of cropland factor.			
	IF the percent of cropland factor...	**THEN...**		
	for all producers is correct	ENTER "Y", and PRESS "Enter".	**IF...**	**THEN go to...**
			Screen PCA43000 is displayed	step 26.
			Screen PGA72000 is displayed	step 28.
	for 1 or more producers is incorrect	ENTER "N", and PRESS "Enter".	Screen PCA42000 will be redisplayed. Go to step 25.	
25	On Screen PCA42000: • after all the percent of cropland factors have been corrected, ENTER "Y" to the question, "Is the percent of cropland factor correct for each producer?" • PRESS "Enter".		**IF...**	**THEN go to...**
			Screen PCA43000 is displayed	step 26.
			Screen PGA72000 is displayed	step 28.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action		Result	
26	Screen PCA43000 will display multi-county producers who do not have an active payment limitation record. The payment limitation for the producers is automatically set at zero and can be increased by the user.			
	IF the payment limitation is...	**THEN...**		
	correct	ENTER "Y", and PRESS "Enter".	Screen PGA72000 will be displayed. Go to step 28.	
	incorrect	ENTER "N", and PRESS "Enter".	Screen PCA43000 will be redisplayed. Go to step 27.	
27	On Screen PCA43000: • enter the correct payment limitation amount for each producer • PRESS "Enter".		**IF...**	**THEN...**
			another producer ID on LDP has an inactive payment limitation record	Screen PCA43000 will be redisplayed with a new producer ID. Return to step 26.
			no other producer ID's on LDP have an inactive payment limitation record	Screen PGA72000 will be displayed. Go to step 28.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action		Result	
28	On Screen PGA72000, use the following table for entering data in the applicable fields.		**IF...**	**THEN...**
	Field	**Entry**	"Y" was entered	Screen PGA72000 will be redisplayed. Go to step 29.
	Warehouse Receipt Number	Enter the warehouse receipt number from the applicable warehouse receipt, if applicable.		
	Gin Tag Number	Enter the gin tag number.	"N" was entered	Screen PGA73000 will be displayed. Go to step 32.
	Net Bale Weight	Enter the net bale weight.		
	Color Grade	Enter from the applicable classing data. **Note:** "Help" is available.		
	Staple			
	Micronaire			
	Strength			
	Uniformity (optional entry)			
	Leaf			
	Other	Enter extraneous matter from the applicable classing data. **Note:** "Help" is available.		
	• ENTER "Y" or "N" to the question, "Do you have another Warehouse Receipt to enter?" • PRESS "Enter".			

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
29	On Screen PGA72000: • use the table in step 28 for entering bale data in the applicable fields • ENTER "Y" or "N" to the following questions: • "Do you have another bale to enter?" • "Do you want to display bale data for another bale?" • PRESS "Enter".	**IF...**	**THEN...**
		another bale is to be entered	Screen PGA72000 will be redisplayed. Repeat this step.
		another bale will **not** be entered and there is a need to display bale data for another bale	Screen PGA72005 will be displayed. Go to step 30.
		"N" was entered for both questions	Screen PGA73000 will be displayed. Go to step 32.
30	On Screen PGA72005: • enter the bale number to be displayed • PRESS "Enter".	Screen PGA72000 will be redisplayed.	
31	On Screen PGA72000: • use the table in step 28 for entering bale data in the applicable fields • ENTER "Y" or "N" to the following questions: • "Do you want to delete this bale?" • "Do you have another bale to enter?" • "Do you want to display bale data for another bale?" • PRESS "Enter".	**IF...**	**THEN...**
		another bale is to be entered	Screen PGA72000 will be redisplayed. Return to step 29.
		another bale will **not** be entered and there is a need to display bale data for another bale	Screen PGA72005 will be redisplayed. Return to step 30.
		"N" was entered for all questions	Screen PGA73000 will be displayed. Go to step 32.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
32	On Screen PGA73000, ENTER "Y" or "N" to the question, "Do you want to print the Cotton Bale Data Report?"	**IF...**	**THEN...**
		"Y" was entered	• the Cotton Bale Data Report will be printed • Screen PGA73000 will be redisplayed. Go to step 33.
		"N" was entered	Screen PGA71200 will be displayed. Go to step 34.
33	On Screen PGA73000, ENTER "Y" or "N" to the question, "Do you want to reprint the Cotton Bale Data Report?"	**IF...**	**THEN...**
		"Y" was entered	repeat this step.
		"N" was entered	Screen PGA71200 will be displayed. Go to step 34.
34	On Screen PGA71200: • the LDP summary data for the applicable receipt number will be displayed • ENTER "Y" or "N" to the question, "Do you want to display summary for bale?" • PRESS "Enter".	**IF...**	**THEN...**
		"Y" was entered	Screen PGA71205 will be displayed. Go to step 35.
		"N" was entered and this is a joint LDP	Screen PGA12500 will be displayed. Go to step 36.
		"N" was entered and this is **not** a joint LDP with a preparation code of 1, 1E, 2, or 2E	Screen PGA74005 will be displayed. Go to step 38.
		"N" was entered and this is **not** a joint LDP with a preparation code of 3, 3E, 4, or 4E	Screen PGA72500 will be displayed. Go to step 37.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
35	On Screen PGA71205: • enter the receipt or gin tag number for which the summary is requested • PRESS "Enter".	Screen PGA71200 will be redisplayed. Return to step 34.	
36	On Screen PGA12500: • enter the producer's shares, in whole numbers plus 2 decimal places • PRESS "Enter".	**IF preparation code was...**	**THEN...**
		1, 1E, 2, or 2E	Screen PGA74005 will be displayed. Go to step 38.
		3, 3E, 4, or 4E	Screen PGA72500 will be displayed. Go to step 37.

37	On Screen PGA72500:
	• the following information is displayed:
	  • number of bales on LDP
	  • LDP amount
	• enter the cotton clerk fee amount
	• PRESS "Enter".
		Screen PGA74005 will be displayed.	

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	

38	On Screen PGA74005:
	
	• the following information is displayed:
	
	  • number of bales on LDP
	  • LDP quantity
	  • LDP amount
	  • denied market gain
	  • research and promotion fees
	  • loan clerk fees, if applicable
	  • disbursement amount
	
	• enter the disbursement date, if applicable
	
	• PRESS “Enter”.
		Screen PGA74010 will be displayed.	

39	On Screen PGA74010, ENTER “Y” or “N” to the question, “Do you wish to print Market Gain TSR?”	**IF...**	**THEN...**
		“Y” was entered	• Market Gain TSR will be printed • Screen PCE83010 will be displayed. Go to step 40.
		“N” was entered	Screen PGA17005 will be displayed. Go to step 41.
40	On Screen PCE83010, ENTER “Y” or “N” to the question, “Do you want to reprint this form?”	**IF...**	**THEN...**
		“Y” was entered	• Market Gain TSR will be reprinted • Screen PCE83010 will be redisplayed. Repeat this step.
		“N” was entered	Screen PGA17005 will be displayed. Go to step 41.

Continued on the next page

276 Regular LDP Processing in APSS (Continued)

B APSS Procedure (Continued)

Step	Action	Result	
41	On Screen PGA17005, ENTER "Y" or "N" to the question, "Do you wish to complete this process?"	**IF...**	**THEN...**
		"Y" was entered	Screen PCA97000 will be displayed. Go to step 42.
		"N" was entered	Screen PGA74005 will be redisplayed. Return to step 38.
42	On Screen PCA97000: • enter the printer ID to print forms and reports • PRESS "Enter".	CCC-Cotton AA-1 will be printed and Screen PCE75010 will be displayed.	
43	On Screen PCE75010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-Cotton AA-1 will be reprinted • Screen PCE75010 will be redisplayed. Repeat this step.
		"N" was entered, and "N" was entered in step 39	• Market Gain TSR will be printed • Screen PCE83010 will be displayed. Go to step 44.
		"N" was entered, and "Y" was entered in step 39	Screen ABK10001 will be displayed. Go to step 45.
44	On Screen PCE83010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• Market Gain TSR will be reprinted • Screen PCE83010 will be redisplayed. Repeat this step.
		"N" was entered	Screen ABK10001 will be displayed. Go to step 45.
45	Accounting - Checkwriting procedure begins.	Menu PCA005 will be redisplayed. Return to step 1.	

277 Preparing Manual LDP's

A When to Prepare Manual LDP's

If APSS is **not** operating and it is **not** expected to be operating for at least 4 workdays from the time all required production evidence is submitted by the producer for LDP, the County Office shall prepare LDP manually, only at the producer's request.

B When Not to Manually Prepare LDP

If APSS is operating, or is expected to be operating within 4 workdays of the day the producer presents the warehouse receipts, do **not** manually prepare LDP.

C Action Taken to Prepare and Make Manual LDP

County Offices shall:

- determine the eligibility of the producer and cotton
- complete CCC-633 EZ and CCC-Cotton AA-1 according to paragraphs 275 and 278 respectively
- for each bale, calculate the:
  - LDP rate according to subparagraph E
  - gross LDP amount according to subparagraph F
  - research and promotion fee according to subparagraph G
  - total payment amount according to subparagraph H

*** * ***

- immediately, when APSS is operating, enter the manual LDP data according to paragraph 279.

277 Preparing Manual LDP's (Continued)

D When CCA Is Applicable

If CCA is applicable, County Offices shall separate the cotton for which LDP is requested into the following 2 categories:

- bales for which CCA is applicable
- bales for which CCA is **not** applicable.

E LDP Rate

For those bales for which CCA is:

- **not** applicable, LDP rate shall be equal to the difference between the following:
  - NALR
  - AWP in effect on the day CCC-Cotton AA is approved
- applicable, LDP rate shall be equal to the difference between the following:
  - NALR
  - AWP minus the allowable CCA in effect on the day CCC-Cotton AA is approved.

Note: See paragraph:

- 27 for the grades of cotton for which CCA is applicable
- 26 for determining the allowable CCA.

277 Preparing Manual LDP's (Continued)

F Gross LDP Amount

Determine the gross LDP amount by multiplying the applicable LDP rate, determined according to subparagraph E, times the sum of all of the applicable bale net weights shown on the acceptable production evidence.

G Research and Promotion Fee

Calculate the research and promotion fee by multiplying .005 times the result of subparagraph F.

H Total Payment Amount

Calculate the total payment amount by subtracting the research and promotion fee, determined according to subparagraph G, from the gross LDP amount, determined according to subparagraph F.

*** * ***

I Production Evidence

County Offices shall make a copy of the production evidence submitted and return the original to the producer.

Note: Each warehouse receipt or gin tag and class card does **not** have to be photocopied if a list of the same information is provided with the production evidence. In these cases, only a copy of the list shall be kept.

278 Using CCC-Cotton AA-1

A Description

CCC-Cotton AA-1 is a computer-generated form printed during the APSS LDP-making procedure. A blank CCC-Cotton AA-1 may be printed for preparing a manual LDP.

Note: Keep an adequate supply of blank CCC-Cotton AA-1's on hand for preparing manual LDP's when the computer is **not** operating.

B Completing CCC-Cotton AA-1

Follow these instructions to complete CCC-Cotton AA-1 for manually prepared LDP's.

Item	Instructions
1	Enter State and county codes and farm numbers where produced.
2	Enter name and address of contact producer from County Office records.
3	Enter warehouse code, if applicable. **Note:** Cotton warehoused at different warehouses **must** be processed as separate LDP's.
4	Enter gin code. **Note:** Cotton ginned at different gins **must** be processed as separate LDP's.
5	Enter the following: • LDP number assigned from the 90,000 series • applicable crop year • preparation code • number of bales • total LDP quantity; that is, the total net pounds shown on the warehouse receipt or gin tags.

278 Using CCC-Cotton AA-1 (Continued)

B Completing CCC-Cotton AA-1 (Continued)

Item	Instructions
6	Enter the gross LDP amount that was calculated according to subparagraph 277 F. * * *
7	Enter the: • research and promotion fee that was calculated according to subparagraph 277 G • total payment amount that was calculated according to subparagraph 277 H.
8	Enter the number of bales for which coarse count is: • **not** applicable • applicable.
14	Enter the coarse count applicable the day CCC-Cotton AA was approved, if applicable.
15	Enter the upland cotton NALR.
16	*--Enter AWP from CCC-633 EZ, item 54. If coarse count is applicable, subtract--* the coarse count in item 14 from AWP.
17	Enter the applicable LDP rate according to subparagraph 277 E.
18	Enter the net weight from the applicable warehouse receipt or gin tag list.
19	Enter the gross LDP amount for bales: • without coarse count • with coarse count.

C Distribution

Distribute CCC-Cotton AA-1 as follows:

- file original in the LDP folder
- give 1 copy to the contact producer.

278 Using CCC-Cotton AA-1 (Continued)

D Completing CCC-Cotton AA-1 (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. WARLHOUSE 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	/											
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22	/											
23	/											
24	/											
25	/											

TOTAL NET WT. 1500 TOTAL LDP AMOUNT $ 154.22

279 Manual LDP Processing in APSS

A
Background

If it becomes necessary to prepare a manual LDP because of corrections or the computer was not operable, this process shall be used to enter the LDP data into APSS.

Note: Verify that gin codes and loan rates are correctly entered into the computer according to paragraph 65.

B
APSS Procedure

Process manual LDP's according to the following table.

Step	Action	Result	
1	On Menu PCA005: • ENTER "13" • PRESS "Enter".	Screen PCA11020 will be displayed.	

2	On Screen PCA11020:
	• enter:
	  • either the producer's last name or the producer's ID and type
	  • the crop year
	  • the 90,000 series number assigned
	• PRESS "Enter".
		IF...	**THEN go to...**

		Screen PCA12020 is displayed	step 4.
		Screen MACR04-01 is displayed	step 3.
3	On Screen MACR04-01: • enter the number for the desired producer • PRESS "Enter".	Screen PCA12020 will be displayed.	

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	

4	On Screen PCA12020:
	• ENTER "Y" to the question, "Is this a recording of a manually made action?"
	• ENTER "Y" or "N", as applicable, to the following questions:
	  • "Is this the correct producer?"
	  • "Is this the re-entry of a corrected LDP?"
	• PRESS "Enter".
		IF the producer is...	**THEN...**

		correct and this is **not** a re-entry of a corrected LDP	Menu PGA000 will be displayed. Go to step 6.
		not correct	Screen PCA11020 will be redisplayed. Return to step 2.
		correct, but this is a re-entry of a corrected LDP	Screen PCA12020 will be redisplayed. Go to step 5.
5	On Screen PCA12020: • enter the original LDP number • PRESS "Enter".	Menu PGA000 will be displayed.	
6	Follow subparagraph 276 B, steps 6 through 33 for regular LDP processing.	Screen PGA71200 will be displayed.	
7	On Screen PGA71200: • the LDP summary data for the applicable receipt number will be displayed • ENTER "Y" or "N" to the question, "Do you want to display summary for bale?" • PRESS "Enter".	**IF...**	**THEN...**
		"Y" was entered	Screen PGA71205 will be displayed. Go to step 8.
		"N" was entered	Screen PGA16500 will be displayed. Go to step 9.
8	On Screen PGA71205: • enter the receipt or gin tag number for which the summary is requested • PRESS "Enter".	Screen PGA71200 will be redisplayed. Return to step 7.	

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
9	On Screen PGA16500: • enter the total LDP amount disbursed • PRESS "Enter".	**IF this is...**	**THEN...**
		a joint LDP	Screen PGA16000 will be displayed. Go to step 10.
		not a joint LDP and the preparation code was 1, 1E, 2, or 2E	Screen PGA74005 will be displayed. Go to step 13.
		not a joint LDP and the preparation code was 3, 3E, 4, or 4E	Screen PGA72500 will be displayed. Go to step 12.
10	On Screen PGA16000: • enter the LDP amount disbursed to each producer • PRESS "Enter".	Screen PGA12500 will be displayed.	
11	On Screen PGA12500: • enter each producer's share of LDP in either percent or quantity • PRESS "Enter".	**IF the preparation code was...**	**THEN...**
		1, 1E, 2, or 2E	Screen PGA74005 will be displayed. Go to step 13.
		3, 3E, 4, or 4E	Screen PGA72500 will be displayed. Go to step 12.

12	On Screen PGA72500:
	• the following information is displayed:
	  • number of bales on LDP
	  • LDP amount
	• enter the cotton clerk fee amount
	• PRESS "Enter".
		Screen PGA74005 will be displayed.	

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	

13	On Screen PGA74005:
	• the following information is displayed:
	  • number of bales on LDP
	  • LDP quantity
	  • LDP amount
	  • denied market gain
	  • research and promotion fees
	  • loan clerk fees, if applicable
	  • disbursement amount
	• enter:
	  • disbursement date, if applicable
	  • LDP amount
	  Note: Enter the sum of the manual disbursement amount, plus the calculated amount of the research and promotion fee, denied market gain, and, if applicable, cotton clerk fee.
	  • research and promotion fees
	  Note: Enter the calculated amount.
	• PRESS "Enter".
		IF an overpayment or underpayment is...	**THEN...**

		applicable	Screen PGA74005 will be redisplayed. Go to step 14.
		not applicable	Screen PGA74010 will be displayed. Go to step 15.

14	On Screen PGA74005:
	• 1 of the following messages will display:
	  • "LDP overpaid"
	  • "LDP underdisbursed"
	• PRESS "Enter".
		Screen PGA74010 will be displayed.	

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
15	On Screen PGA74010, ENTER "Y" or "N" to the question, "Do you wish to print Market Gain TSR?"	**IF...**	**THEN...**
		"Y" was entered	• Market Gain TSR will be printed • Screen PCE83010 will be displayed. Go to step 16.
		"N" was entered	Screen PGA17005 will be displayed. Go to step 17.
16	On Screen PCE83010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• Market Gain TSR will be reprinted • Screen PCE83010 will be redisplayed. Repeat this step.
		"N" was entered	Screen PGA17005 will be displayed. Go to step 17.
17	On Screen PGA17005, ENTER "Y" or "N" to the question, "Do you wish to complete this process?"	**IF...**	**THEN...**
		"Y" was entered and LDP has **not** been overpaid	Screen PCA97000 will be displayed. Go to step 19.
		"Y" was entered and LDP has been overpaid	• an overpayment letter will be printed • Screen PGA19600 will be displayed. Go to step 18.
		"N" was entered	Screen PGA74005 will be redisplayed. Return to step 13.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
18	On Screen PGA19600, ENTER "Y" or "N" to the question, "Would you like to reprint this letter?"	**IF...**	**THEN...**
		"Y" was entered	Screen PGA19600 will be displayed. Repeat this step.
		"N" was entered	Screen PCA97000 will be displayed. Go to step 19.
19	On Screen PCA97000: • enter the printer ID to print forms and reports • PRESS "Enter".	CCC-Cotton AA-1 will be printed and Screen PCE75010 will be displayed.	
20	On Screen PCE75010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• CCC-Cotton AA-1 will be reprinted • Screen PCE75010 will be redisplayed. Repeat this step.
		"N" was entered and "N" was entered in step 15	• Market Gain TSR will be printed • Screen PCE83010 will be displayed. Go to step 21.
		"N" was entered and "Y" was entered in step 15	Screen ABK10001 will be displayed. Go to step 22.

Continued on the next page

B
APSS Procedure
(Continued)

Step	Action	Result	
21	On Screen PCE83010, ENTER “Y” or “N” to the question, “Do you want to reprint this form?”	**IF...**	**THEN...**
		“Y” was entered	• Market Gain TSR will be reprinted • Screen PCE83010 will be redisplayed. Repeat this step.
		“N” was entered	Screen ABK10001 will be displayed. Go to step 22.
22	Accounting - Checkwriting procedure begins.	Menu PCA005 will be redisplayed. Return to step 1.	

280 Preprocessed Bale Data

A Overview

Beginning with the 2005 crop year, all LDP's/eLDP's will be based on data stored in COPS. The use of manual data entry and the practice of copying bale data files directly into APSS *--will only be allowed by using a system password issued by the State Office. This will:--*

- require LDP data that will be entered in APSS to be downloaded using the cotton PC software

  Note: eLDP bales are downloaded during the eLDP process and do **not** have to be downloaded using the cotton PC software.

- support the validation of duplicate benefits and data errors before the LDP/eLDP is disbursed.

Because each bale is identified by a unique PBI number, LDP's/eLDP's **must** be formatted using the "extended" format as provided in Exhibit 13.

Note: Warehouse code and bale weights are provided in the "extended" format.

Although **not** required, EWR's will be used for LDP's/eLDP's when the data is available in COPS.

B Data Received on Diskette or E-Mail

Preprocessed data can be accepted by diskette or e-mail. If bale data is submitted electronically, the **producer must sign and date a paper copy** of the bale information to ensure that the electronic list corresponds to the producer's loan request. County Offices shall print and retain in the loan folder these listings and process the LDP using the table in paragraph 331.

See paragraph 330 to process cotton bale data received electronically. Any diskette received does **not** need to be retained; the signed, paper copy is sufficient record.

280 Preprocessed Bale Data (Continued)

C Determining Date Documents Received

Subparagraph 181 B lists numerous documents that, in addition to a loan or LDP request, **must** be received to establish the "date documents received" in loan/LDP software. The "date documents received" is the date the last of the required documents was received.

One document that **must** be provided is a list of the bales that may be:

- a paper list
- an electronic pre-processed bale file.

This step ensures that CCC is acting upon a request that has been validated by the producer so that benefits are **not** mistakenly provided based on an erroneous bale list.

If the date the bale list, however submitted, is a determining factor for establishing the "date documents received", then:

- use the date the bale list, whether paper or electronic, was received

- do **not** use the date the producer signed and dated a paper version of an electronic bale list.

281 Processing LDP's Through Cotton Warehouse Receipt Process

A Processing References

County Offices shall process LDP's through the cotton warehouse receipt process according to the following table.

IF data is for...	THEN follow instructions in paragraph...
LDP's provided by:	
• preprocessed diskette	330
• e-mail	331
• paper listing	332.
* * *	* * *

Section 3 eLDP Processing

282 Processing Upland Cotton eLDP's

A General Information

County Offices have 2 systems available for disbursing LDP requests submitted by a producer using CCC-Cotton AA:

- cotton eLDP system
- APSS.

--**Beginning with crop year 2005, external customers having a Level 2 eAuthentication ID and password can apply for LDP's online.**--

Cotton eLDP system:

- operates through a Kansas City-based central Web site
- is available 24 hours a day, except during routine backup and maintenance periods
- interfaces with SCIMS to obtain customer name and address information
- uses pre-processed bale data files formatted in the same manner as for LDP's processed by the cotton PC software and APSS
- interfaces with ACRS to calculate the applicable LDP rate
- is supported by the NPS for payment processing
- assigns, by crop year, a unique eLDP 50,000 series number and a State and county code to each eLDP to distinguish it from LDP that is generated in the AS/400 or external partner
- includes eLDP's on APSS-generated LDP summary reports.

282 Processing Upland Cotton eLDP's (Continued)

B County Office Action

County Offices shall: *** * ***

•*****--assist producers with requesting eLDP services

- set up customer profiles according to 15-PS to allocate reasonable quantity and payment limitation

- take eLDP applications that will be process by the County Office according to paragraph 285.2

- process eLDP's according to paragraph 285.1 by:

  - entering applications
  - approving payments
  - printing and distributing forms

- contact their State Price Support Specialist for assistance.**--***

283 eLDP Options

A General Information

The cotton eLDP system provides the following eLDP options:

- warehouse-stored
- *--gin direct/loss of BI--*
- module lock-in.

Each option will display specific dates that are used to determine the applicable AWP rate and prompt payment interest.

B Warehouse-Stored eLDP's

--**Warehouse-stored eLDP option shall be used to process irrevocable post-ginning LDP's.**--

*** * ***

Warehouse-stored option uses the following:

- "Date Documents Received" to determine the applicable AWP and prompt payment interest

- "Warehouse Code" to determine the applicable county loan rate.

The warehouse-stored option is the **only** option available to external customers and will use the current date to determine the applicable AWP rate.

283 eLDP Options (Continued)

*--C Gin Direct/Loss of BI eLDP's

Gin direct/loss of BI eLDP option shall be used to process:

- gin-direct LDP applications
- LDP's where loss of BI has occurred.

This option will use the following:

- "Ginning/Loss of BI Date" to determine the applicable AWP rate
- "Date Documents Received" to determine prompt payment interest.
- the base loan rate for the storing warehouse location when calculating LDP rate.

Enter the following applicable warehouse codes:

- warehouse code for the storing warehouse if cotton is stored in a warehouse
- "999999" for cotton that is not stored in a warehouse.

All bales in a single file must have a ginning/loss of BI date within the same weekly AWP rate period. If there are multiple ginning/loss of BI dates within the weekly AWP period, then enter the latest date as the "Ginning/Loss of BI Date".

The gin/loss of BI option is **no**t available to external customers and must be processed in the County Office.**--***

D Module Lock-In eLDP's

The module lock-in eLDP option shall be used to process module lock-in LDP applications. This option will use the following:

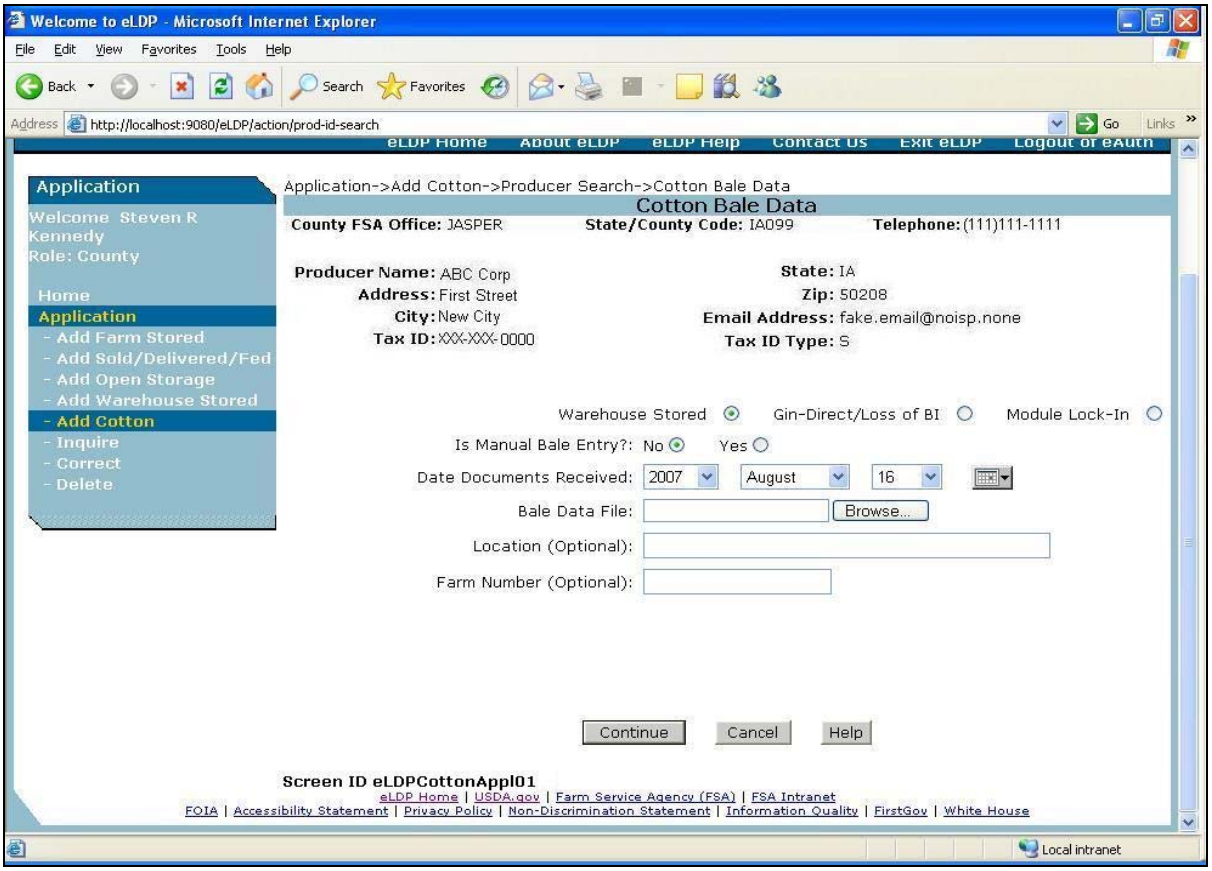
- "Lock-in Date" to determine the applicable AWP rate
- "Date Documents Received" to determine prompt payment interest.

Module lock-in option is **no**t available to external customers and must be processed in the County Office.

283 eLDP Options (Continued)

E eLDP Options Screen

*--The following is an example of the eLDP options available on Screen ID eLDPCottonApp101 Application Process Screen.



--*

284 Access to the eLDP Processing Site

A Security, User ID's, and Passwords

Access to the eLDP central processing site is secured using a user ID and password through the **eAuthentication** registration level 2 process.

County Office users must have a valid eAuthentication user ID and password to access the eLDP processing site.

B Accessing eLDP Processing Site

County Office users shall access the eLDP web site according to the following:

- ***--**access the FSA web site at
  http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=landing

- under "Related Topics", CLICK "Loan Deficiency Payments""

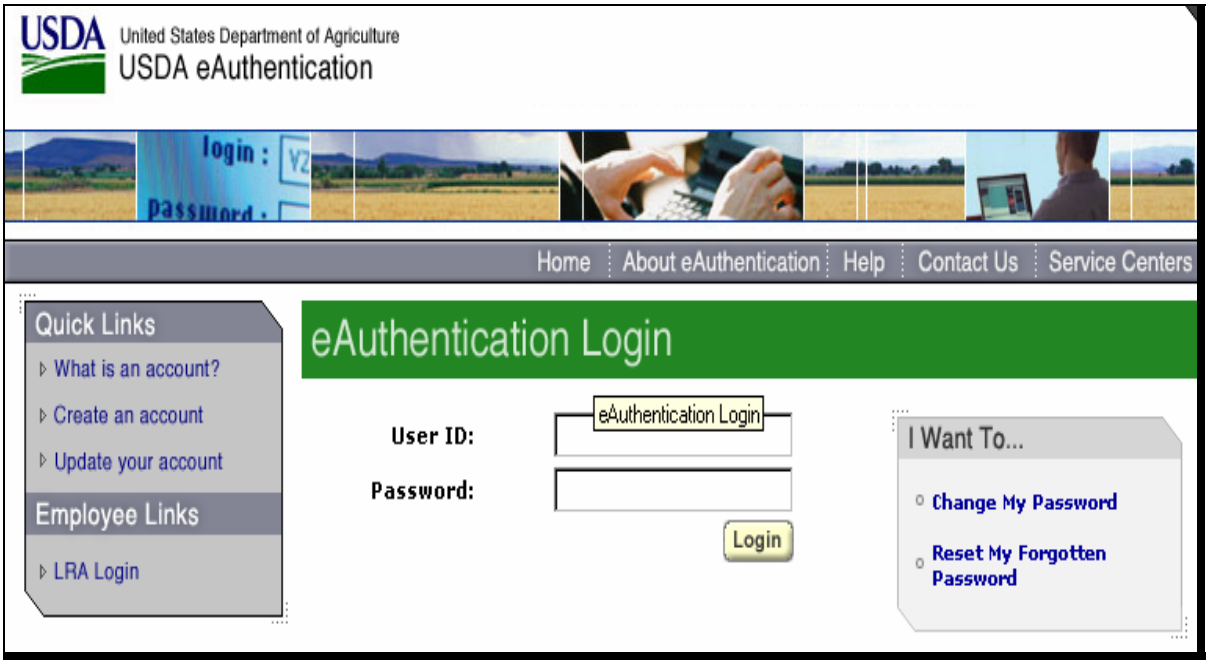
- under "I Want To", CLICK "Access eLDP Functions".**--***

A warning screen will be displayed. CLICK "Continue" and the eAuthentication Screen will be displayed.

***--284 Access to the eLDP Processing Site (Continued)**

C eAuthentication Login

This is an example of the eAuthentication Screen for entry of a user ID and password.



After successful login through eAuthentication, eLDP:

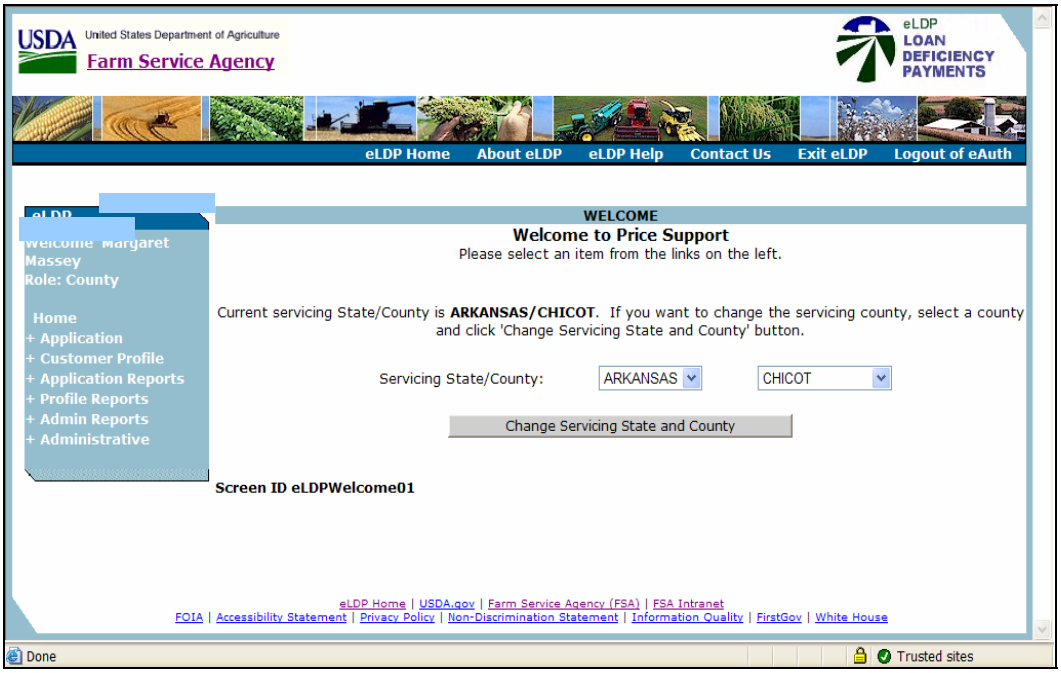
- **County Office** users will be directed to a county eLDP site, from which all County Office eLDP actions will be initiated

- **State Office** users will have inquiry capabilities to view customer profiles and eLDP transactions processed within the State.**--***

284 Access to the eLDP Processing Site (Continued)

D Welcome to Price Support Page

After logging-in through eAuthentication according to subparagraph C, County Offices are *--directed to the **Welcome to Price Support** Screen ID eLDPWELCOME01, as shown in the following example.



--*

285 (Withdrawn—Amend. 27)

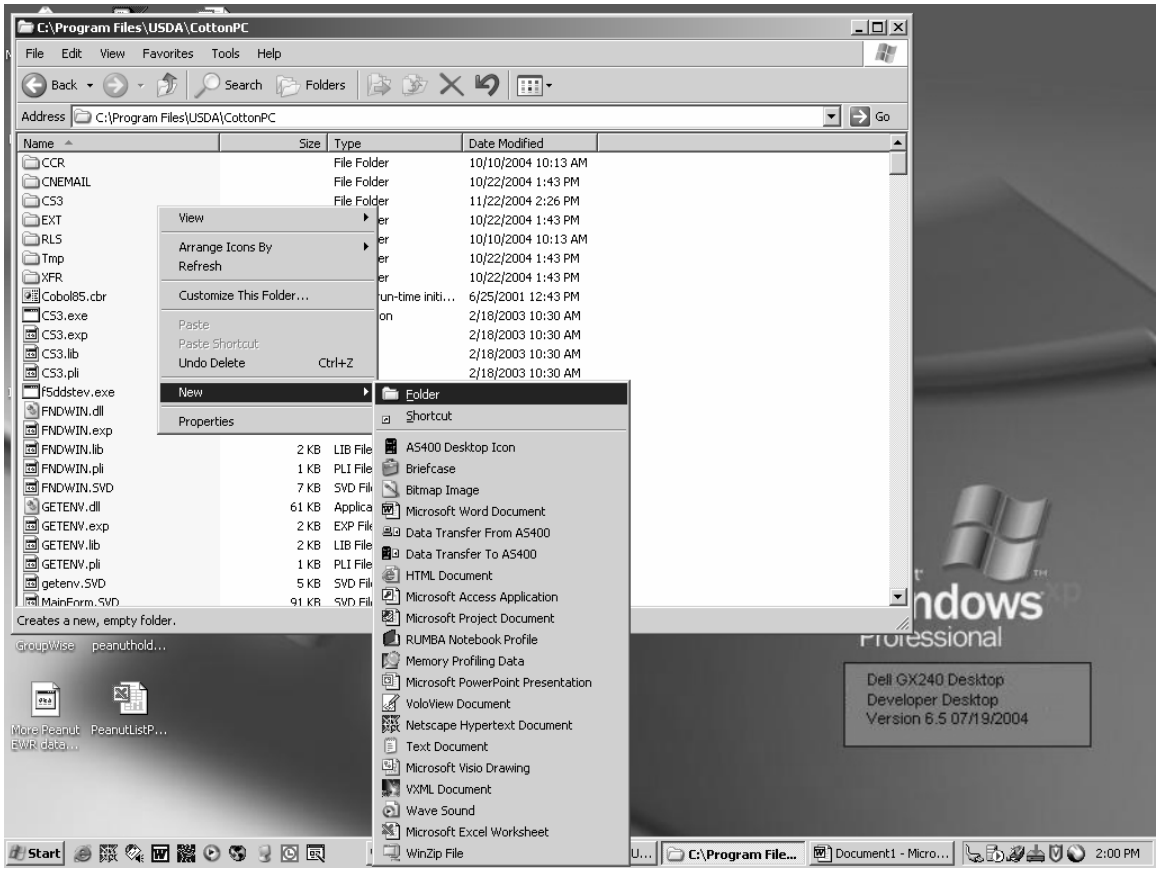
285.1 Using Pre-Processed Bale Data Files for eLDP

A Creating a Folder for eLDP Files

Preprocessed bale data files submitted to the County Office for eLDP processing shall be saved to a folder created for eLDP files.

Create a new folder in the "CottonPC" folder according to the following.

- Locate the "CottonPC" folder by following the path: Start → My Computer → C: → Program Files → USDA → CottonPC.
- Click on "File" from the Menu Bar.
- From the drop-down box, click on "New", then "Folder". A new folder will be created.

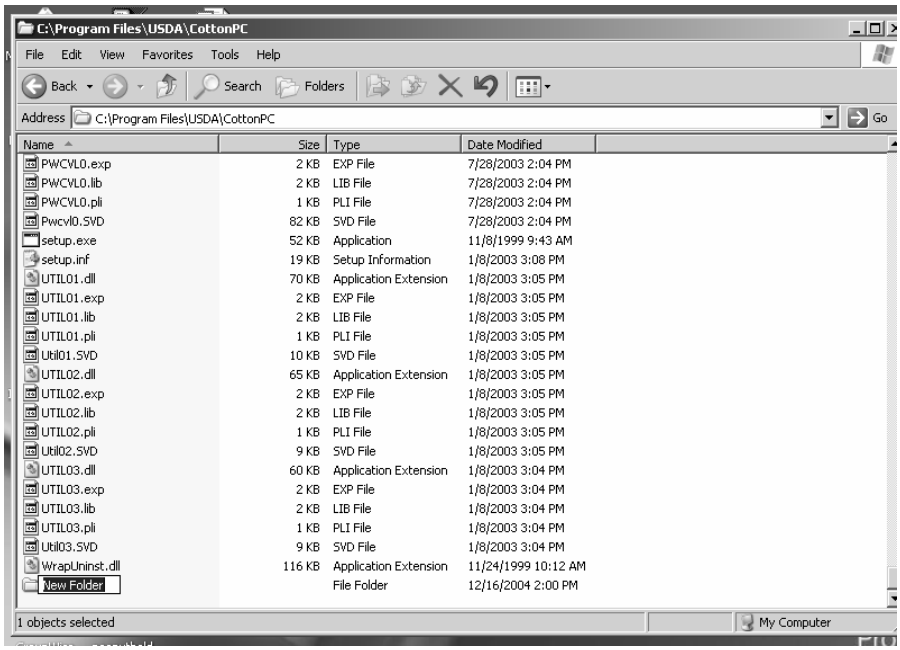


--

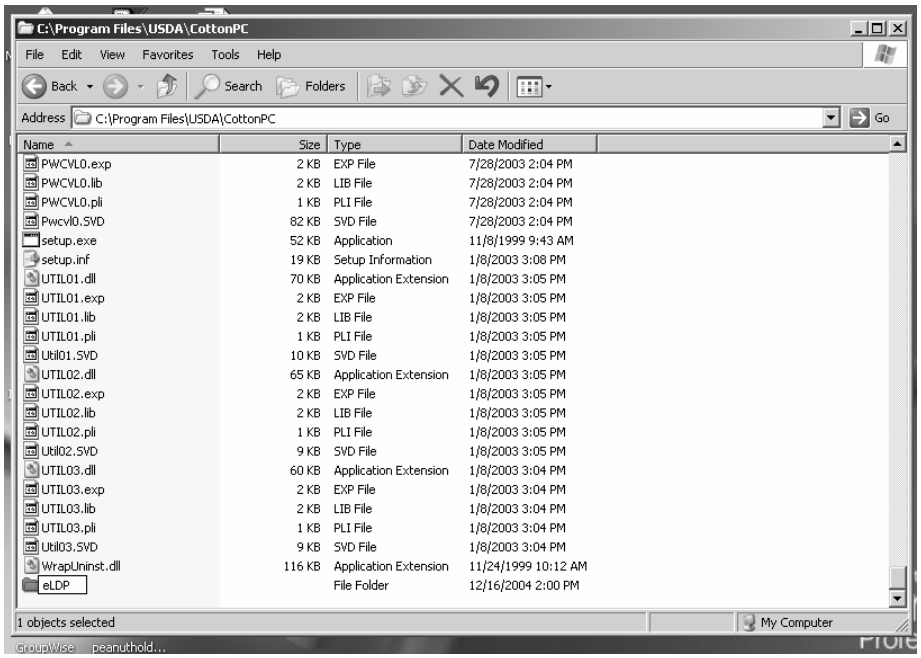
*--285.1 Using Pre-Processed Bale Data Files for eLDP (Continued)

A Creating a Folder for eLDP Files (Continued)

- Rename the folder by typing “eLDP” over “New Folder”.



- The folder will be renamed “eLDP”.



--*

*--285.1 Using Pre-Processed Bale Data Files for eLDP (Continued)

B Saving Pre-Processed Bale Data Files to Hard Drive

Save the pre-processed bale data file to the eLDP folder according to the following.

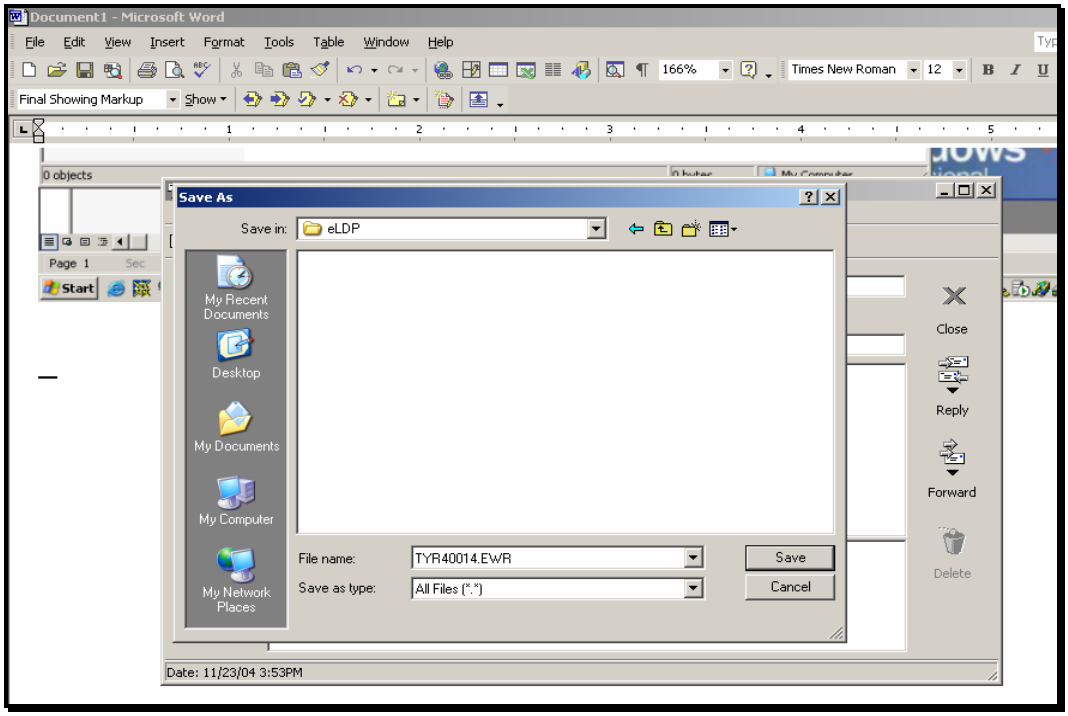
- If the file is:
  - e-mailed, click on the email attachment icon and a “Save As” box will be displayed
  - submitted on a diskette, open the file; click on “File” from the Menu Bar and select “Save As”. A “Save As” box will be displayed.
- Select the eLDP folder by the following path from the drop-down box: C: → Program Files → USDA → CottonPC → eLDP.

--*

*--285.1 Using Pre-Processed Bale Data Files for eLDP (Continued)

B Saving Pre-Processed Bale Data Files to Hard Drive (Continued)

- Click on "Save". The pre-processed bale data file will be saved to the eLDP folder.



--*

285.2 Entering eLDP Applications

A General Information

LDP applications submitted by the County Offices to the central eLDP processing site will be processed as follows.

•***--**Bale data will be entered in the eLDP application process using:

- preprocessed bale data file saved folder according to paragraph 285.1
- manual data entry according to paragraph 285.6.**--***

- The eLDP site will pass the bale data to COPS to be matched with a classing record, and if available, EWR. This will ensure that the gin tag number represents a valid bale and is not included in another loan or LDP.

- COPS will return an error code for all bales that do not pass validation.

- Once matched to data in COPS, the bale is placed in a "pending" status for the requesting County Office. The bale will remain in "pending" status until the earlier of:

  - 1 hour
  - eLDP system updates the bale record to reflect payment.

- If EWR is available and CCC is the current holder, EWR will be automatically released to the previous holder when the record is updated to reflect payment.

- After the bale data file has been validated, COPS will calculate the LDP rate for each valid bale and return the data to the eLDP processing site.

- The eLDP processing system will:

  - calculate:

    - the gross LDP amount for each bale by multiplying the LDP rate times the net weight

    - research and promotion fees

    - net LDP amount by subtracting the research and promotion fees from the gross LDP amount

285.2 Entering eLDP Applications (Continued)

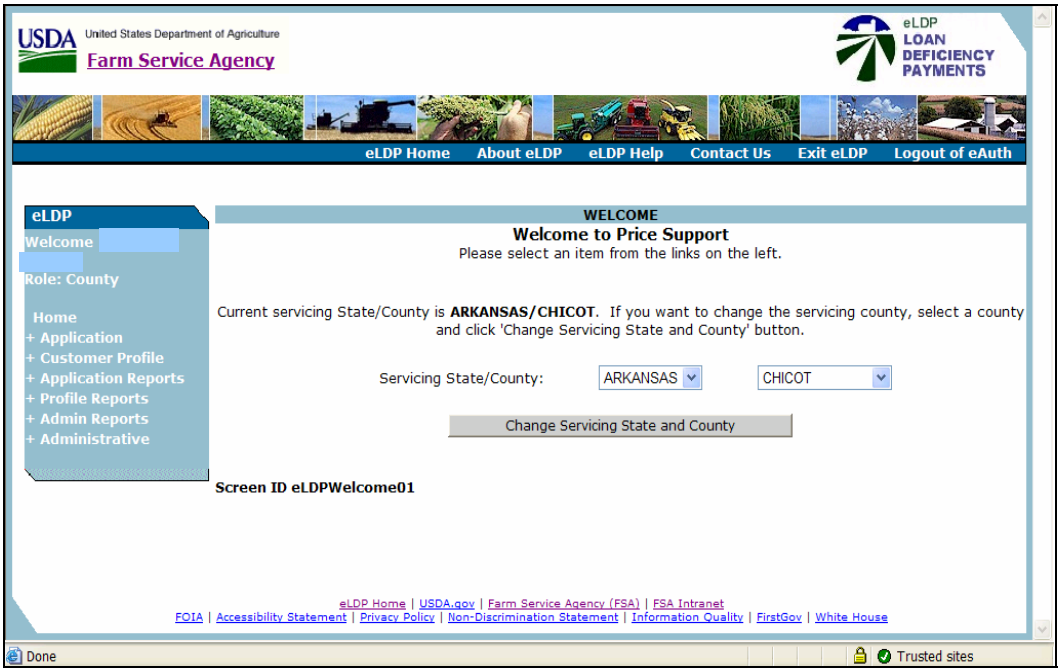
A General Information (Continued)

- pass the applicable payment information to the NPS for payment certification and special processing

- pass the payment data to COPS to update the bale record.

B Welcome to Price Support Screen

*--This is an example of the Welcome to Price Support Screen ID eLDPWELCOME01.



--*

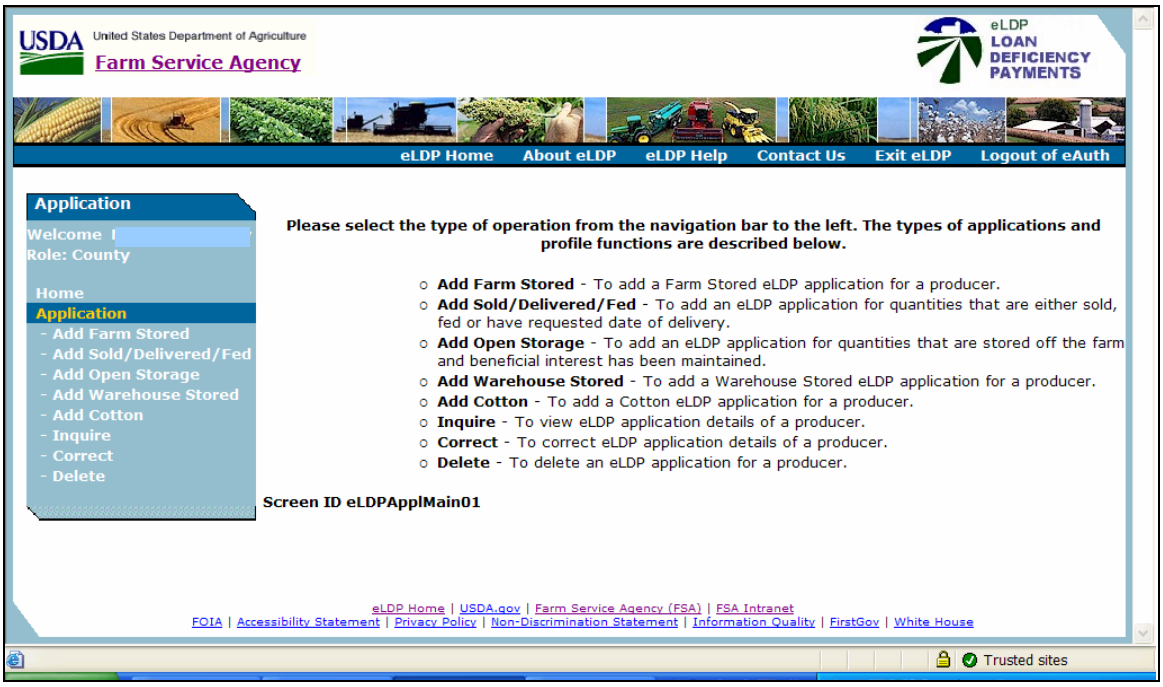
This screen will be defaulted to the user's State and county. If the county is a shared management County Office, select the applicable County Office.

Users shall click on "+Application" link to begin the eLDP application process.

285.2 Entering eLDP Applications (Continued)

C Application Process Screen

*--This is an example of Screen ID eLDPAPPLMAIN01 that shows application options.

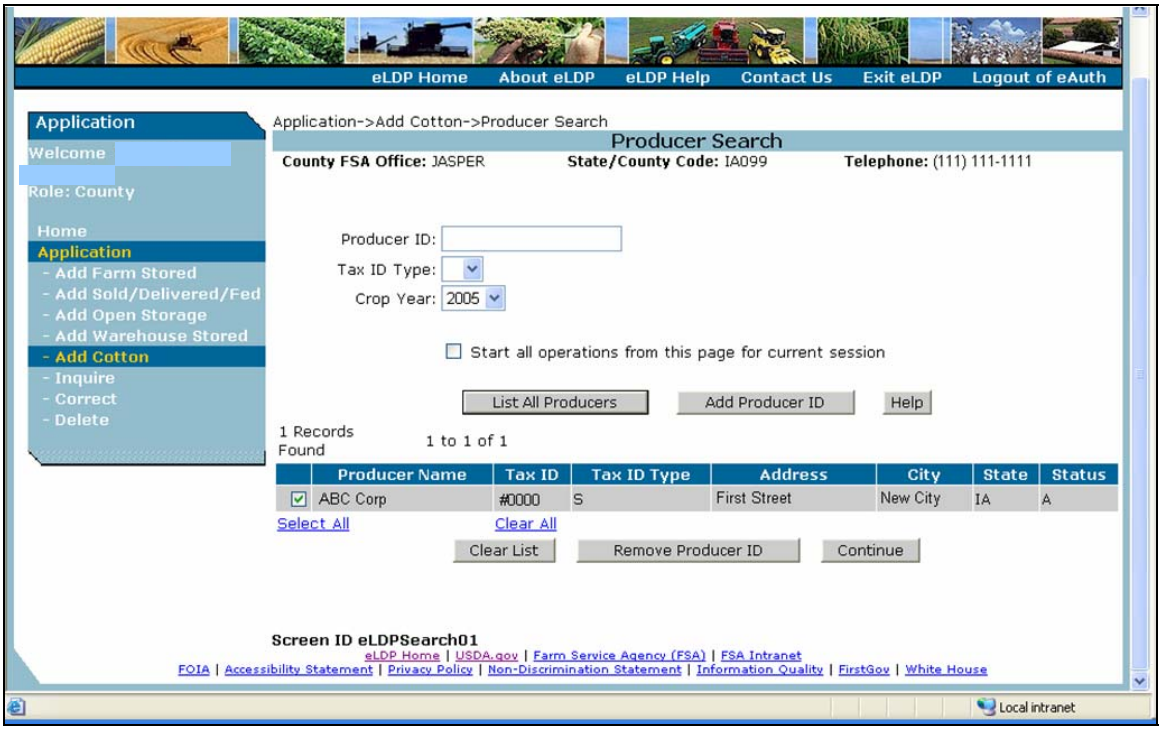


CLICK “Add Cotton” to create cotton eLDP’s.--*

285.2 Entering eLDP Applications (Continued)

D Cotton Application Screen

*--This is an example of Screen ID eLDPSearch01 that allows the user to select a single or multiple producers for this eLDP.



--*

User shall select producers as follows.

- For a single producer, enter the producer ID and tax ID type. Continue with subparagraph F.

- For multiple producers, click on "List All Producers" button. The profiles process will display all persons for whom a Common Customer Profile has already been established *--by the County Office. County Office shall select desired producer and CLICK “OK”.--*

The crop year will be defaulted to the current crop year. A different crop year can be selected from the drop down menu.

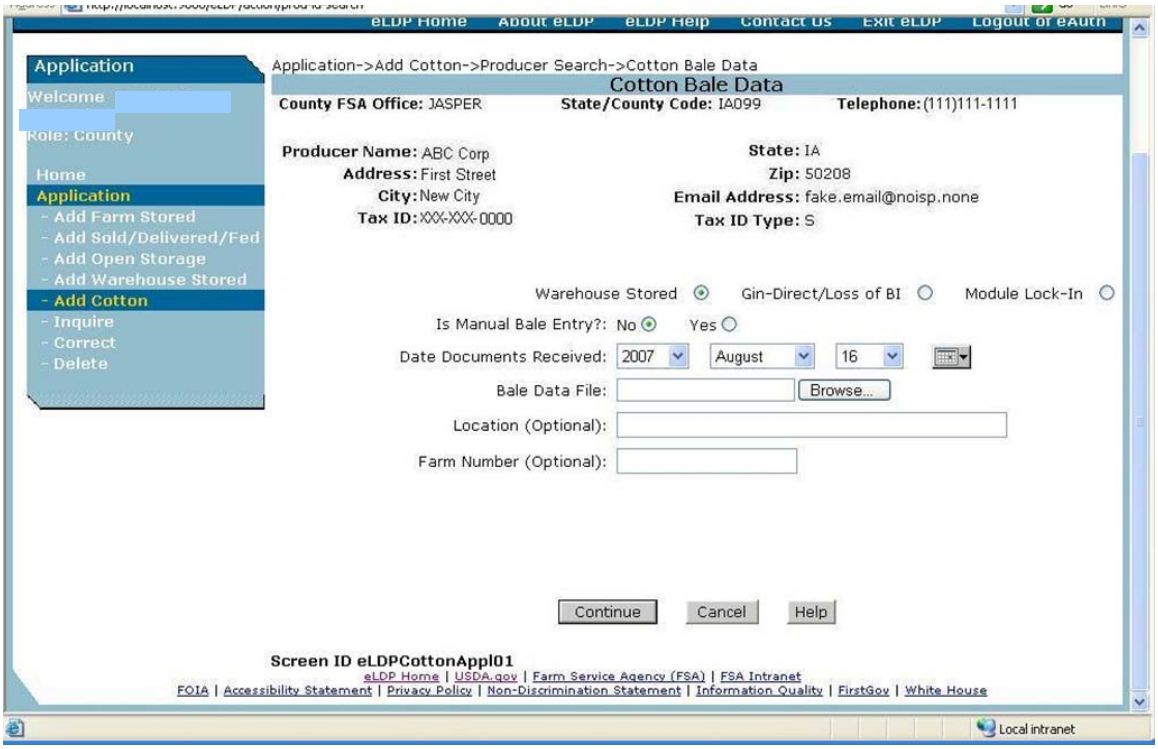
285.2 Entering eLDP Applications (Continued)

* * *

E Entering eLDP Application Data

*--This is an example of Screen ID eLDPCottonAppl01 that allows the user to enter:

- shares
- request date
- pre-processed bale data file
- location or farm number
- producer shares.



Enter the following eLDP types and dates according to the following.

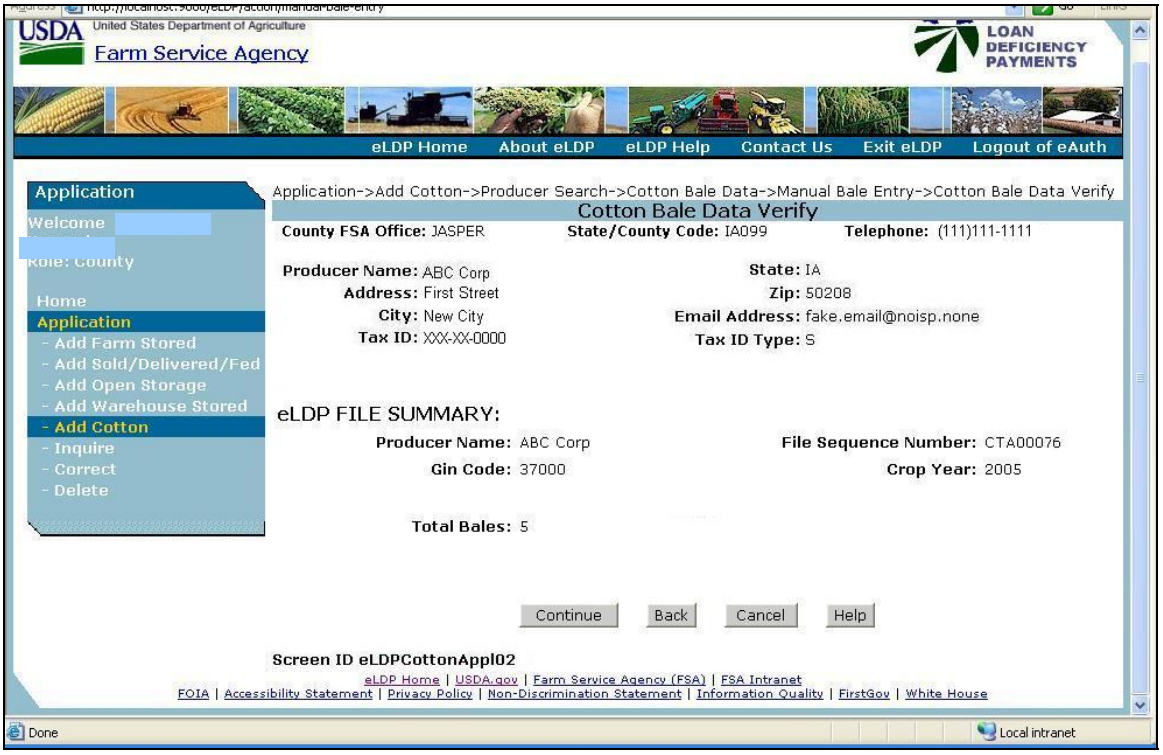
IF eLDP is…	THEN enter…	WHICH determines…
warehouse-stored eLDP	"Date Documents Received"	• AWP rate • prompt payment interest.
*--gin direct/loss of BI	"Ginning/Loss of BI Date"--*	AWP rate.
	"Date Documents Received"	prompt payment interest.
module lock-in	"Lock-in Date"	AWP rate.
	"Date Documents Received"	prompt payment interest.

--*

285.2 Entering eLDP Applications (Continued)

F eLDP File Summary Prior to Calculations

*--This is an example of Screen ID eLDPCottonAppl02 that provides the eLDP File Summary.



Review the file summary. If the information displayed is:

- **incorrect**, CLICK “Back” and the previous screen will allow the user to select another pre-processed bale data file

- **correct**, CLICK “Continue” and the bale data will be sent to COPS for validation and--* rate calculation.

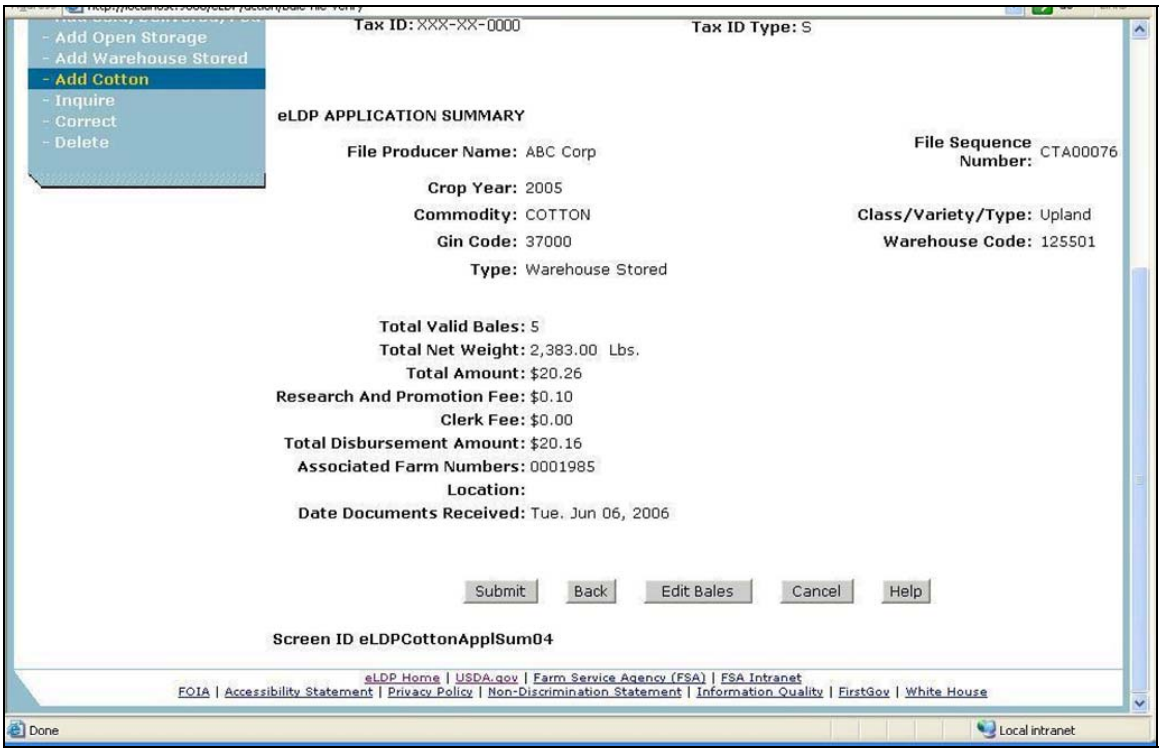
285.2 Entering eLDP Applications (Continued)

G eLDP Application Summary After Calculations

*--This is an example of Screen ID eLDPCottonAppl04 that provides the eLDP Application Summary. This screen will be displayed with the:

- total valid bales and net weight
- total error bales that did not pass validation, if any--*
- total eLDP amount
- associated farm numbers from the Customer Profile
- location or farm number entered from application
- request date.

*--



--*

285.2 Entering eLDP Applications (Continued)

G eLDP Application Summary After Calculations (Continued)

--eLDP Application Summary, Screen ID eLDPCotton04, provides the following functions.--

- Submit eLDP. To submit the eLDP as displayed on the eLDP Application Summary Screen, CLICK "Submit". The eLDP application will be submitted to NPS. Continue with instructions in subparagraph J.

- *--End processing and select another pre-processed bale data file. CLICK "Back".--*

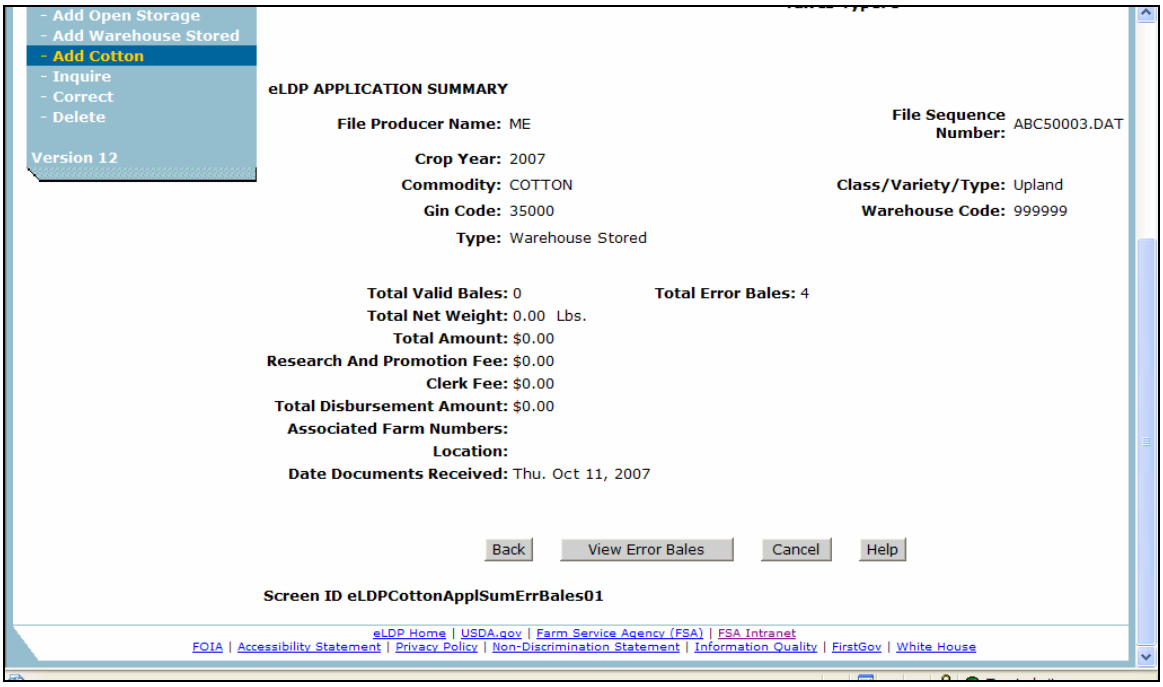
- Edit bales. Delete or add removed bales by clicking "Edit Bales". Continue with instructions in paragraph 285.3.

- Review error bales. CLICK "View Error Bales". A PDF form will open in a new window that will provide a list of error bales and error message. See subparagraph J for an example of the Error Bale Information.

- Cancel the operation and go back to main page. CLICK "Cancel".

- View the help document for this page. CLICK "Help".

*--If all bales on an application fail validation, Screen ID eLDPCottonApplSumErrBales01 will be displayed as follows.

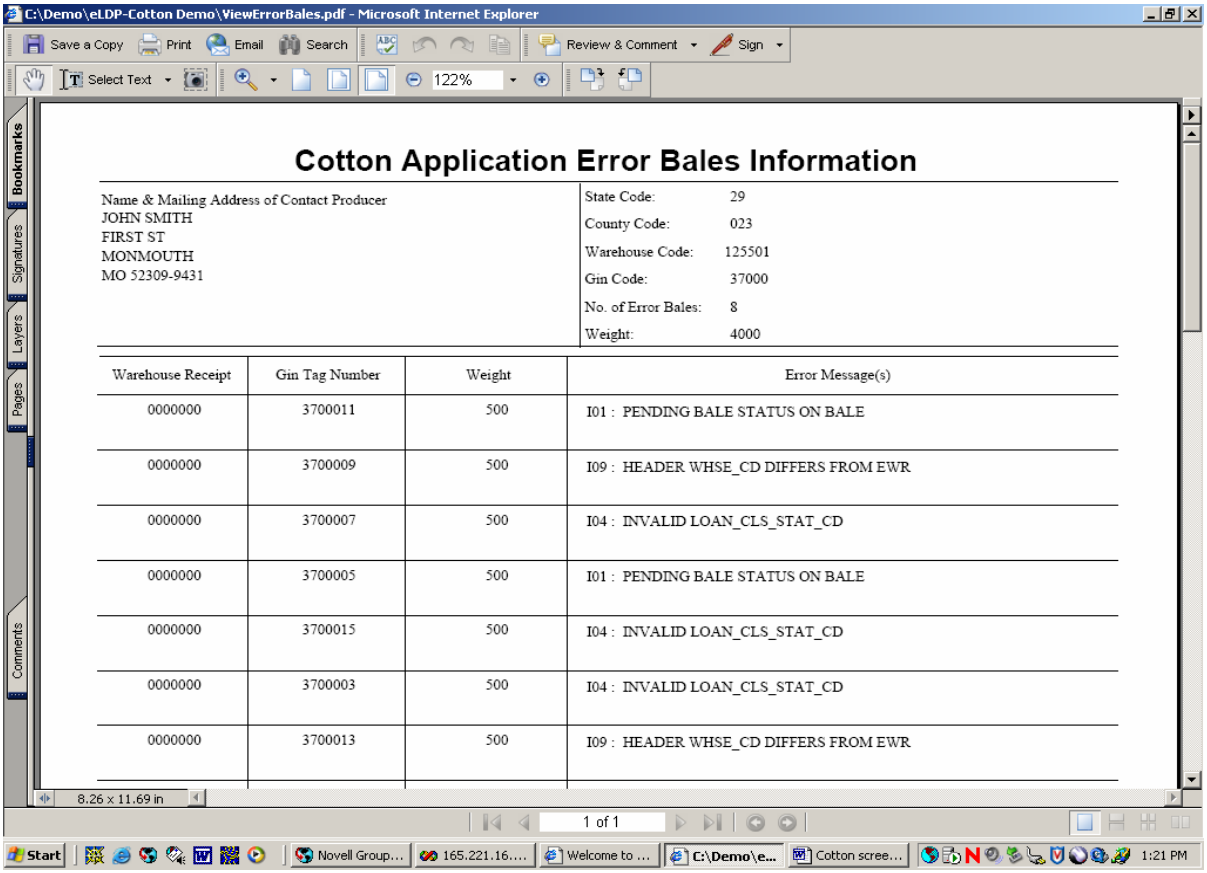


--*

285.2 Entering eLDP Applications (Continued)

H Viewing Error Bales

This is an example of the Cotton Application Error Bales Information report. This report will be displayed in a new window by clicking on the "View Error Bales" button on the eLDP Application Summary Screen.



Cotton Application Error Bales Information

Name & Mailing Address of Contact Producer
JOHN SMITH
FIRST ST
MONMOUTH
MO 52309-9431

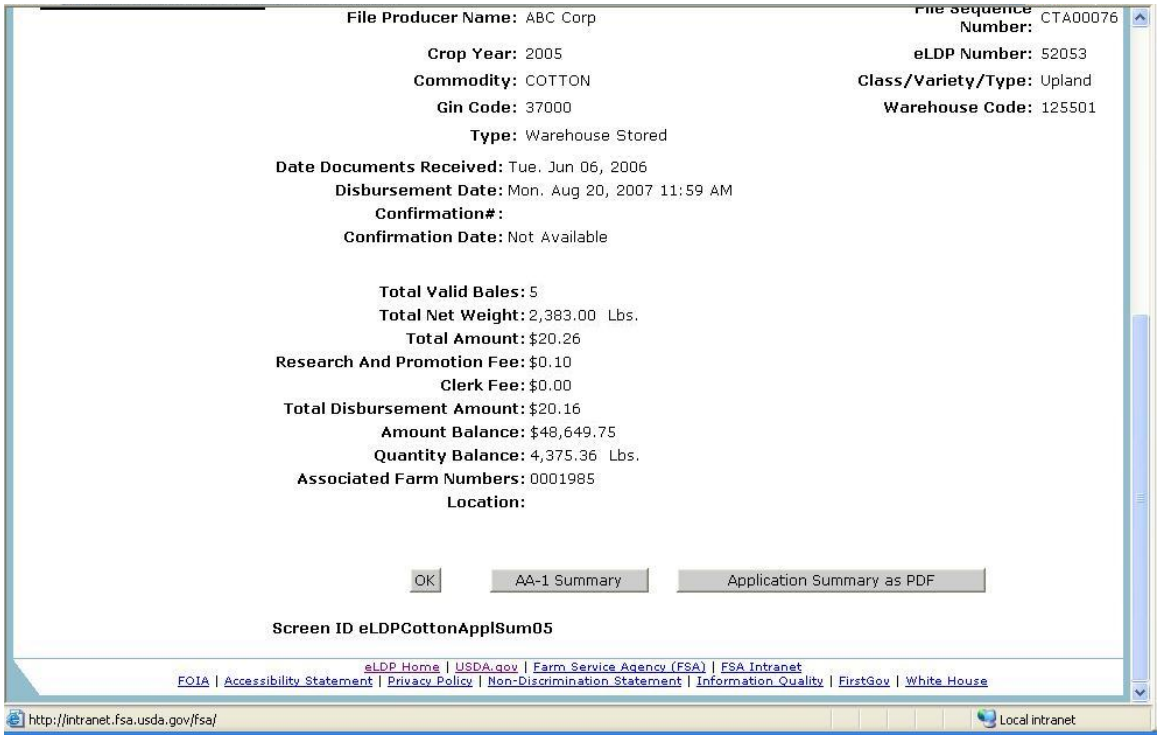
State Code: 29
County Code: 023
Warehouse Code: 125501
Gin Code: 37000
No. of Error Bales: 8
Weight: 4000

Warehouse Receipt	Gin Tag Number	Weight	Error Message(s)
0000000	3700011	500	I01 : PENDING BALE STATUS ON BALE
0000000	3700009	500	I09 : HEADER WHSE_CD DIFFERS FROM EWR
0000000	3700007	500	I04 : INVALID LOAN_CLS_STAT_CD
0000000	3700005	500	I01 : PENDING BALE STATUS ON BALE
0000000	3700015	500	I04 : INVALID LOAN_CLS_STAT_CD
0000000	3700003	500	I04 : INVALID LOAN_CLS_STAT_CD
0000000	3700013	500	I09 : HEADER WHSE_CD DIFFERS FROM EWR

285.2 Entering eLDP Applications (Continued)

I eLDP Application Summary After Submitting to NPS

***--**This is an example of Screen ID eLDPCottonApplSum05 **after** the application has been submitted to NPS.



File Producer Name: ABC Corp
File Sequence Number: CTA00076
Crop Year: 2005
eLDP Number: 52053
Commodity: COTTON
Class/Variety/Type: Upland
Gin Code: 37000
Warehouse Code: 125501
Type: Warehouse Stored
Date Documents Received: Tue. Jun 06, 2006
Disbursement Date: Mon. Aug 20, 2007 11:59 AM
Confirmation#:
Confirmation Date: Not Available

Total Valid Bales: 5
Total Net Weight: 2,383.00 Lbs.
Total Amount: $20.26
Research And Promotion Fee: $0.10
Clerk Fee: $0.00
Total Disbursement Amount: $20.16
Amount Balance: $48,649.75
Quantity Balance: 4,375.36 Lbs.
Associated Farm Numbers: 0001985
Location:

OK | AA-1 Summary | Application Summary as PDF

Screen ID eLDPCottonApplSum05

eLDP Home | USDA.gov | Farm Service Agency (FSA) | FSA Intranet
FOIA | Accessibility Statement | Privacy Policy | Non-Discrimination Statement | Information Quality | FirstGov | White House

http://intranet.fsa.usda.gov/fsa/ Local intranet

After the user submits the eLDP application to NPS, this screen will be displayed with the**--***following additional information:

- disbursement date/time
- confirmation number

  Note: This number is assigned by NPS.

- confirmation date.

285.2 Entering eLDP Applications (Continued)

I eLDP Application Summary After Submitting to NPS (Continued)

The County Office shall do the following.

- Click on the "AA-1 Summary" button to view CCC-Cotton AA-1 in PDF in a new window. See subparagraph K for an example of CCC-Cotton AA-1. Print CCC-Cotton AA-1. File a copy in the LDP folder and send a copy to the producers.

- Click on "Application Summary in PDF" button to view application summary including customer profile information in a new window. See subparagraph L for an example of the summary. Print the Application Summary. File a copy in the LDP folder and send a copy to the producers.

- Click on the "OK" button to go to Main Page.

Important: After all eLDP applications have been submitted to NPS, the NPS **payment worklist must be processed** by applicable County Office employees before the payments can be released for disbursement.

285.2 Entering eLDP Applications (Continued)

J CCC-Cotton AA-1

This is an example of the PDF version of CCC-Cotton AA-1.

*--

http://localhost:9080/eLDP/action/fop-render?popUp=true&currentLDPId=0&renderMethod=AA-1%20Summ - Microsoft Internet Explorer

1 / 1 99.8% Find

(See CCC-Cotton AA for 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
19 - 099 -

2. Name & Mailing Address of Contact Producer
ABC Corp.
First Street
New City
IA 50208

3. WAREHOUSE CODE
125501

4. GIN CODE
37000

5. LDP No. : 52061/CTA00346
Crop Year : 2005
Prep Code : 1F
No. Bales : 2
LDP Quantity : 1,006.00

6. Gross LDP Amt. for R & P : $ 8.55
Date of Disbursement : 09/17/2007

7. Total LDP Amt. : $ 8.55
Research and Promotion : $ 0.04
Clerk Fee : $ 0.00
Denied Market Gain : $ 0.00
TOTAL DISBURSEMENT : $ 8.51

Warehouse Receipt & GIN Tag Number	Grade Staple & Mike	Strength & Uniformity	Leaf & Other	Premiums	Discounts	Course Count AWP Only	Adj. Loan Rate	Adj. AWP	LDP Payment Rate	Net Wt.	LDP Amount (DOLLARS)
3700377 /3700377	62 28 2.5	19.5 77.4	7 00	0.00	51.50	0.0000	0.0085	0.0912	0.0085	514.00	$ 4.37
3700378 /3700378	62 28 2.5	19.5 77.4	7 00	0.00	51.50	0.0000	0.0085	0.0912	0.0085	492.00	$ 4.18

Total Net Wt. : 1,006.00 Total LDP Amount : $ 8.55

--*

285.2 Entering eLDP Applications (Continued)

K Cotton eLDP Summary

This is an example of the PDF version of the Cotton eLDP Summary.

Cotton ELDP Summary

County FSA Office: BUTLER State/County Code: MO023 Telephone: 555-555-5555

Producer Name: JOHN SMITH
Crop Year: 2004
Commodity: Upland
LDP Number: 50018
Location: FSN #10

File Sequence Number: MVZ40016.EWR
Gin Code: 37000
Warehouse Code: 125501
Requested Date/Time: Tue. Oct 12, 2004
Disbursement Date/Time:

Total Bales: 8
Total Net Weight: 3,930.00
Associated Farm Numbers: 0010

Payment Type:
Total Amount: $ 393.00

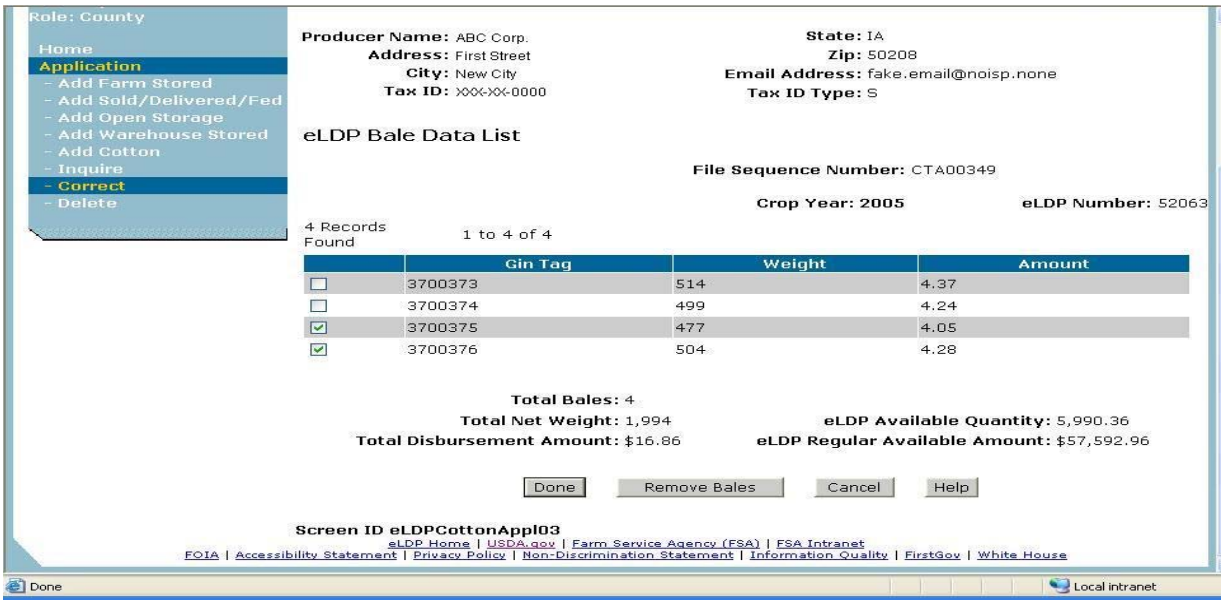
Producer Information

Name	Address	Crop Land Factor	Share Percent (%)	Quantity	Amount	Available Quantity	Available Amount
JOHN SMITH (Contact Producer)	FIRST ST MONMOUTH MO 52309-9431	0.5000	50.00	1,965.00	$ 196.50	3,035.00	$ 4,803.50
MIKE TURNER	123 ST ADRIAN MO 71909	0.5000	50.00	1,965.00	$ 196.50	3,035.00	$ 4,803.50

285.3 Editing eLDP Bales

A Deleting Bales From eLDP

Bales can be deleted from eLDP before submitting the application for payment. Click on the *--"Edit Bales" button on the eLDP Application Summary Screen ID eLDPCottonApplSum04. The eLDP Bale Data List, Screen ID eLDPCottonApplSum04, will be displayed as shown in this example.



Place a check (√) in front of the applicable gin tag number. After all bales have been selected, click on the "Remove Bales" button.

The eLDP Bale Data List, Screen ID eLDPCottonApplSum03, will be redisplayed. Screen totals will be automatically adjusted for the bales that were deleted.

After bales have been removed, County Offices shall:

- click on “Show Removed Bales”
- screen print a list of the removed bales
- provide a copy to the producer as a record of bales that were deleted from the application
- file a copy in the producer’s LDP folder.

To remove additional bales, click on the "Remove Bales" button and select additional bales.

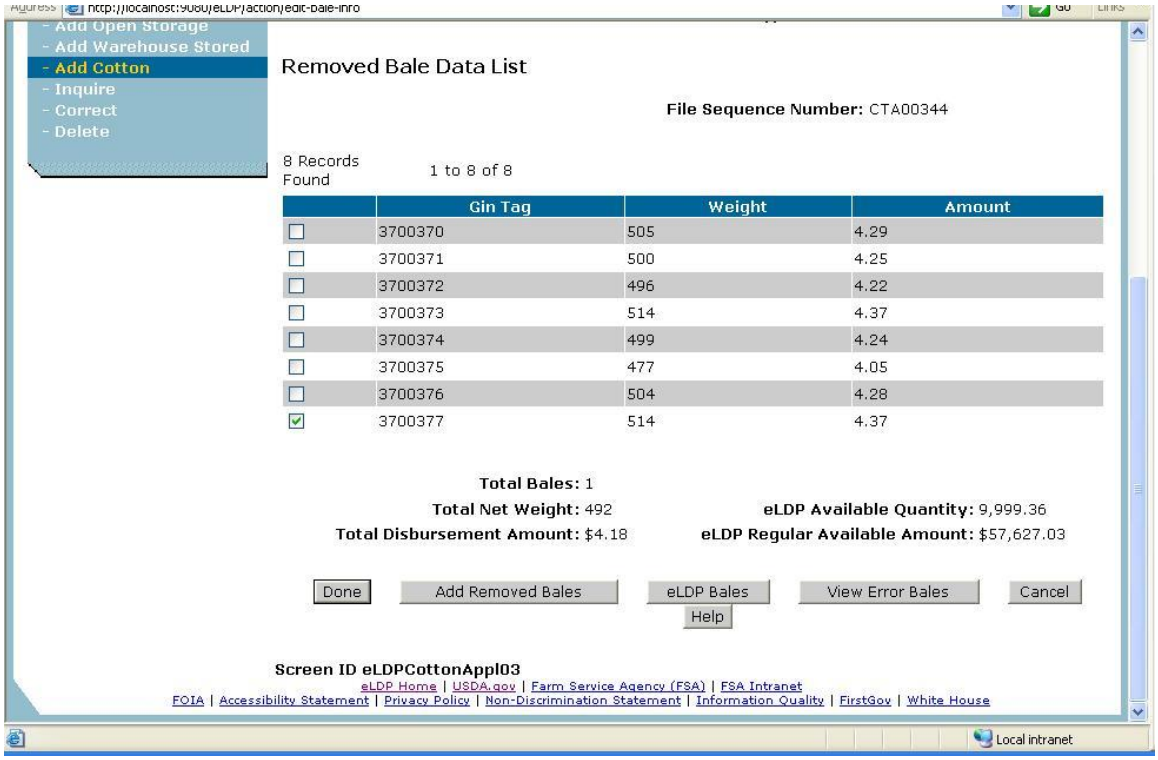
When all bales have been deleted, click on the "Done" button. The eLDP Application Summary Screen, Screen ID eLDPCottonAppl04, will be displayed.--*

285.3 Editing eLDP Bales (Continued)

* * *

B Adding Removed Bales Back on the eLDP Application

Bales that have been removed from the eLDP application can be added back on the application before the application is submitted to NPS for payment. * * * The Removed
*--Bale Data List Screen ID eLDPCottonAppl03 will be displayed as shown in this example.



--*

Place a check (√) in front of the gin tag number that is to be added back on the application. After selecting all bales, click on the "Add Removed Bales" button. The Removed Bale Data List Screen will be redisplayed. The bales that were added back to the application will not be displayed.

CLICK "Done" to return to the eLDP Application Summary Screen.

285.4 Correcting eLDP's

A Correction Process

*--The eLDP system provides the capability for County Office users to correct or modify cotton eLDP applications as follows:

- allow the following modification/corrections:
  - delete 1 or more bales
  - revise producer shares
  - change eLDP type from warehouse to module lock-in, or vice versa
  - revise the following dates:
    - date documents received
    - ginning/loss of BI date
    - lock-in date
- **not** allow the following:
  - add or delete producer
  - reduce producer share to zero
  - add bales
  - modify EWR records
  - re-access paid application to disburse unpaid producer amount because of denied market gain or ineligibility

    Note: Correcting these errors require that the eLDP be deleted and re-entered. See paragraph 285.5.--*

285.4 Correcting eLDP's (Continued)

A Correction Process (Continued)

•*--if the original eLDP payment:

- has been signed, correction process will:
  - allow the user to re-access and correct the application
  - use existing NPS overpayment/underpayment process to create:
    - receivables when the modified/corrected eLDP amount is less than the original disbursement
    - payables when the modified/corrected eLDP amount is more than the original disbursement

      Note: Prompt payment interest will be issued, if applicable.
- has **not** been signed, correction process will:
  - allow the user to re-access the application
  - automatically delete the original payable
  - accept modification or correction to the original application
  - submit the corrected/modified payable to NPS.

B Selecting Cotton eLDP for Correction

Select the cotton eLDP to be corrected according to the following table.

Step	Action
1	On the **Welcome to Price Support** Screen, use the drop-down box to select the producer's State and County.
2	On the eLDP Application Process Screen, CLICK "**Application**" in left menu bar.

--*

285.4 Correcting eLDP's (Continued)

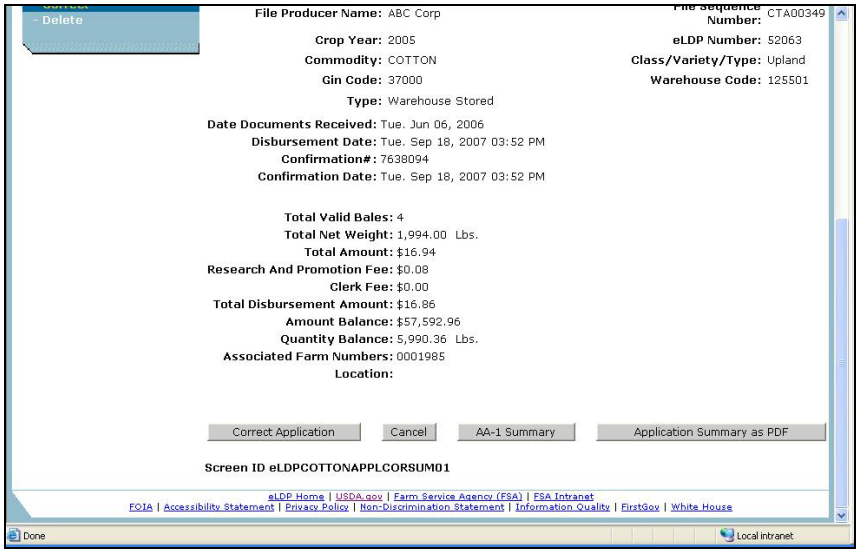
*--B Selecting Cotton eLDP for Correction (Continued)

Step	Action	
3	CLICK "**Correct**". The following screen will display. 	
4	Select the application to be corrected as follows:	
	TO select by...	**THEN follow these steps…**
	producer ID	• enter the producer/entity ID number and type • CLICK "**Search by Producer ID**" • CLICK "**Next**" to proceed to application.
	list of producers and their applications	• CLICK "**List All Producers**" for a list of producers with applications • select the applicable producer • CLICK "**OK**" and all applications for the selected producer will be displayed • select the applicable application • CLICK "**OK**".
	eLDP number and crop year	• enter eLDP number • enter the crop year from the drop-down box • CLICK "**Search Application**" • select the applicable application.

--*

285.4 Correcting eLDP's (Continued)

B*--Selecting Cotton eLDP For Correction (Continued)

Step	Action
5	The selected application will be displayed.  If the displayed application is: • the application to be corrected, CLICK "**Correct Application**" to begin the correction process • **not** the application to be corrected, CLICK "**Cancel**" and the user will be returned to the Application Process Screen.

--*

285.4 Correcting eLDP's (Continued)

*--C Correcting Application

County Offices shall process eLDP corrections for cotton eLDP applications according to the following table.

Step	Action
1	Select the application to be corrected and CLICK "**Correct Application**"; the following screen is displayed. The following changes can be made from this screen: • revise producer shares • change eLDP type • revise dates. **Note:** To delete bales from application, continue to Step 3. User shall CLICK: • "**Cancel**" to end the correction process; changes will **not** be saved • "**Continue**" to save changes and proceed to next screen • **"Back"** to return to the previous screen.

--*

285.4 Correcting eLDP's (Continued)

*--C Correcting Application (Continued)

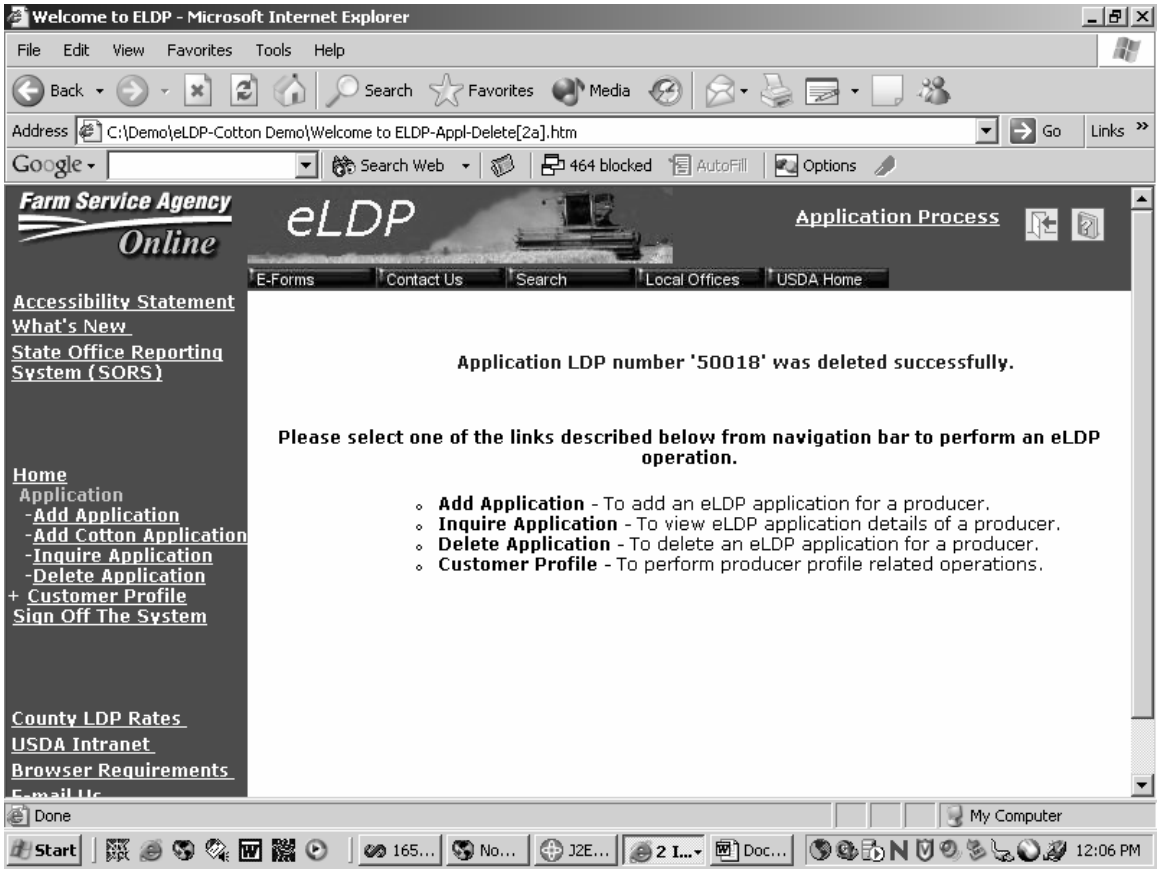
Step	Action
2	The following screen will be displayed, showing changes that were made. User shall CLICK: • **"Continue"** to continue the correction process • "**Back**" to return to the previous screen to make additional changes • "**Cancel**" to end the correction process; changes will **not** be saved.

--*

*--285.4 Correcting eLDP's (Continued)

B Deleting eLDP (Continued)

A message will be displayed on the Application Process Screen that confirms the eLDP was successfully deleted.



--*

285.4 Correcting eLDP's (Continued)

*--C Correcting Application (Continued)

<table>
<tr><th>Step</th><th colspan="3">Action</th></tr>
<tr><td rowspan="8">4</td><td colspan="3">After submitting the revised application, the screen will be redisplayed with the eLDP application with applicable messages indicating action taken.

Note: Because the revised CCC-Cotton AA-1 and Application Summary will reflect eLDP amount after corrections, users must print this screen for documentation and file in the LDP folder.</td></tr>
<tr><td>IF the initial application…</td><td>AND corrections resulted in…</td><td>THEN the following messages will be displayed…</td></tr>
<tr><td rowspan="2">was not signed</td><td>no change to the disbursement amount</td><td>"The application amount did not change".</td></tr>
<tr><td>changes to the disbursement amount</td><td>• "The application has been corrected"

• "(Producer Name) – The previous payment was cancelled and a replacement disbursement issued for $x.xx".</td></tr>
<tr><td rowspan="3">was signed</td><td>no changes</td><td>"The application amount did not change".</td></tr>
<tr><td>overpayment</td><td>• "The application has been corrected"

• "(Producer Name) - A receivable was created for the difference of $x.xx".</td></tr>
<tr><td>underpayment</td><td>• "The application has been corrected"

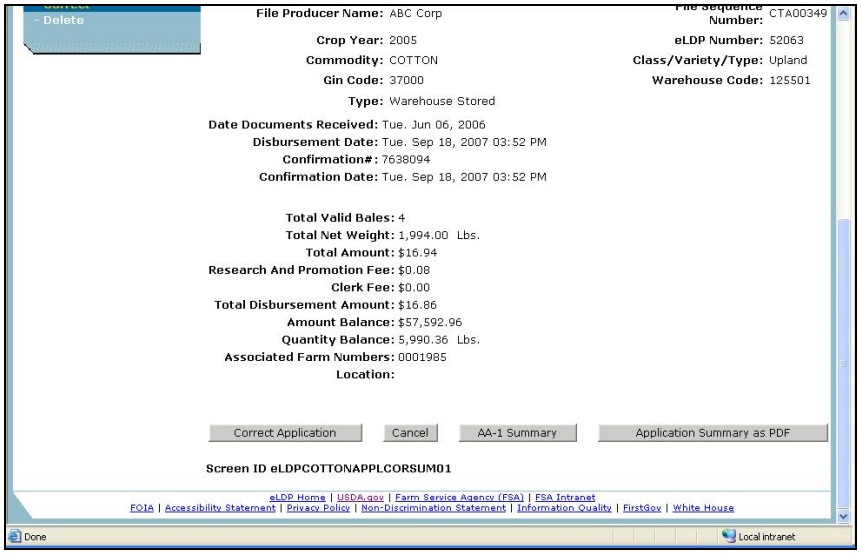
• "(Producer Name) - An additional disbursement was created for the difference of $x.xx".</td></tr>
<tr><td>5</td><td colspan="3">User shall:

• print Cotton AA-1 and Application Summary
• CLICK "OK" to return to the Application Screen.</td></tr>
</table>

--*

285.4 Correcting eLDP's (Continued)

*--C Correcting Application (Continued)

Step	Action
5	The selected application will be displayed.  If the displayed application is: • the application to be corrected, CLICK "**Correct Application**" to begin the correction process • **not** the application to be corrected, CLICK "**Cancel**" and the user will be returned to the Application Process Screen.

--*

*--285.5 Deleting eLDP's

A Correction Process

If it is determined that a disbursed eLDP must be modified or corrected for errors other than allowable modifications or corrections, the erroneous eLDP must be:

- deleted in the eLDP system
- reissued as a corrected eLDP using the original request date in the eLDP system.

If the eLDP is deleted:

- before the payment worklist is signed, the payment will be removed from the worklist and no receivable will be created

- after the payment worklist is signed, a receivable will be automatically created by NPS.

The corrected LDP can be processed in:

- the eLDP system **only** if the request date is within the last 30 calendar days; entering a request date earlier than 30 calendar days will create prompt payment interest

  Note: The amount for the corrected eLDP will be automatically reduced by the receivable amount of the original eLDP, if applicable.

- APSS:

  - as a manual transaction

  - using a 90,000 series LDP number

  - answering "N" to the question, "Is this a re-entry of a corrected LDP?"

    Note: APSS will not accept a 50,000 series LDP number.

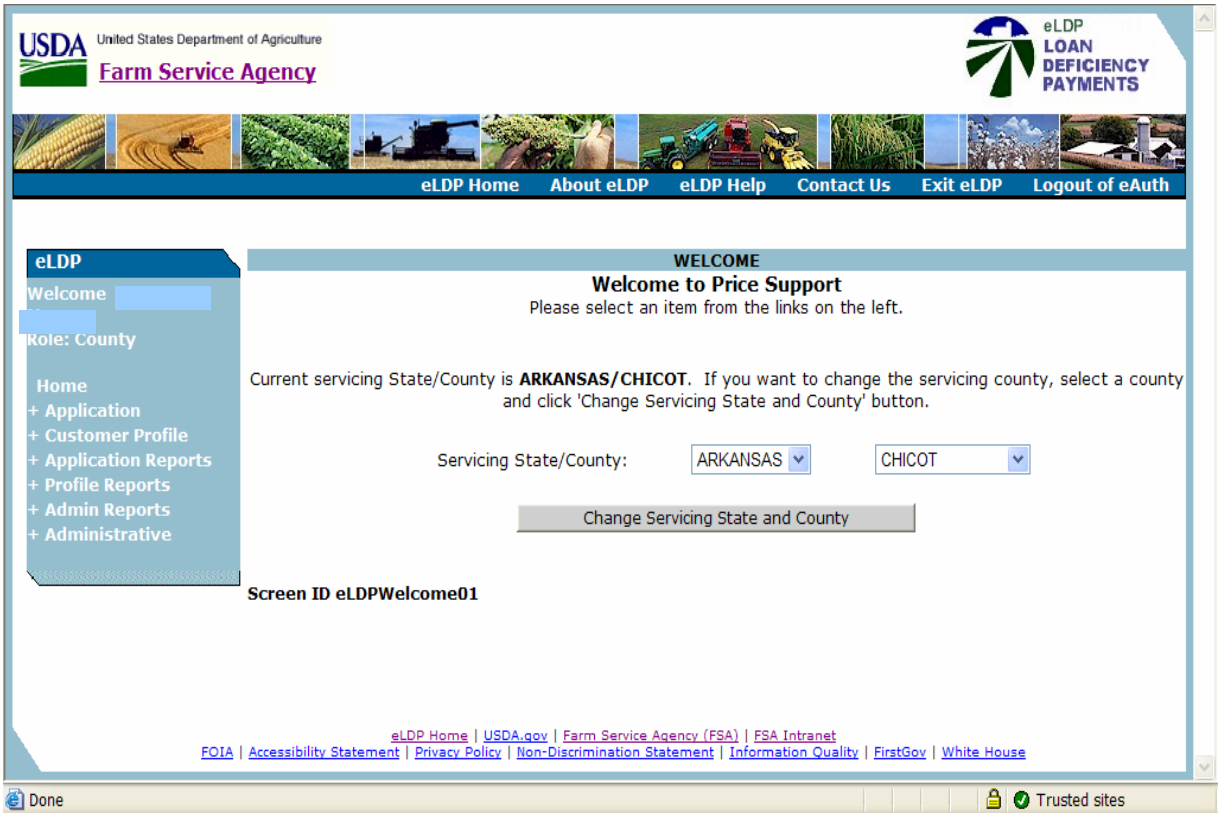
  - using the original loan approval, date documents received, and disbursement dates to avoid calculations of late payment interest

  - using the resulting LDP check to repay the receivable amount of the original LDP, if applicable.**--***

*--285.5 Deleting eLDP's (Continued)

B Deletion Process

This is an example of the Welcome to Price Support Screen ID eLDPWelcome01 that shows application options.



This screen will be defaulted to the user's State and county. If the county is a shared management County Office, select the applicable County Office.

User shall click on "+Application".--*

*--285.5 Deleting eLDP's (Continued)

B Deletion Process (Continued)

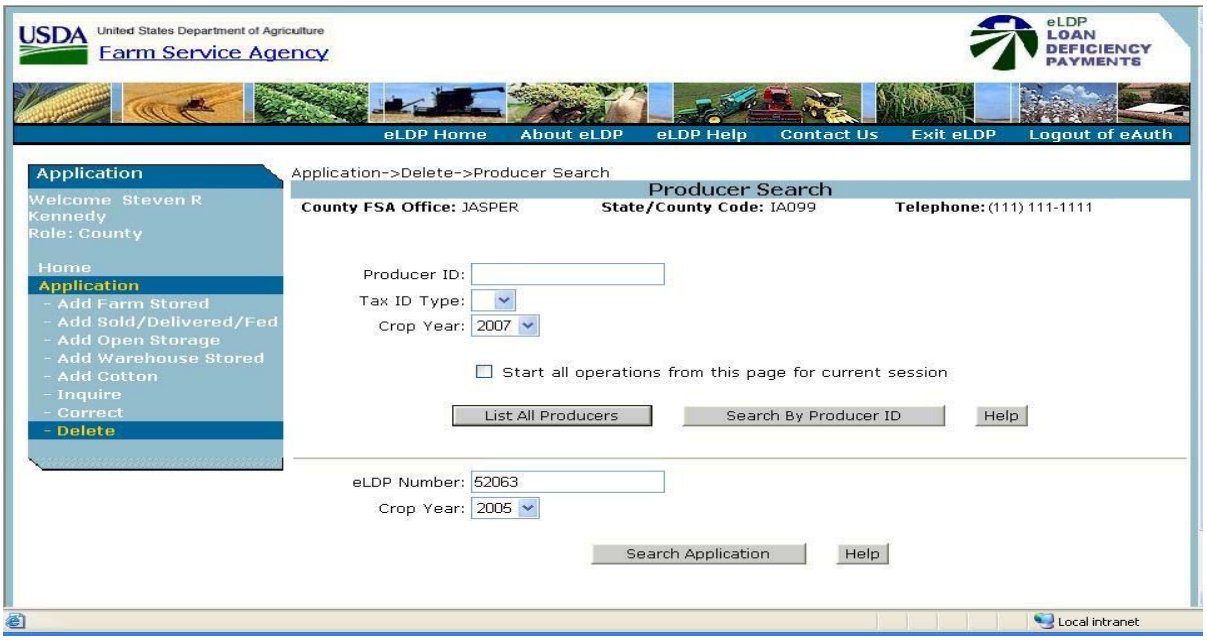
This is an example of the Application Process Screen ID eLDPAppliMain01 that shows application options.

CLICK "Delete" to delete eLDP that has been disbursed.--*

*--285.5 Deleting eLDP's (Continued)

B Deletion Process (Continued)

The following is an example of the Producer Search Screen.



Select the application to be corrected according to the following table.

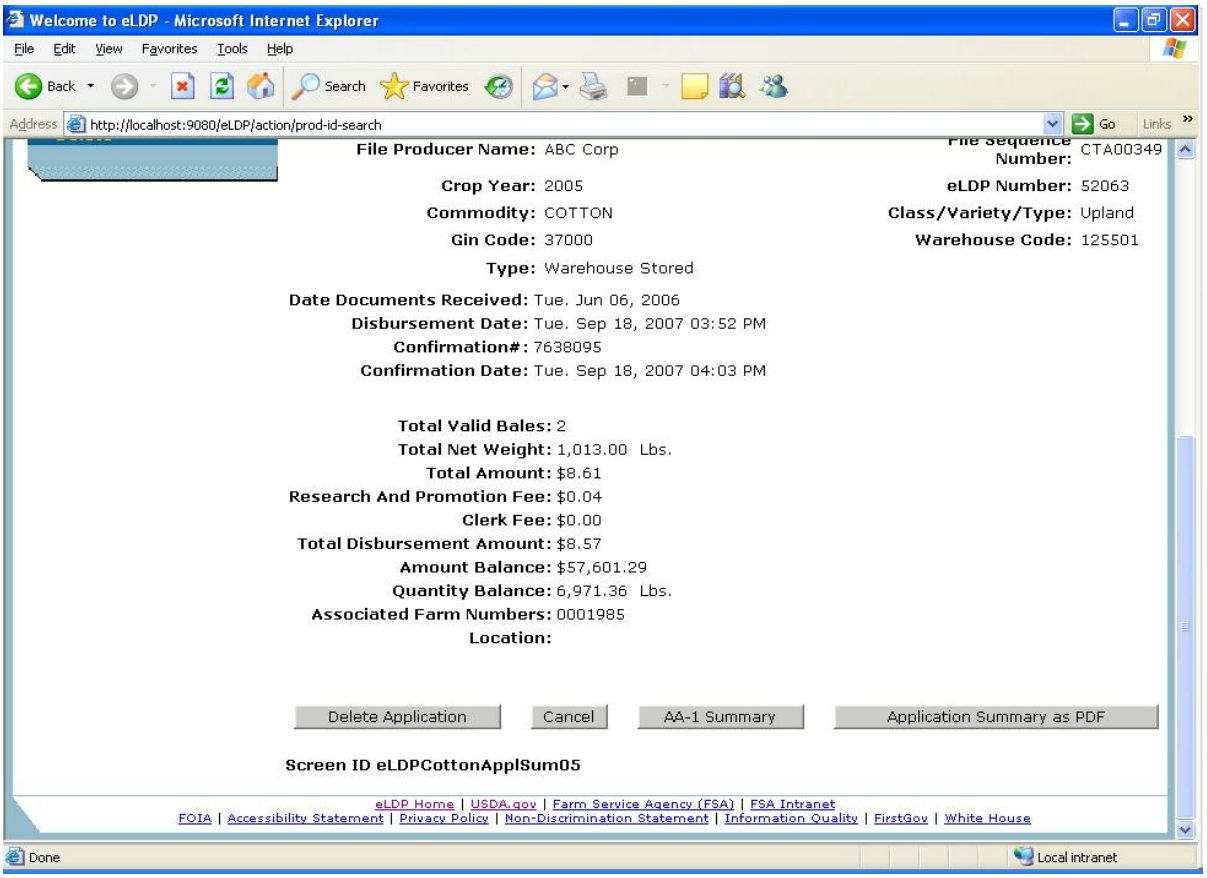
TO select by...	THEN follow these steps…
producer ID	• enter the producer/entity ID number and type • CLICK "**Search by Producer ID**" • CLICK "**Next**" to proceed to application.
list of producers and their applications	• CLICK "**List All Producers**" for a list of producers with applications • select the applicable producer • CLICK "**OK**" and all applications for the selected producer will be displayed • select the applicable application • CLICK "**OK**".
eLDP number and crop year	• enter eLDP number • enter the crop year from the drop-down box • CLICK "**Search Application**" • select the applicable application.

--*

*--285.5 Deleting eLDP's (Continued)

B Deletion Process (Continued)

The eLDP Application Summary for the selected LDP number will be displayed.

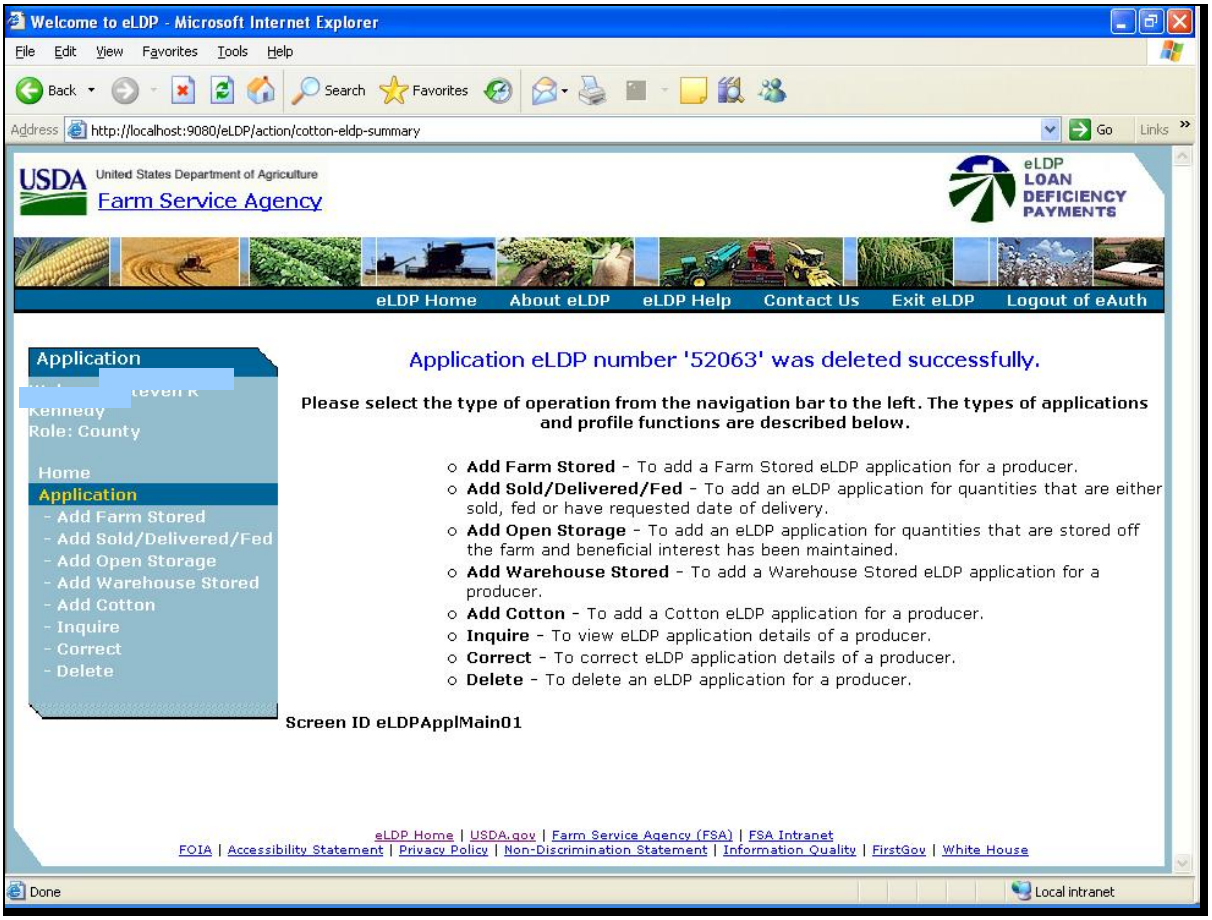


CLICK "Delete Application".--*

*--285.5 Deleting eLDP's (Continued)

B Deletion Process (Continued)

A message will be displayed on the Application Process Screen ID eLDPApplMain01 that confirms the eLDP was successfully deleted.



--*

285.6 Manually Entering Bale Data

A General Information

The eLDP system provides the option to manually enter bale data directly into the eLDP application when a bale detail file is unavailable. This option:

- requires using a State Office-issued password
- provides the option to build the file as:
  - EWR file that only requires entering the gin tag number
  - non-EWR file that requires entering gin tag number and bale weight
- provides auto-fill capability.

Note: This option **shall only be used** if a bale data file **cannot** be provided.

***--**Use the following System 36 screens to obtain a State Office issued password.

System 36 Screen	Item
Selection Menu, FAX250	ENTER "**3**".
Application Selection, FAF07001	ENTER "**13**".
Price Support - Main Menu, PAF000	ENTER "**4**".
State Price Support Password Generator, PFK09900	Enter State and county codes.

--*

B Invoking Manual Entry Option

Cotton eLDP has been modified to add the question, "Is Manual Bale Entry?", on Screen ID eLDPCOTTONAPPL01. To invoke the manual entry option, County Office users shall answer "Yes" by clicking on the applicable radio button. A pop-up box will then be displayed that prompts the user to enter a State Office-issued password. After the password is entered, users shall enter or select the following:

- type of eLDP
- applicable dates according to type of eLDP
- location, which is optional
- farm number, which is optional
- EWR or non-EWR file
- producer name
- gin code
- warehouse code for storing location

  Note: If **not** stored in warehouse, ENTER "999999".

***--285.6 Manually Entering Bale Data (Continued)**

B Invoking Manual Entry Option (Continued)

- total number of bales
- starting gin tag number
- gin tag increment (defaulted to "0").

Note: The file sequence number will be automatically assigned.

After all data is entered, CLICK "Continue" to proceed to Screen ID eLDPCottonAppl02A.

C eLDP File Type

The manual data entry option allows the user to build the following eLDP file types:

- EWR file that requires **both** the classing record and EWR receipt
- non-EWR file that **only** requires the classing record.

Note: The EWR file type shall be selected **only** if EWR's have been submitted to COPS for processing. If this is unknown, users may query COPS to verify that EWR's were submitted or build a non-EWR file that does **not** require EWR.

D Building EWR File

For EWR files, the user will only enter the gin tag number on Screen ID eLDPCottonAppl02A. COPS will search for both the classing record and corresponding EWR. If **both** records are:

- found, the process will continue
- **not** found, the file will be returned with invalid bales.

Users have the following options:

- save the EWR file and resubmit at a later time
- delete invalid bales and continue to process eLDP for valid bales.

If EWR's are never submitted to COPS for processing, the user **must** create a **new**, non-EWR file for processing. An EWR file type **cannot** be changed to a non-EWR file.**--***

*--285.6 Manually Entering Bale Data (Continued)

E Building Non-EWR Files

For non-EWR files, the user shall enter the following data on Screen ID eLDPCottonAppl02A:

- gin tag number
- bale weight.

COPS will search for the corresponding classing record and EWR, if available. If EWR is:

- available, COPS will return the classing data, receipt number, and bale weight, and the eLDP process will continue

- **not** available, COPS will return the classing data; the eLDP process will continue using the bale weight entered by the user.

Important: The non-EWR file type can be used for **all types** of eLDP's because the process continues with whichever records are available in COPS. The EWR file type can only be used if EWR is available.

F Auto-Fill Capability

The manual entry option provides an auto-fill capability. This option is very similar to the capability provided in the cotton PC software.

The eLDP system will automatically fill the gin tag numbers according to the gin tag increment and starting gin tag number entered on Screen ID eLDPCottonAppl01.

Examples: Entering "0" will leave all tag numbers blank.

Entering "1" will auto-fill each tag number using the sequence "1, 2, 3, 4, 5, 6, 7, 8, 9, etc."

Entering "2" will auto-fill every second tag number using the sequence "1, 3, 5, 7, 9, 11, etc."

Entering "3" will auto-fill every third tag number using the sequence "1, 4, 7, 10, 13, etc."**--***

*--285.6 Manually Entering Bale Data (Continued)

F Auto-Fill Capability (Continued)

To auto-fill, position the cursor in a “Gin Tag Number” field in which a gin tag number has been entered. CLICK “Update” and all “Gin Tag Number” fields following that field will be filled in sequence.

To auto-delete, position the cursor in a “Gin Tag Number” field. Delete all numbers from the field. CLICK “Update” and all “Gin Tag Number” fields following that field will be cleared.

G Screen Options

Screen ID eLDPCottonAppl02A provides the following options.

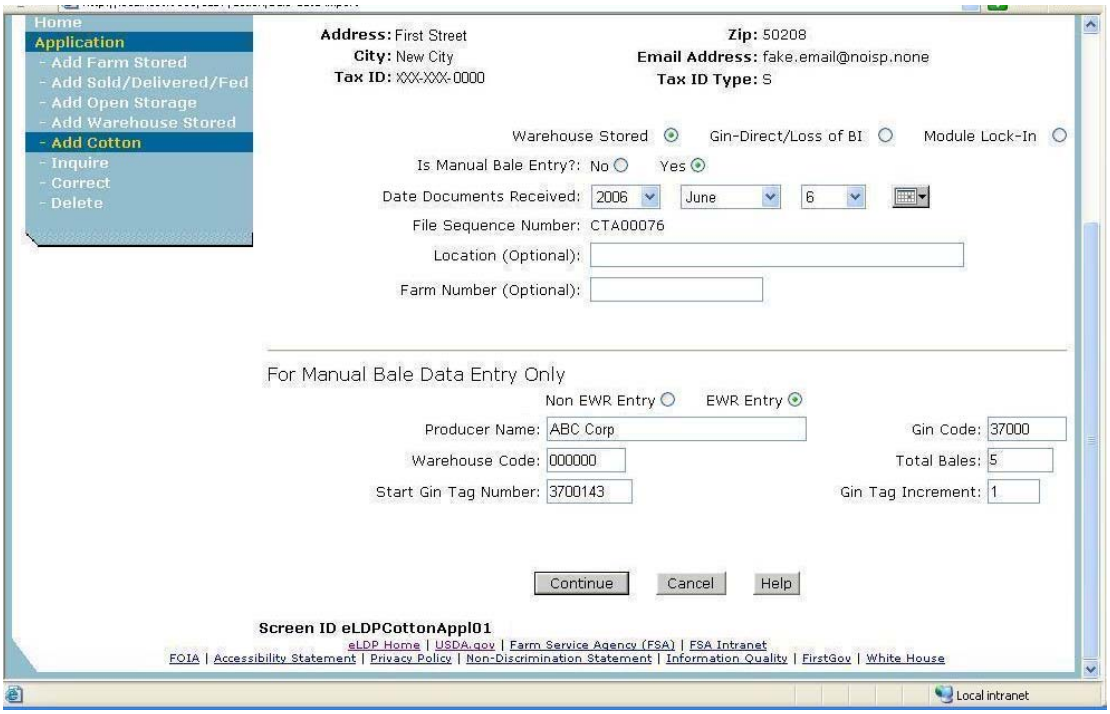
Option	Description
Done	CLICK “Done” to: • complete the Manual Bale Entry operation • advance to the Cotton Bale Data Verify Screen.
Save Bales	CLICK “Save Bales” to save the bale entry information on the local drive. The File Save Dialogue Screen will be displayed for entering the bale data file name that will be defaulted to the file sequence number assigned by the system. To: • continue processing, CLICK “Done” • end processing, CLICK “Cancel” to delete the application. **Note:** The data file is still available for a subsequent eLDP.
Back	CLICK “Back” to take the user back to the Cotton Bale Data Verify Screen.
Cancel	CLICK “Cancel” to: • **erase** all information from the application • return to the Application Menu. However, if the file was saved before taking this option, it can be used for a subsequent eLDP.

--*

*--285.6 Manually Entering Bale Data (Continued)

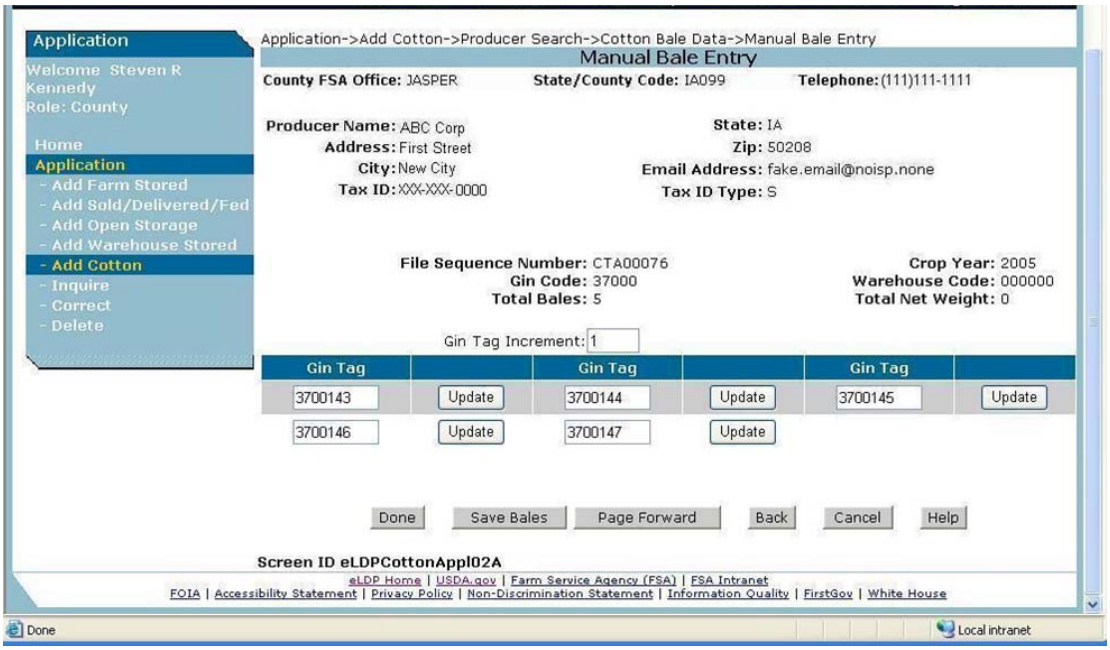
H Screen ID eLDPCottonAppl01

The following is an example of Screen ID eLDPCottonAppl01.



I Screen ID eLDPCottonAppl02A

The following is an example of Screen ID eLDPCottonAppl02A.



--*

Part 6 Correcting APSS Transactions

286 General Information

A
Introduction

Use the correction process when a loan transaction has been recorded and updated in the master file, but later discovered to be incorrect.

The correction process will reverse or delete transactions that are incorrect. The same transaction can be re-entered with the correct information, when applicable.

B
Getting Started

Before beginning any type of correction processing, the complete loan folder should be at the terminal for reference purposes.

287 Accessing Correction Functions

A
Initial Entry

On Menu PCA005, ENTER “7” to initiate the correction process, and PRESS “Enter”. Screen PCA11000 will be displayed.

B
Processor and Loan Data

Complete the producer and loan information. Screen PXA00005 will be displayed.

288 Selecting Transactions

A Transaction History

After the loan is identified, Screen PXA00005 will be displayed with the following:

- producer's name
- crop year
- loan number
- commodity
- transaction types, in order of occurrence
- transaction date
- transaction time
- diskette date, if applicable.

Screen PXA00005 will display all of the transactions that have taken place on the selected loan. Transactions are listed in sequential order as they occurred. After identifying the transaction that is to be reversed, ENTER "Y" in front of the transaction, and PRESS "Enter" to continue.

Notes: Only one "Y" is allowed. All transactions listed after the selected transaction will also be reversed during the correction process.

If a diskette date is present for the transaction being reversed, see paragraph 289 for using history diskettes before proceeding.

288 Selecting Transactions (Continued)

B Loan Reconstruction Process

After pressing “Enter” on Screen PXA00005, Screen PXA10000 will be displayed with the following:

- a prompt for the history diskette, if a diskette date was present for any transaction involved in the correction

  Note: See paragraph 289 for using history diskettes.

- target date of the transaction to be corrected

- a series of messages indicating reversal is in progress for the transaction and any subsequent transactions.

After a short time, the message, “Verify listing to continue error correction process”, will be displayed. Before continuing:

- review the report entitled, “Correction Posting Check-Off List”, that was automatically printed on the default printer

- verify that the entries shown on the report are to be reversed

- if report is correct, PRESS “Enter” and continue processing according to paragraph:

  •*****--290, if payables are involved--*****
  - 291, if repayments were involved in the correction

- if report is incorrect, PRESS “Cmd7” to end processing.

289 Using History Diskettes

A Types of History Diskettes

Start-of-day processing periodically removes loan data from the history files. The removed data is saved onto the 2 types of diskettes listed in this table.

Type	Purpose
APK205	Used to correct loans.
APK208	Stored as off-site backups to APK205 diskettes.

B APK205 Diskettes

If correcting 1 or more transactions, APK205 diskettes may be needed to restore information necessary for the correction.

If a diskette is needed, the “Diskette Date” field on Screen PXA00005 will display the date of APK205 diskettes containing the loan information needed for the correction. Insert diskettes into the disk drive, in sequential order, when prompted. After the transaction is restored from the diskettes, the correction process will continue.

Note: Depending on the transaction being reversed, other APK205 diskettes may be needed for subsequent transactions that also will be reversed during the correction process.

C APK208 Diskettes

The correction process may reject damaged APK205 diskettes and display an error message. If an error message is received, APK208 diskettes can be copied to obtain another set of APK205 diskettes.

--**Follow 12-PS, paragraph 1743 for information on converting the APK208 diskettes to**--
APK205 diskettes.

290 Corrections Involving Payables

A Accounting Interface

After verifying the correction report and pressing "Enter" on Screen PXA10000 according to subparagraph 288 B, Screen ANK52010 will be displayed with the check or checks issued for the loan being corrected. Screen ANK52010 will list the program code, amount, check number, issue date, and loan number with the question, "Is the check to be canceled available?"

B Loan To Be Re-Entered, and Loan Disbursed With a Check

If the loan will be re-entered and direct deposit was not used, ENTER "Y". The check will be canceled without creating a receivable in accounting. Re-enter the loan as a manual action according to paragraph 192 for cotton loans or paragraph 244 for seed cotton loans. When recording check data in accounting, enter the check number of the original check. This re-issues the same check number on the new loan. See 67-FI for additional information.

C Loan Not To Be Re-Entered

If the loan will not be re-entered, ENTER "N". The check will be canceled and screens will be displayed to record receivable information. Complete receivable processing according to 67-FI.

D Receivable Created in Correction Process

If any loan disbursements were made by direct deposit and the direct deposit record has been transmitted, or if "N" was inadvertently entered to the question, "Is the check to be canceled available?" on Screen ANK52010 when the loan will actually be re-entered, a receivable will be created that must be repaid. When re-entering the loan, the check must be made payable to CCC. The check must then be applied to the receivable as a repayment. See 67-FI for more information.

Note: The receivable repayment date must be the same as the receivable creation date to prevent interest from being assessed.

291 Corrections Involving CCC-257's

A Repayment Corrections

When correcting a repayment transaction, amounts deposited on CCC-257 during the repayment will be reversed. The correction process will reverse only the program or "PGM" record associated with the repayment on CCC-257.

The remittance or "RMT" record will remain on CCC-257 and cause CCC-257 to be out-of-balance until the:

- repayment is re-entered
- "RMT" record is removed from CCC-257.

B Handling Corrections

See 3-FI, Part 3 for instructions on handling CCC-257 corrections.

292 Completing Correction Process

A Completing Correction

When the correction process is completed, *** * *** receivables established, and files updated, Menu PCA005 will be displayed. See subparagraph B for re-entry instructions, if necessary.

File the Correction Posting Check-Off List in the loan folder for future reference.

B Re-Entry References

As explained in this part, placing "Y" next to a transaction in the correction process will reverse that transaction and all subsequent transactions. When applicable, the incorrect transaction and all subsequent transactions **must** be re-entered.

If re-entry is necessary, follow this table to find the instructions for re-entering the applicable transaction.

IF re-entering a...	THEN see...
loanmaking transaction:	
• regular loans	Part 3, Section 2.
• seed cotton loans	Part 4, Section 2.
LDP transaction	Part 5, Section 2.
repayment:	
• regular loans	Part 3, Section 3.
• seed cotton loans	Part 4, Section 3.
forfeiture	Part 3, Section 4.

293-300 (Reserved)

Part 7 Violations

301 Overview

A Terms and Conditions

CCC has determined that producers who violate the terms and conditions of loan note and security agreements or LDP applications will cause harm or damage to CCC. These violations result in funds being disbursed to producers for a quantity of cotton that may **not** exist or a quantity for which the producer is **not** eligible.

This part describes what actions are required to be taken if a producer is found in violation of the terms and conditions of a loan or LDP.

B Violations Not Applicable

This part does **not** apply if the cotton is determined ineligible because of the following types of violations:

- HELC
- WC
- FFC.

C CED Actions

When duplicate benefits are provided, CED **must**:

- determine whether a violation may have occurred based subparagraph 301 D
- refer any suspected violations to COC for a violation determination
- obtain repayments:

  - ***--**for violations (determined by COC) at principal plus interest plus liquidated damages
  - for nonviolations at principal plus interest without referral to COC.**--***

D Distinguishing Violations From Nonviolations

Duplicated payments are to be considered a violation if the producer knew, or had reason to know, that an application would generate a duplicate benefit.

An example of a violation is a benefit (whether loan or LDP) provided under duplicated producer application to multiple County Offices or to both CMA/LSA and County Office.

The following are examples of **nonviolations:**

- bale misidentified by gin/warehouse without producer knowledge
- bale assigned to multiple producers by gin/warehouse
- bales misdirected by gin/warehouse
- County Office keystroke errors or other misaction/misinformation.

*--302 Producer Violation Notification

A Initial Producer Notification

County Offices shall send the following letter to notify producers of potential loan/LDP violations.

Note: Determine what actions are to be taken and the amounts due according to subparagraph 303 C.

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
LYON COUNTY FSA OFFICE
PO BOX 389
ROCK RAPIDS IA 51246-0389

October 15, 2007

Thomas Grant
1003 Brees Ave
Payton, IA 51241-7522

Dear Thomas Grant:

This is to notify you that the Farm Service Agency has determined that you have a debt arising from:

(**Insert explanation and pertinent facts.**)

The amount you owe consists of:

Principal	Interest	Other Charges	Total

Interest will continue to accrue at a rate of _____**%** until the total amount due is repaid. The amount shown above has been recorded for offset from any FSA, CCC or other Federal Agency payment, which may be due you.

We want to work with you to resolve this matter. Depending upon your situation, there is the possibility of paying this debt in installments. If you have any questions regarding this matter, please do **not** hesitate to contact us.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the County Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the County Committee, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you appeal this determination to the County Committee, you may later appeal an adverse determination of the County Committee to the FSA State Committee or National Appeals Division (NAD). To appeal, write to the County Committee at the following address and explain why you believe this determination is erroneous. (**Insert COC address.**)

You may contact the County Office to receive a copy of the documents related to this determination.

If you should need further assistance, please feel free to contact the FSA Service Center.

Sincerely,

Harvey Lee
County Executive Director

USDA is an Equal Opportunity Provider and Employer

--*

302 Producer Violation Notification (Continued)

B Actions To Be Taken After Notification

Use the following table to determine what actions are required after the notification letter in subparagraph A has been sent to the producer.

<table>
<tr><th>IF the producer...</th><th colspan="2">THEN COC shall...</th></tr>
<tr><td>does not respond within *--the 30-calendar-day--* notification period</td><td colspan="2">• follow subparagraph 303 C
• send the producer, as applicable, the demand letter according to paragraphs 42 and 35
• for loans, process forfeiture according to paragraph 212.</td></tr>
<tr><td>appeals the determination</td><td colspan="2">follow paragraph 23.</td></tr>
<tr><td rowspan="4">responds within the 30-calendar-day notification period, but does not appeal</td><td colspan="2">determine, based on the evidence provided by the producer, whether the producer acted in good faith.</td></tr>
<tr><td>IF good faith...</td><td>THEN follow subparagraph...</td></tr>
<tr><td>is determined and the producer has been involved in less than 2 violations in the previous 24 months</td><td>303 A, using the demand letter in subparagraph 303 D.</td></tr>
<tr><td>cannot be determined or the producer has already been involved in at least 2 violations in the previous 24 months</td><td>303 C, using the demand letter according to paragraphs 42 and 35.</td></tr>
</table>

303 Loan and LDP Violations

A Good Faith Determinations

***--[7 CFR 1427.18]** A producer is considered to have acted in "good faith" if 1 of the following apply:

- there is evidence to support that the producer made every effort to comply with the terms and conditions of CCC-601 and CCC's security interest was protected
- the violation was inadvertent, accidental, or unintentional
- the actions that resulted in a violation prevented the spoilage of the commodity or was necessary to protect CCC's security interest in the commodity.

If producers can show they acted in good faith when the loan or LDP violation occurred and the producer has had 2 or fewer loan or LDP violations in the previous 24 months, COC--* shall demand:

- as applicable, repayment of the:
  - loan principal and charges, plus interest, applicable to the loan quantity affected by the violation
  - LDP amount and charges, plus interest, applicable to the LDP quantity affected by the violation
- payment of liquidated damages equal to:
  - *--for 2005 and prior crop loan and LDP violations, the product of multiplying the quantity times 10 percent of the loan or LDP rate for a first offense, if COC determines the producer acted in good faith when the violation occurred, or 25 percent of the rate for all other offenses
  - for 2006 and subsequent crop years, the product of multiplying the quantity in violation by 10 percent of the loan or LDP rate.--*

Note: See subparagraph:

- B if the amount due is not repaid within 30 calendar days of demand
- C if the producer has already had more then 1 loan or LDP violation in the previous 24 months
- E for authority to waive liquidated damages.

303 Loan and LDP Violations (Continued)

B Good Faith Determined, But Amounts Due Not Repaid Within 30 Calendar Days

If amounts due for loans and LDP's, as determined according to subparagraph A, are not repaid within 30 calendar days:

- for loans:
  - call the loan, if still outstanding, involved in the violation and require repayment of any previously realized market gain and unearned storage credit on the loan, plus interest
  - follow paragraph 35 for any quantity determined ineligible for the loan
- for LDP's, require repayment of the entire LDP, plus interest.

C Good Faith Not Determined or Multiple Violations Are Applicable

If COC cannot determine the producer acted in good faith when the violation occurred or if the producer has already had 2 or more loan or LDP violations in the previous 24 months, COC shall:

- demand payment of liquidated damages equal to 25 percent of the loan or LDP rate times the quantity affected by the violation

  Note: See subparagraph E for authority to waive liquidated damages.

- for loans:
  - call the loan, if still outstanding, involved in the violation and require repayment of any previously realized market gain and unearned storage credit on the loan, plus interest
  - follow paragraph 35 for any quantity determined ineligible for the loan
- for LDP's, require repayment of the entire LDP, plus interest.

303 Loan and LDP Violations (Continued)

D Good Faith Demand Letter

If good faith is determined and the producer has been found in violation of less than 2 violations in the previous 24 months, use the following demand letter.

*--

RE: (**Enter crop year, commodity, and loan/LDP number**)

Dear _____:

The County FSA Committee has determined that you acted in good faith concerning the violation of the (**loan agree/LDP application**) of which we had previously notified you. Based on this determination and because this is your (**first/second**) violation in the previous 24 month, the following amounts are now due: (**enter as applicable**):

- (**loan principal**)
- (**interest**)
- (**LDP amount**)
- (**liquidated damages**)
- (**market gain**)
- (**unearned storage credit**)
- (**other charges paid by CCC**).

Applicable interest will continue to accrue form the date of this letter until these amounts are repaid or transferred to claims. If these amounts are not repaid within 30 calendar days, the following actions will be taken: (**enter as applicable**):

- outstanding loan will be immediately called
- foreclosure proceeding will begin on the ineligible cotton
- a claim will be established for the following amount due: (**enter as applicable**)
    - (**all market gain realized on the loan, plus interest**)
    - (**entire LDP amount, plus interest**)
    - (**loan amount plus accrued interest applicable to the ineligible cotton**)
    - (**amount of liquidated damages**)
    - (**other charges**).

After the claim is established:

- the claim may be reported to other Federal Agencies for offset from any amounts that may be due
- late payment interest, based on the rate established by the Department of Treasury, will be applied to your debt on a daily basis from the date the claim is established until your debt is paid in full.

An additional 3 percent will be assessed on the unpaid balance of the debt retroactively for the date the claim is established if payment in full is not made within 60 calendar days after the date the claim is established.

If this demand letter is a result of a producer's appeal and the appeal was not granted in full, this letter shall contain appeal rights to the State FSA Committee.

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E

Authority to Waive Liquidated Damages

COC's may grant relief by waiving any or all of the liquidated damages for a first offense if COC determines the producer acted in good faith.

STC's may grant relief by waiving any or all of the liquidated damages for any offense.

Note: Determinations to waive liquidated damages must be determined on a case-by-case basis.

304 Recording Loan Violations in APSS

A
APSS Procedure Record initial loan violations according to the following table.

Step	Action	Result	
1	On Menu PCA005: • ENTER "8" • PRESS "Enter".	Menu PVA005 will be displayed.	
2	On Menu PVA005: • ENTER "16" • PRESS "Enter".	Screen PCA11000 will be displayed.	

3	On Screen PCA11000:
	
	• enter:
	
	  • producer's ID and type
	  • crop year
	  • loan number
	
	• PRESS "Enter".
		Screen PCA12000 will be displayed.	

4	On Screen PCA12000:
	
	• ENTER "Y" or "N", as applicable, to the following questions:
	
	  • "Is this the correct producer?"
	
	  • "Is this a recording of a manually made action?"
	
	• PRESS "Enter".
		IF the producer is...	**THEN...**

		correct and this is or is **not** a manually made action	Screen PCA14000 will be displayed. Go to step 5.
		not correct and this is or is **not** a manually made action	Screen PCA11000 will be redisplayed. Return to step 3.

Continued on the next page

A
APSS Procedure
(Continued)

Step	Action	Result	
5	On Screen PCA14000: • ENTER "Y" or "N" to the question, "Is this the correct loan?" • PRESS "Enter".	**IF...**	**THEN...**
		"Y" was entered	Screen PCA14000 will be redisplayed. Go to step 7.
		"N" was entered	Screen PCA13000 will be displayed. Go to step 6.
6	On Screen PCA13000: • enter the sequence number that corresponds to the correct loan • PRESS "Enter".	Screen PCA14000 will be redisplayed. Return to step 5.	
7	On Screen PCA14000, PRESS "Enter".	Screen PVA64000 will be displayed.	

8	On Screen PVA64000:
	• enter:
	  • demand date
	  • discovery date
	  • "Y" or "N" to the question, "Was good faith determined by the COC?"
	• PRESS "Enter".
		IF...	**THEN...**

		"Y" was entered	Screen PVA64000 will be redisplayed. Go to step 9.
		"N" was entered	Screen PVA65000 will be displayed. Go to step 10.

Continued on the next page

A
APSS Procedure
(Continued)

Step	Action		Result

9	On Screen PVA64000:
	• enter either of the following:
	  • "1" for a first offense
	  • "2" for a second offense
	• PRESS "Enter".
			Screen PVA65000 will be displayed.

10	On Screen PVA65000, the following will be displayed: • the question, "Are all receipts involved in the violation?" • each receipt number on the outstanding loan.		
	IF all receipts are...	**THEN...**	
	involved in the violation	ENTER "Y" to the question, and PRESS "Enter".	Screen PVA66000 will be displayed.

	not involved in the violation	• ENTER:
		  • "N" to the question
		  • "Y" next to each receipt involved in the violation
		• PRESS "Enter".	

Continued on the next page

A
APSS Procedure
(Continued)

Step	Action	Result	
11	On Screen PVA66000: • the following information will be displayed: • demand date • maturity date • loan violation quantity • loan violation principal • liquidated damages • total amount due • ENTER "Y" or "N" to the following questions: • "Are the liquidated damages correct?" **Note:** If liquidated damages have been adjusted by COC, STC, or the National Office, ENTER "N". • "Do you wish to complete this process?" • PRESS "Enter".	**IF the liquidated damages are...**	**THEN...**
		not correct	Screen PVA66000 will be redisplayed. Go to step 12.
		correct and the user wants to complete the process	Screen PCA97000 will be displayed. Go to step 13.
		correct and the user does **not** want to complete the process	Menu PVA005 will be redisplayed. Return to step 2.
12	On Screen PVA66000: • enter: • the adjusted liquidated damages amount • the waiver authorization code for the adjusted liquidated damages • "Y" or "N" to the question, "Do you wish to complete this process?" • PRESS "Enter" twice.	**IF...**	**THEN...**
		"Y" was entered	Screen PCA97000 will be displayed. Go to step 13.
		"N" was entered	Menu PVA005 will be redisplayed. Return to step 2.

Continued on the next page

A
APSS Procedure
(Continued)

Step	Action	Result	
13	On Screen PCA97000: • enter the printer ID to print forms and reports • PRESS "Enter".	Loan Violation Report will be printed and Screen PCE81010 will be displayed.	
14	On Screen PCE81010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• Loan Violation Report will be reprinted • Screen PCE81010 will be redisplayed. Repeat this step.
		"N" was entered	Menu PVA005 will be redisplayed. Return to step 2.

Continued on the next page

B
Adjusting Liquidated Damages

Follow this table if the liquidated damages recorded according to subparagraph A are required to be adjusted.

Step	Action	Result	
1	On Menu PCA005: • ENTER "8" • PRESS "Enter".	Menu PVA005 will be displayed.	
2	On Menu PVA005: • ENTER "17" • PRESS "Enter".	Screen PCA11000 will be displayed.	

3	On Screen PCA11000:
	• enter:
	  • producer's ID and type
	  • crop year
	  • loan number
	• PRESS "Enter".
		Screen PCA12000 will be displayed.	

4	On Screen PCA12000, ENTER "Y" or "N" to the question, "Is this the correct producer?"	**IF...**	**THEN...**
		"Y" was entered	Screen PCA14000 will be displayed. Go to step 5.
		"N" was entered	Screen PCA11000 will be redisplayed. Return to step 3.
5	On Screen PCA14000: • ENTER "Y" or "N" to the question, "Is this the correct loan?" • PRESS "Enter".	**IF...**	**THEN...**
		"Y" was entered	Screen PCA14000 will be redisplayed. Go to step 7.
		"N" was entered	Screen PCA13000 will be displayed. Go to step 6.

Continued on the next page

B
Adjusting Liquidated Damages (Continued)

Step	Action	Result	
6	On Screen PCA13000: • enter the sequence number that corresponds to the correct loan • PRESS "Enter".	Screen PCA14000 will be redisplayed.	
7	On Screen PCA14000, PRESS "Enter".	Screen PVA67000 will be displayed.	

8	On Screen PVA67000:
	• the following information will be displayed:
	  • maximum liquidated damages
	  • outstanding liquidated damages
	• enter:
	  • adjusted liquidated damages
	  • waiver code
	• PRESS "Enter".
		Screen PCA97000 will be displayed.	

9	On Screen PCA97000: • enter the printer ID to print forms and reports • PRESS "Enter".	Loan Adjusted Liquidated Damages Report will be printed and Screen PCE81010 will be displayed.	
10	On Screen PCE81010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• Loan Adjusted Liquidated Damages Report will be reprinted • Screen PCE81010 will be redisplayed. Repeat this step.
		"N" was entered	Menu PVA005 will be redisplayed. Return to step 2.

305 Recording LDP Violations in APSS

A
APSS Procedure Record initial LDP violations according to the following table.

Step	Action	Result	
1	On Menu PCA005: • ENTER “13” • PRESS “Enter”.	Screen PCA11020 will be displayed.	

2	On Screen PCA11020:
	
	• enter:
	
	  • producer’s ID and type
	  • crop year
	  • LDP number
	
	• PRESS “Enter”.
		Screen PCA12020 will be displayed.	

3	On Screen PCA12020:
	
	• ENTER “Y” or “N”, as applicable, to the following questions:
	
	  • “Is this the correct producer?”
	
	  • “Is this a recording of a manually made action?”
	
	• PRESS “Enter”.
		IF the producer is...	**THEN...**

		correct and this is or is **not** a manually made action	Screen PCA14010 will be displayed. Go to step 4.
		not correct and this is or is **not** a manually made action	Screen PCA11020 will be redisplayed. Return to step 2.

Continued on the next page

A
APSS Procedure
(Continued)

Step	Action	Result	
4	On Screen PCA14010: • ENTER "Y" or "N" to the question, "Is this the correct LDP?" • PRESS "Enter".	**IF...**	**THEN...**
		"Y" was entered	Screen PCA14010 will be redisplayed. Go to step 6.
		"N" was entered	Screen PCA13000 will be displayed. Go to step 5.
5	On Screen PCA13000: • enter the sequence number that corresponds to the correct LDP • PRESS "Enter".	Screen PCA14010 will be redisplayed. Return to step 4.	
6	On Screen PCA14010, PRESS "Enter".	Screen PGA46000 will be displayed.	
7	On Screen PGA46000, ENTER "Y" to the question, "Is this a recording of a violation?"	Screen PGA70100 will be displayed.	

8	On Screen PGA70100:
	• enter:
	  • demand date
	  • discovery date
	• PRESS "Enter".
		Screen PGA30000 will be displayed.	

9	On Screen PGA30000: • ENTER "Y" or "N" to the question, "Was good faith determined by the COC?" • PRESS "Enter".	**IF...**	**THEN...**
		"Y" was entered	Screen PGA30000 will be redisplayed. Go to step 10.
		"N" was entered	Screen PGA35000 will be displayed. Go to step 12.

Continued on the next page

A
APSS Procedure
(Continued)

Step	Action		Result

10	On Screen PGA30000:
	• enter either of the following:
	  • "1" for a first offense
	  • "2" for a second offense
	• PRESS "Enter".
			Screen PGA31500 will be displayed.

11	On Screen PGA31500, the following will be displayed: • the question, "Are all bales on the LDP involved in the violation?" • each bale number on LDP.		
	IF all bales are...	**THEN....**	
	involved in the violation	• ENTER "Y" to the question • PRESS "Enter".	Screen PGA35000 will be displayed.

	not involved in the violation	• ENTER:
		  • "N" to the question
		  • "Y" next to each receipt involved in the violation
		• PRESS "Enter".	

Continued on the next page

A
APSS Procedure
(Continued)

Step	Action	Result	

12	On Screen PGA35000:
	• the following information will be displayed:
	  • demand date
	  • LDP violation quantity
	  • LDP overpayment amount
	  • calculated liquidated damages
	  • previously denied market gain
	• enter, if applicable, the:
	  • adjusted liquidated damages amount
	  • waiver authorization code for the adjusted liquidated damages
	  • "Y" or "N" to the question, "Do you wish to print a TSR Report?"
	• PRESS "Enter".
		IF...	**THEN...**

		"Y" was entered	• Market Gain TSR will be printed • Screen PCE83010 will be displayed. Go to step 13.
		"N" was entered	Screen PGA35500 will be displayed. Go to step 14.
13	On Screen PCE83010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• Market Gain TSR will be reprinted • Screen PCE83010 will be redisplayed. Repeat this step.
		"N" was entered	Screen PGA35500 will be displayed. Go to step 14.

Continued on the next page

A
APSS Procedure
(Continued)

Step	Action	Result	
14	On Screen PGA35500, ENTER "Y" or "N" to the question, "Do you wish to complete this process?"	**IF...**	**THEN...**
		"Y" was entered	Screen PCA97000 will be displayed. Go to step 15.
		"N" was entered	Screen PGA35000 will be redisplayed. Return to step 12.
15	On Screen PCA97000: • enter the printer ID to print forms and reports • PRESS "Enter".	LDP Violation Report will be printed and Screen PCE84010 will be displayed.	
16	On Screen PCE84010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" was entered	• LDP Violation Report will be reprinted • Screen PCE84010 will be redisplayed. Repeat this step.
		"N" was entered and "N" was entered in step 12	• Market Gain TSR will be printed • Screen PCE83010 will be displayed. Go to step 17.
		"N" was entered and "Y" was entered in step 12	Menu PCA005 will be redisplayed. Return to step 1.
17	On Screen PCE83010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	**IF...**	**THEN...**
		"Y" is entered	• Market Gain TSR will be reprinted • Screen PCE83010 will be redisplayed. Repeat this step.
		"N" is entered	Menu PCA005 will be redisplayed. Return to step 1.

Continued on the next page

B
Adjusting Liquidated Damages

Follow this table if the liquidated damages recorded according to subparagraph A are required to be adjusted.

Step	Action	Result	
1	On Menu PCA005: • ENTER "13" • PRESS "Enter".	Screen PCA11020 will be displayed.	

2	On Screen PCA11020:
	• enter:
	  • producer's ID and type
	  • crop year
	  • LDP number
	• PRESS "Enter".
		Screen PCA12020 will be displayed.	

3	On Screen PCA12020:
	• ENTER "Y" or "N" to the following questions:
	  • "Is this the correct producer?"
	  • "Is this a recording of a manually made action?"
	• PRESS "Enter".
		IF the producer is...	**THEN...**

		correct and this is or is **not** a manually made action	Screen PCA14010 will be displayed. Go to step 4.
		not correct and this is or is **not** a manually made action	Screen PCA11020 will be redisplayed. Return to step 2.
4	On Screen PCA14010: • ENTER "Y" or "N" to the question, "Is this the correct LDP?" • PRESS "Enter".	**IF...**	**THEN...**
		"Y" was entered	Screen PCA14010 will be redisplayed. Go to step 6.
		"N" was entered	Screen PCA13000 will be displayed. Go to step 5.

Continued on the next page

B
Adjusting
Liquidated
Damages
(Continued)

Step	Action	Result
5	On Screen PCA13000: • enter the sequence number that corresponds to the correct LDP • PRESS “Enter”.	Screen PCA14010 will be redisplayed. Return to step 4.
6	On Screen PCA14010, PRESS “Enter”.	Screen PGA46000 will be displayed.
7	On Screen PGA46000: • ENTER “Y” to the question, “Is this the adjusting of Liquidated Damages?” • PRESS “Enter”.	Screen PGA35100 will be displayed.

8	On Screen PGA35100:
	• enter:
	  • adjusted liquidated damages
	  • waiver code
	  • “Y” to the question, “Do you wish to complete this process?”
	• PRESS “Enter”.
		Screen PCA97000 will be displayed.

9	On Screen PCA97000: • enter the printer ID to print forms and reports • PRESS “Enter”.	LDP Adjusted Liquidated Damages Report will be printed, and Screen PCE84010 will be displayed.

Continued on the next page

B
Adjusting
Liquidated
Damages
(Continued)

Step	Action	Result	
10	On Screen PCE84010: • ENTER "Y" or "N" to the question, "Do you want to reprint this form?" • PRESS "Enter".	**IF...**	**THEN...**
		"Y" was entered	• LDP Adjusted Liquidated Damages Report will be reprinted • Screen PCE84010 will be redisplayed. Repeat this step.
		"N" was entered	Menu PCA005 will be redisplayed. Return to step 1.

307-320 (Reserved)

Part 8 Cotton Warehouse Receipt Process

Section 1 Creating Office Profile and Updating Table Files

321 General Provisions

A Downloading EWR's

EWR's are issued by warehouses through a provider system. A warehouse may only use 1 provider and **must** issue all receipts as EWR's. When a producer wants to receive a loan or LDP, the provider's system **must** forward EWR to CCC.

--**ITSD maintains CRTS which receives EWR's. Once ITSD receives and validates EWR, a**--
receipt acknowledgement is transmitted back to the provider. Classing data is obtained from AMS and then EWR is available for download to a County Office.

County Offices transmit a request for download that consists of the gin code and gin tag. Upon receipt of EWR's, County Offices may process loans and LDP's. Once EWR is downloaded by a County Office, no other office can download that receipt. Inquiry capability is available to all offices on all EWR's.

Create EWR data files for download and processing using the cotton warehouse receipt process according to Sections 2 and 3.

***--321 General Provisions (Continued)**

B Releasing EWR's

County Offices release EWR's when the bale is repaid, LDP is complete, for correction or if downloaded in error.

- For EWR's downloaded in error, the release places EWR back on CRTS and makes EWR available for download again.

- For EWR's released for correction, EWR is transmitted to the provider and the previous holder becomes the holder. This allows corrections to the warehouse receipt data to be made. EWR may be resubmitted to CCC.

- For EWR's released because of repayment, the County Office enters the holder ID provided by the person repaying the loan. Upon receipt of the release transmission, the holder ID is validated against the list of valid ID's supplied by the provider. Released EWR's with a valid holder ID are transmitted to the provider. EWR's with an invalid holder ID are returned to the County Office. The provider sends a release acknowledgement back to CCC when the released EWR is successfully processed.

- Release EWR's using the cotton warehouse receipt process according to paragraph 344.**--***

*--322 Signing On to the System

A
Accessing PC Cotton Software

Access the PC cotton software according to this table.

Step	Action		Result
1	On the desktop, click on the "PC Cotton" icon.		PC Cotton Menu 000 will be displayed.
2	**ON PC Cotton Menu 000 to...**	**CLICK on...**	
	update office profile	**2**, “Update Office Profile”.	Screen PWC20000 will be displayed. Update office profile according to paragraph 323.
	update table files	**1**, “Login to Cotton Warehouse Receipt System”.	Screen PWC00000 will be displayed. Update table files according to paragraph 324.
	process loans and LDP’s or release EWR’s	**1**, “Login to Cotton Warehouse Receipt System”.	Screen PWC00000 will be displayed. Go to step 3.
3	If processing loans and LDP's or releasing EWR's, on Screen PWC00000 click on the applicable county name.		PC Cotton Menu 001, Cotton Warehouse Receipt Process Main Menu will be displayed. Process loans and LDP’s according to paragraph 330, 331, or 332. Release EWR’s according to paragraph 344.

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*--323 Office Profiles

A Introduction

Use the process in this paragraph to setup or change information that applies to each County Office maintained in the system. After the initial profile setup, use this process once a year to reset the file sequence number.

B Establishing Office Profile

Access the office profile according to this table and complete the steps for each County Office maintained in the system.

Step	Action	Result
1	On Screen PWC20000, click on **"ADD"**.	Screen PWC20010 will be displayed.
2	On Screen PWC20010, establish the office profile and defaults according to the following.	
	Field	**Entry**
	State Code	The 2-digit State code
	County Code	The 3-digit county code
	County Name	County Office name
	File Prefix	The 3-digit alpha character prefix code assigned to the County Office.
	File Seq. #	Beginning 5-digit file sequence number for the current crop year. **Note:** This sequence number shall: • be reset at the beginning of each crop year • begin with the last digit of the crop year. **Example:** 10001 for 2001 crop year. If cotton software is installed on additional PC's in the County Office, each machine must have a different file sequence number range. **Example:** PC #1 - File Sequence 10001 through 11000 PC #2 - File Sequence 11001 through 12000.

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Continued on the next page

B
Establishing
Office Profiles
(Continued)

Step	Action	Result	
2 (cntd)	**Field**	**Entry**	
	Print Recap	This field is defaulted to print recaps.	
		IF the user...	**THEN...**
		wants to print recaps	indicate the number of copies to print.
		does not want to print recaps	uncheck the box.
	Print Supplemental Bale List	This field is defaulted to print the supplemental bale list.	
		IF the user...	**THEN...**
		wants to print the supplemental bale list	indicate the number of copies to print.
		does not want to print the supplemental bale list	uncheck the box.
	Print Review List	This field is defaulted to print the review list.	
		IF the user...	**THEN...**
		wants to print the review list	indicate the number of copies to print.
		does not want to print the review list	uncheck the box.
3	Click on **"OK"**.	Screen PWC20000 will be redisplayed.	
4	On Screen PWC200000, click on **"Prev Screen"**.	PC Cotton Menu 000 will be redisplayed.	

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Continued on the next page

C

Updating or Deleting Office Profile

After an office profile has been established, follow this table to update or delete the profile.

Step	Action		Result
1	On Screen PWC20000, click on the county name.		Screen PWC20010 will be displayed.
2	On Screen PWC20010, do the following.		
	IF...	**THEN...**	Screen PWC20000 will be redisplayed.
	office profile is to be updated	revise applicable profile entries and click on **"Update"**.	
	office profile is to be deleted	click on **"Delete"**.	
3	On Screen PWC20000, click on **"Prev Screen"**.		PC Cotton Menu 000 will be redisplayed.

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*--324 Updating Table Files

A
Introduction

After creating the County Office profile according to paragraph 323, establish table files for all counties maintained in the system. Table files established while logged on to the home county will apply to all counties maintained in the system.

Establish table files according to the following table.

IF establishing...	THEN refer to subparagraph...
warehouse information	B.
frequently used buyer/new holder codes	C.
AMS transmission profile	D.
EWR transmission profile	E.
APSS transmission profile	F.

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Continued on the next page

B
Establishing or Updating Warehouse Information

County Offices shall create a warehouse profile for each warehouse storing cotton for the county. A profile shall also be created for gin-direct cotton using warehouse code "99999" and the location differential for the administrative county.

Follow this table to access, establish, or update the warehouse information.

Important: Use this process each year to update the location differential.

Step	Action		Result
1	On Screen PWC00000, click on the home county name.		Menu 001 will be displayed.
2	On Menu 001, click on **3**, “Update Table Files”.		Menu 300 will be displayed.
3	On Menu 300, click on **1**, “Warehouse Information”.		Screen PWC21000 will be displayed.
4	On Screen PWC21000, do the following:		Screen PWC21100 will be displayed. To create or update a warehouse profile, go to step 5. To delete a warehouse profile, go to step 6.
	IF...	**THEN...**	
	warehouse profile has **not** been established	click on **"Add"**.	
	warehouse profile has been established	click on the warehouse code to update or delete.	

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Continued on the next page

324 Updating Table Files (Continued)

B Establishing or Updating Warehouse Information (Continued)

Step	Action	Result
5	Create or update warehouse information according to the following table.	
	Field	**Entry**
	Whse Code	The numeric warehouse code. For gin-direct cotton, use warehouse code “99999”.
	Whse Name	Name of the warehouse.
	Whse City/State	City and State of warehouse location.
	Location Differential	***--**The differential is calculated by subtracting the national average loan rate of $52 from the loan rate for the county where the warehouse is **physically located.** For warehouse code “99999”, use the location differential for the administrative county. **Example:** If the county loan rate is: • $52.55, the differential is $0.55 ($52.55 - $52 = $0.55) • $50.45, the differential is negative $1.55 ($50.45 - $52 = -$1.55). **Note:** Enter the location differential using 4 decimal places. If the location differential is: • $0.55, ENTER “**.0055**” • negative $1.55, ENTER “**-.0155**”.**--***

***--324 Updating Table Files (Continued)**

B Establishing or Updating Warehouse Information (Continued)

Step	Action		Result
6	On Screen PWC21100, do the following.		The warehouse profile will be updated. Screen PWC21000 will be redisplayed.
	IF warehouse profile is being...	**THEN click on...**	
	added	**"OK"**.	
	updated	**"Update"**.	
	deleted	**"Delete"**.	
7	On Screen PWC21000, click on **"Prev Screen"**.		Menu 300 will be redisplayed.

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C

Establishing or Updating Frequently Used Buyer/New Holder Codes

County Offices are able to maintain a file of most frequently used EWR holder ID numbers in the Frequently Used Buyer/New Holder Code file. This file will allow the user to choose an EWR holder ID from a drop down menu when releasing EWR's.

Follow this table to establish, update, or delete the most frequently used holder ID codes in releasing EWR's.

Step	Action		Result
1	On Screen PWC00000, click on the home county name.		Menu 001 will be displayed.
2	On Menu 001, click on **3**, "Update Table Files".		Menu 300 will be displayed.
3	On Menu 300, click on **2**, "Frequently Used Buyer/New Holder Codes".		Screen PWC22000 will be displayed.
4	On Screen PWC22000, do the following.		Screen PWC22100 will be displayed. To create or update an EWR holder profile, go to step 5. To delete an EWR holder profile, go to step 6.
	IF EWR holder profile has...	**THEN click on...**	
	not been established	**"Add"**.	
	been established	the EWR holder profile to update or delete.	
5	On Screen PWC22100, create or update EWR holder profile according to the following table.		
	Field		**Entry**
	EWR Holder ID		The EWR holder ID number.
	EWR Holder Name		Name of the EWR holder.

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Continued on the next page

C
Establishing or Updating Frequently Used Buyer/New Holder Codes (Continued)

Step	Action		Result
6	On Screen PWC22100, do the following.		The warehouse profile will be updated. Screen PWC22000 will be redisplayed.
	IF EWR Holder profile is being...	**THEN click on...**	
	added	**"OK"**.	
	updated	**"Update"**.	
	deleted	**"Delete"**.	
7	On Screen PWC22000, click on **"Prev Screen"**.		Menu 300 will be redisplayed.

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Continued on the next page

324 Updating Table Files (Continued)

*--D Accessing AMS Transmission Profile

Access the AMS transmission profile according to the following table. These values will be defaulted and should not be changed unless instructed to do so.

Step	Action	Result
1	On Screen PWC00000, click on the home county name.	Menu 001 will be displayed.
2	On Menu 001, click on **3**, "Update Table Files".	Menu 300 will be displayed.
3	On Menu 300, click on **3**, "AMS Transmission Profile".	Screen PWC23000 will be displayed.
4	On Screen PWC23100, the AMS transmission profile is defaulted according to this table.	
	Field	**Entry**
	IP address to access AMS National Database	FTP.NITC.USDA.GOV
	Upload Classing Request File Name	This field will be preset to MFO900.CMSPPDT.ER.CLSREQ(+1)
	Download Classing Request File Name	This field will be preset to MFO900.CMSPPDT.ER.CLSRSP.OUSSCCC
5	**Action**	**Result**
	On Screen PWC23100, click on **OK**.	Menu 300 will be redisplayed.

--*

*--324 Updating Table Files (Continued)

E Accessing EWR Transmission Profile

Access the EWR transmission profile according to the following table. These values will be defaulted and should not be changed unless instructed to do so.

Step	Action	Result
1	On Screen PWC00000, click on the home county name.	Menu 001 will be displayed.
2	On Menu 001, click on **3**, "Update Table Files".	Menu 300 will be displayed.
3	On Menu 300, click on **4**, "EWR Transmission Profile".	Screen PWC24000 will be displayed.
4	On Screen PWC24000, the EWR transmission profile is defaulted according to this table.	
	Field	**Entry**
	IP Address to access EWR National Database	FTP.NITC.USDA.GOV
	Upload-Receipt Request File Name	This field will be preset to MFO900.CMSPPDT.ER.LNLREQ.HDRZIP(+1)
	Download-Receipt Request File Name	This field will be preset to MFO900.CMSPPDT.ER.LNLRSP.OZSSCCC
	Upload-Receipt Release File Name	This field will be preset to MFO900.CMSPPDT.ER.RLSREQ.HRDZIP(+1)
	Download-Receipt Release Name	This field will be preset to MFO900.CMSPPDT.ER.RLSE.OZSSCCC
5	**Action**	**Result**
	On Screen PWC24000, click on **OK**.	Menu 300 will be redisplayed.

--*

***--324 Updating Table Files (Continued)**

F

Establishing and Updating APSS Transmission Profile

Establish and update the APSS transmission profile according to this table.

Step	Action	Result
1	On Screen PWC00000, click on the home county name.	Menu 001 will be displayed.
2	On Menu 001, click on **3**, “Update Table Files”.	Menu 300 will be displayed.
3	On Menu 300, click on **5**, “APSS Transmission Profile”.	Screen PWC25000 will be displayed.
4	On Screen PWC25000, enter the IP address for the County Office AS/400 system. Click on **"OK"**.	Menu 300 will be redisplayed.

--*

325-329 (Reserved)

330 Creating Loan/LDP File Using Preprocessed Bale Data

A
Creating Bale Data File

Bale data may be submitted to the County Office by a diskette according to paragraphs 170 and 280.

Create a bale data file using preprocessed bale data according to the following table.

Step	Action		Result
1	Sign on to the system according to paragraph 322.		Menu 001 will be displayed.
2	On Menu 001, click on **1**, “Process Loan/LDP Files”.		Menu 100 will be displayed.
3	On Menu 100, click on **2**, “Load Loan/LDP Files Received by Diskette or E-Mail”.		Screen PWC10500 will be displayed.
4	File location will be defaulted to “Load Files Received on Diskette”. Click on **"Next Screen"**.		User will be prompted to insert the diskette containing the data file into the diskette drive. Click **"OK"** to continue. Screen PWC11000 will be displayed showing the files on the diskette.
5	On Screen PWC11000, choose the applicable loan or LDP type for each file by clicking the corresponding radio button. If a bale data file is **not** to be copied to the hard drive, check the “Skip” box.		
	IF file is for...	**THEN...**	
	a loan using EWR’s	select “Loan Using EWR” and click on **"Next Screen"**.	The bale data file will be copied to the hard drive. Menu 100 will be redisplayed. Download EWR’s according to paragraph 341.

--*

Continued on the next page

*--330 Creating Loan/LDP File Using Preprocessed Bale Data

A
Creating Bale
Data File
(Continued)

Step	Action		Result
5 (cntd)	**IF file is for...**	**THEN...**	
	LDP using EWR's and classing will be downloaded from data base	select "LDP Using EWR" and click **"Next Screen"**.	The bale data file will be copied to the hard drive. Menu 100 will be redisplayed. Download EWR's according to paragraph 341.
	LDP and the file: • contains complete classing data • will **not** be downloaded from data base	select "Gin Direct LDP" and click **"Next Screen".**	The bale data file will be copied to the hard drive. Menu 100 will be redisplayed. The bale data file will not be downloaded from the data base since the file contains complete classing data. Complete the file according to paragraph 342.

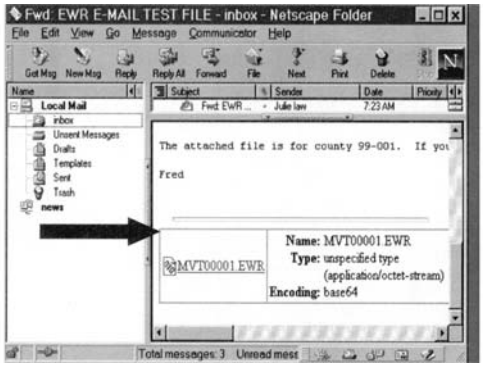
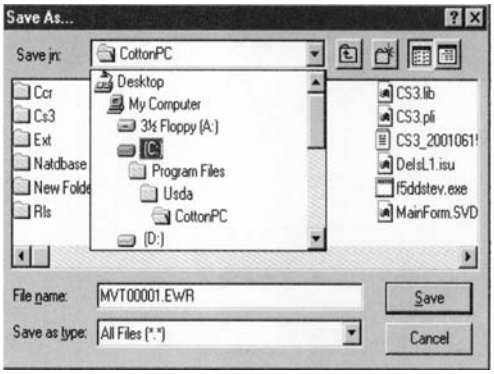
--*

331 Creating Loan/LDP File Using E-Mail

A Creating Bale Data File From E-Mail Attachment

Bale data may be submitted to the County Office as an e-mail attachment according to *--subparagraphs 170 C and 280 C.--*

Save the cotton bale data files from e-mail into the C:\cnemail directory and process according to the following table.

Step	Action	Result
1	Click on the email attachment icon displayed in the email message.  	A "Save As" menu box will be displayed.
2	Click on the down arrow by the "Save in:" field. Locate the cnemail folder by the following path: C: → Program Files → Usda → Cotton PC → cnemail.	Cnemail folder will be displayed in the "Save in" field. 

*--331 Creating Loan/LDP File Using E-Mail (Continued)

A Creating Bale Data File From E-Mail (Continued)

Step	Action		Result
3	Click on **"Save"**.		The file will be saved to the C:\cnemail directory.
4	From Menu 001 in the PC Cotton software, click on **1**, "Process Loan/LDP Files".		Menu 100 will be displayed.
5	On Menu 100, click on **2**, "Load Loan/LDP Files Received by Diskette or E-Mail".		Screen PWC10500 will be displayed.
6	On Screen PWC10500, select "Loan Files received by E-Mail". Click on **Next Screen**.		Screen PWC11000 will be displayed with the bale data files saved to C:\cnemail directory.
7	On Screen PWC11000, choose the applicable loan or LDP type by clicking the corresponding radio button. If a bale data file is **not** to be copied to the hard drive, check the "Skip" box.		
	IF file is for...	**THEN...**	
	loan using EWR's	select "Loan Using EWR" and click on **"Next Screen"**.	The bale data files will be copied to the hard drive. Menu 100 will be redisplayed. Download EWR's according to paragraph 341.

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A
Creating Bale
Data File From
E-Mail
(Continued)

Step	Action		Result
7 (cntd)	**IF file is for...**	**THEN...**	
	LDP using EWR's and classing will be downloaded from data base	select "LDP Using EWR" and click **"Next Screen"**.	The bale data files will be copied to the hard drive. Menu 100 will be redisplayed. Download EWR's according to paragraph 341.
	LDP and the file • contains complete classing data • will **not** be downloaded from data base	select "Gin Direct LDP" and click **"Next Screen"**.	The bale data files will be copied to the hard drive. Menu 100 will be redisplayed. The bale data file will not be downloaded from the data base since the file contains complete classing data. Complete file according to paragraph 342.

--*

*--332 Creating Loan/LDP Files Using Manual Entry

A
Creating Bale Data File

Create a bale data file using manual entry according to the following table.

Step	Action	Result
1	Sign on to the system according to paragraph 322.	Menu 001 will be displayed.
2	Click on **1**, "Process Loan/LDP Files".	Menu 100 will be displayed.
3	Click on **1**, "Build Loan/LDP File Using Data Entry".	Screen PWC01000 will be displayed.
4	Enter producer and loan/LDP information according to the following table.	
	Field	**Entry**
	Producer Name	Producer's name **Note:** To complete this field using the previous producer's name, click on the "Use Previous Producer Name" button.
	File Seq. #	The system assigns this sequence number.
	Gin Code	Applicable gin code
	Crop Year	This field is defaulted to current crop year.
	Preparation Code	Select the applicable preparation code by clicking the corresponding radio button. See paragraph 186 for description of valid preparation codes.
	Payment Type	Click the applicable radio button to indicate if file is for: • loan using EWR • LDP using EWR • gin direct LDP.
	Commodity	This field is defaulted to upland cotton. Select ELS cotton by clicking the applicable radio button.

--*

Continued on next page

*--332 Creating Loan/LDP Files Using Manual Entry (Continued)

A Creating Bale Data File (Continued)

Step	Action	Result
5	After selecting the appropriate radio button in the "Commodity" field, click on **"Next Screen"**.	Screen PWC02000 will be displayed.
6	For loans or LDP's using EWR's, enter the gin tag number for each bale. For gin direct LDP's, enter the gin tag number and weight for each bale. To continue entering gin tag numbers and weights, if applicable, on the next page, click **"Update and Page Forward"**. When all gin tag numbers are entered, click on "**Update"**. **Note:** If several sequential gin tag numbers are to be downloaded, enter the frequency to auto fill the gin tag numbers in the **"Auto Fill Gin Tag Numbers by:"** box. **Example:** Entering "1" will auto fill each tag number using this sequence: 1, 2, 3, 4, 5, 6, 7, 8, 9, etc. Entering "2" will auto fill every 2nd tag number using this sequence: 1, 3, 5, 7, 9, 11, etc. Entering "3" will auto fill every 3rd tag number using this sequence: 1, 4, 7,10, 13, etc. To auto fill, position the cursor in a gin tag number field in which a gin tag number has been entered. PRESS the "F2" key and all gin tag number fields following that field will be filled in sequence. To auto delete, position cursor in a gin tag number field. Delete all numbers from the field. PRESS the "F2" key and all gin tag number fields following that field will be cleared.	Screen PWC02000 will be redisplayed showing the total bales entered.

--*

332 Creating Loan/LDP Files Using Manual Entry (Continued)

A Creating Bale Data File (Continued)

Step	Action	Result
7	When finished updating Screen PWC02000, click on **"Next Screen"**.	Screen PWC03000 will be displayed with the Loan/LDP Summary.
8	Verify that the summary information is correct. If entries are not correct, click on **"Prev Screen"** and enter correct data. Defaults to print a review list and number of copies will displayed. Change by checking or unchecking the box or entering number of copies to print. Click on "**Next Screen"**.	Menu 100 will be redisplayed.
9	Download EWR's and classing information according to paragraph 341.	

*--333 Providing Loan Files to Merchants

A Providing Loan Files

Generally, information about an individual commodity loan or repayment is not provided to entities other than the producer because this information is protected by the Privacy Act.

A loan re-cap can be printed from cotton PC software and may be provided to a merchant if the producer requests and authorizes FSA to provide the information to a specified third party.

When a County Office is requested to provide a cotton loan re-cap by:

- an entity that is not a signator of CCC Cotton A, decline the request and inform the entity that the loan information can be provided only if requested by the producer

- a producer who signed CCC Cotton A, the information may be provided as requested by the producer.

Note: Providing loan re-caps to merchants has no workload priority over activities directly affecting producer benefits, such as loan making or LDP applications.**--***

334-340 (Reserved)

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*--Section 3 Processing Loan/LDP Files

341 Downloading EWR's or AMS Classing Information

A
Downloading Bale Data

After bale data files have been created according to Section 1, download EWR's from the data base or classing information from AMS according to the following table.

Step	Action		Results
1	On Menu 100, click on **3**, " Download EWR or Classing Information".		Screen PWC11500 will be displayed.
2	On Screen PWC11500, **"Select Download Type"** will be defaulted to "EWR Data for Loan or LDP using EWR".		
	IF downloading...	**THEN...**	
	EWR's for loan or LDP	click **"Next Screen".**	Screen PWC12000 will be displayed.
	classing information for Gin Direct LDP	select **"AMS Classing for Gin Direct LDP"**. Click **"Next Screen"**.	Screen PWC12000 will be displayed.
3	Select the file(s) to be transmitted by clicking on the file sequence number. Click **"Next Screen"**. To select all files displayed, click **"Select All"**.		For loans and LDP's using EWR's, continue with step 4. For gin direct LDP's, go to step 5.
4	On EWR File Transfer Screen, enter the user's current NITC user ID and password. Click **"Send"**.		EWR File Transfer Screen will be displayed with a series of communication messages and the file will be downloaded. EWR Validation Review Report and/or EWR Exception Report will be printed. Menu 100 will be redisplayed.

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Continued on next page

***--341 Downloading EWR's or Classing Information (Continued)**

A
Downloading
Bale Data
(Continued)

Step	Action	Results
5	AMS Communication Screen will be displayed. Dial-up will proceed using the modem.	The screen will be displayed with a series of communication messages and the file will be downloaded. Menu 100 will be redisplayed.
6	Complete file according to paragraph 342.	

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*--342 Completing Downloaded Loan/LDP Files

A
Completing Downloaded File

After EWR's or AMS classing information has been downloaded according to paragraph 341, review and complete the file according to the following table.

Step	Action		Result
1	On Menu 100, click on **4**, "Complete the Loan/LDP File".		Screen PWC13500 will be displayed.
2	Select the file to complete by clicking on the file sequence number.		
	IF...	**THEN...**	
	all bales are valid	Screen PWC15000 will be displayed.	Go to step 4 to continue.
	error bales exist	Screen PWC14500 will be displayed with the: • total number of valid bales • total number of error bales • first error bale. **Note:** The error fields will be highlighted.	Go to step 3 to continue.
3	On Screen PWC14500: • to revise data, enter correct data in each highlighted field and click **"Update"**; the message, "Record Updated", will be displayed • to delete bale, click **"Delete"**; user will be prompted to click **"Delete"** again to verify deletion • click **"Next Error"** to view and correct next error bale • after correcting all bale errors, click **"Next Screen"**.		Screen PWC15000 will be displayed.

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***--342 Completing Downloaded Loan/LDP Files (Continued)**

A
Completing
Downloaded File
(Continued)

Step	Action		Result
4	• Review all information for accuracy. • Click **"Edit Bales"** to make corrections, if necessary. • Defaults to print recaps or bale lists and to create diskette will be displayed. Change by checking or unchecking the applicable box or entering number of copies to print. **Note:** It is strongly recommended that completed files be copied to a backup diskette.		
	IF...	**THEN...**	
	no backup diskette is to be created	click **"Next Screen"**.	Screen PWC13500 will be redisplayed.
	a backup diskette is to be created	click **"Next Screen"**.	Save Loan/LDP File to Diskette prompt will be displayed. Insert a diskette into the disk drive and click **"OK"**. The file will be copied to the diskette. Screen PWC13500 will be redisplayed
5	Repeat steps 2 through 4 to complete remaining files. After all files are completed, click on **"Prev Screen"**.		Menu 100 will be redisplayed.
6	Transfer the file to APSS to complete the loan-making or LDP process according to paragraph 343.		

--*

*--343 Transferring Loan/LDP Files to APSS

A
Initiating Transfer to APSS

After completing the loan/LDP file according to paragraph 342, the file must be transferred to APSS for processing. Complete the loan/LDP file transfer according to the following table.

Step	Action	Result
1	Click on **6**, “Transfer Loan/LDP Files to APSS”.	Menu 110 will be displayed.
2	Click on **5**, “Transfer Loan/LDP Files to APSS”.	Screen PWC17000 will be displayed with completed files to be transferred to APSS.
3	On Screen PWC17000, select: • **1 or more** files by clicking on the file sequence number • **all** files by clicking **"Select All"** button.	The total number of loans and bales selected with be updated and displayed.
4	After all files have been selected for transfer, click **"Next Screen"**.	**"Sign On to AS400"** box will be displayed.
5	Enter user’s AS400 user ID and password. **Note:** Use AS400 password if it differs from S/36 password.	The selected files will be transferred to the AS400. Menu 110 will be redisplayed.

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Continued on next page

B
Adding Files to Transfer Queue

Files that have been transferred to APSS and not processed as a loan or LDP will not remain on the S/36 after the start-of-day process has been executed. Files can be transferred again for processing according to the following table.

Step	Action	Result
1	On Menu 110, click on **1**, "Add Files to APSS Transfer Queue".	Screen PWC16000 will be displayed with all completed loan/LDP files.
2	To select a file, click on the **"File Sequence Number (FSN)"**.	The number of selected files and bales will be displayed.
3	After selecting all files, click **"Next Screen"**.	Menu 110 will be redisplayed.
4	Transfer the selected files to APSS according to subparagraph A.	

C
Deleting Files From Transfer Queue

Files that will not be processed into a loan or LDP may be deleted from the transfer queue according to the following table.

Step	Action	Result
1	On Menu 110, click on **2**, Delete Files From APSS Transfer Queue".	Screen 17100 will be displayed with files currently on the transfer queue.
2	To select a file to be deleted from the transfer queue, click on the **"File Sequence Number (FSN)"**.	The number of selected files and bales will be displayed.
3	After selecting all files, click **"Next Screen"**.	The selected files will be removed from the transfer queue. Menu 110 will be redisplayed.

--*

344 Releasing EWR's

A Release Functions for EWR's

***--**EWR's that have been downloaded may be released by selecting 1 of the following cotton-PC release codes.

Release--* Code	Reason	Result
1	Receipts did **not** receive Loan/LDP	Receipts will be released back **to previous holder.** **Example:** Producer decided **not** to place cotton under loan/LDP in **any** county before processing was completed.
	CCC is current holder and corrections to EWR are required	Receipts will be released back to the **previous holder** for correction. **Example:** Receipts contained wrong producer name or wrong gin code. The previous holder can correct the returned receipt and send back to COPS for download by the county. County Offices should ensure that the revisions have been made and retransmitted to COPS before attempting to download EWR's.
2	Loan was repaid	Receipts will be released to the **new holder** whose name and account code will be entered on Screen PWC50000.
3	CCC is current holder and the producer received LDP rather than loan.	Receipts will be released back to the **previous holder.** **Note:** If EWR is processed as eLDP, the receipt will be released automatically to the previous holder.
4	Loan is being reconcentrated	Receipts shall be released back to **shipping warehouse. Do not use this release code release unless instructed by KCCO.**

344 Releasing EWR's (Continued)

A Release Functions for EWR's (Continued)

*--Release Code	Reason	Result
5	Downloaded by mistake	Receipts will be reset in COPS and may be accessed by another county. The State/county marking will be removed. **Example:** County A downloaded receipts that should have been accessed by County B. Releasing the bales with reason code 5 will remove County A's State/county code from EWR and allow County B to download the bales. **Note:** Receipts are **not** released back to the previous holder.
6--*	CCC is **not** current holder and corrections to EWR are required.	Receipts will be reset in COPS. Receipts are **not** released back to the previous holder. The current holder can transmit a corrected EWR record to COPS. Because CCC is **not** the current holder, COPS will allow the incorrect record to be overlayed with the corrected record. County Offices should ensure that the revisions have been made and retransmitted to COPS before attempting to download EWR's.

B Selecting Receipts for Release

To release EWR's, the user shall select receipts for release and designate the new EWR holder according to the following table.

Step	Action	Result
1	On Menu 001, CLICK "**2**", "**Release Electronic Warehouse Receipts**".	Menu 200 will be displayed.
2	On Menu 200, CLICK "**1**", "**Select Receipts For Release**".	Screen PWC50000 will be displayed.

344 Releasing EWR's (Continued)

B Selecting Receipts for Release (Continued)

Step	Action	Result
3	Complete Screen PWC50000 according to the following.	
	Field	**Entry**
	File Sequence Number	Enter the file name. To select from a complete list of files: • CLICK "**Select FSN from List**" • select file for release by clicking on "**File Sequence Number**".
	Release Reason Code	Select the applicable release reason code by clicking the radio button.
	New Holder ID and New Holder Name	Enter the holder ID and name to whom the receipts will be released. To select from the Frequently Used Buyer/New Holder Codes table file: • CLICK "**Select Holder ID from List**" • select holder ID and name by clicking on "**EWR Holder Code**".
4	CLICK "**Next Screen**".	Screen PWC53000 will be displayed.
5	On Screen PWC53000, select: • 1 or more receipts by clicking on the receipt number • all receipts by clicking "**Select All**". Use the scroll bar to select additional receipts. When all receipts have been selected, CLICK "**Next Screen**".	• Receipts will be tagged for release. • EWR Release Review List will be printed. • Menu 200 will be redisplayed.

344 Releasing EWR's (Continued)

C Transmitting Receipt Release Requests

Once the files have been selected for release, transmit the receipt release request according to the following table.

Step	Action	Result
1	On Menu 200, CLICK "**2**", "Transmit Release Request".	Screen PWC54000 will be displayed.
2	On Screen PWC54000 select: • **1 or more** file by clicking on the file sequence number • **all** files by clicking **"Select All"**. Click **"Next Screen"**.	EWR File Transfer Screen will be displayed.
3	On EWR File Transfer Screen, enter the user's current NITC user ID and password. Click **"Send"**.	EWR File Transfer Screen will be displayed with a series of communication messages and the file will be released. EWR Release Confirmation List will be printed. Menu 100 will be redisplayed.

345-349 (Reserved)

350 Merging Loan/LDP Files

A Requirements and Results

Other Functions Menu 600, option 5, "Merge Loan/LDP Files", allows users to merge 2 **completed** loan/LDP files into a single file. Bale data files to be merged shall have:

- been downloaded and completed
- the same characteristics, including:
  - gin code
  - warehouse code
  - compression
  - preparation code
  - tare
  - crop year
- for loan, the same "Date Documents Received" date
- for LDP, the same LDP rate.

The bale data files will be merged into 1 file with a new file sequence number containing the County Office's file prefix. The original bale data file will be deleted from the system.

The merged bale data file does not have to be downloaded or completed again.**--***

Continued on the next page

B
Instructions

Merge files according to the following.

Step	Action		Result
1	On Menu 001, click **6**, “Other Functions”.		Menu 600 will be displayed.
2	On Menu 600, click **5**, “Merge Loan/LDP Files”.		Screen PWC69000 will be displayed.
3	On Screen PWC69000, select first file to merge by clicking “**Select File 1**”.		Screen PWC69500 will be displayed.
4	On Screen PWC69500, select the first file by clicking on the file sequence number.		Screen PWC69000 will be displayed with the first selected file to be merged.
5	On Screen PWC69000, do the following.		
	IF...	**THEN...**	
	wrong file was selected	click “**Select File 1**”.	Screen PWC69500 will be redisplayed. Repeat step 4 to select correct file.
	correct file was selected, to select second file	click on “**Select File 2**”.	Screen PWC69500 will be redisplayed.
6	On Screen PWC69500, select the second file by clicking on the file sequence number.		Screen PWC69000 will be displayed with the second selected file to be merged.

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Continued on the next page

B Instructions (Continued)

Step	Action		Result
7	On Screen PWC69000, do the following.		
	IF...	**THEN...**	
	wrong file was selected	click "**Select File 2**".	Screen PWC69500 will be redisplayed. Repeat step 6 to select another file.
	duplicate bales exist in the files selected to be merged	the message, "Selected files contain duplicate bales (Gin Tags). See Report", will be displayed. Click "**View Duplicates**".	Screen PWC69075 will be displayed with a list of duplicated bales in the selected files. For reference, this screen may be printed by pressing "F12". Before files can be merged, the duplicate bales must be removed by correcting the file using option 4, "Correct a Loan/LDP File", on Menu 100. The corrected file must be downloaded and completed before merging with another file.
	correct file was selected	click "**Next Screen**".	Screen PWC68000 will be displayed with loan/LDP file summary with: • old and new file sequence numbers • total bales • total weight. Click "**Next Screen**" to complete merge and return to Menu 600.

--*

*--351 Splitting Loan/LDP Files

A Requirements and Results

Other Functions Menu 600, option 6, “Split Loan/LDP Files”, allows users to split selected warehouse receipts from the original file into another file. Bales that are placed in the new file will be removed from the original file.

Original bale data files can be split into 2 files:

- before the file has been downloaded
- after the file has been downloaded, but not completed
- after the downloaded file has been completed.

A single file can only be split into 2 separate files. Split a single file into 3 or more files by:

- splitting the original file by selecting bale records to be contained in 1 file

- after removing bale records for the first file, splitting the original file again by selecting bale records for the next file.

The original file will maintain the same file sequence number. The software will assign a new file sequence number using the County Office’s file prefix to the second file.

If a completed file is split, it is not necessary to download or complete the resulting files again.--*

Continued on the next page

*--351 Splitting Loan/LDP Files (Continued)

B
Instructions

Split bale data files according to the following.

Step	Action	Result
1	On Menu 001, click **6**, “Other Functions”.	Menu 600 will be displayed.
2	On Menu 600, click **6**, “Split a Loan/LDP File”.	Screen PWC66000 will be displayed.
3	On Screen PWC66000, select the applicable loan/LDP file to be split by clicking on the file sequence number.	Screen PWC67000 will be displayed.
4	Select the Gin Tag(s) to be split from the file by clicking on the Gin Tag number. Click “**Next Screen**”.	Screen PWC68000 will display: • original file sequence number • remaining bales • remaining net weight • new file sequence number • new bales • new net weight.

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Continued on the next page

B Instructions (Continued)

Step	Action		Result
5	On Screen PWC68000, do the following.		
	IF the original file has been split...	**THEN...**	
	correctly	click "**Next Screen**".	Menu 600 will be displayed. If, before the file split, the original file was: • not downloaded, process download according to paragraph 341 • downloaded but not completed before split, complete the files according to paragraph 342 • downloaded and completed, transfer files to APSS according to paragraph 343.
	incorrectly	click on "**Edit Selection**" to modify bale selection.	Screen PWC6700 will be redisplayed. Repeat step 4 to reselect bales.

--*

*--352 Backing-Up Application Data to Server

A Requirements and Results

Menu 000, option 7, “Backup Files to Server” allows users to backup the cotton PC application data to the new servers that are being installed in Field Offices. This function provides the user with a means of performing periodic backups of cotton data.

County Offices shall backup cotton application data to the server:

- on a weekly basis during the loan/LDP making season
- before deleting data files according to paragraph 354.

B Instructions

Backup data to the server according to the following.

Step	Action	Result
1	On Menu 000, click **7**, “Backup Cotton Files To Server”.	Screen PWC90000 will be displayed.
2	On Screen PWC90000, click “**Run Backup**”.	The process will run. Cotton application data will be copied to the server. When the backup has completed, Menu 000 will be displayed.
3	On Menu 000, click “**Exit**” to return to the Windows desktop.	The Windows desktop will be displayed.

--*

*--353 Restoring Selected Files from Server Backup

A
Purpose and Requirements

Other Functions Menu 600, option 2, “Restore Selected Files From Server Backup” and option 6, “Restore Files From Server”:

- allows users to restore all files or selected files from a backup previously made using option 7, “Backup Files to Server”, according to paragraph 352

- will be useful in reloading systems after disk crash or core load.

Important: County Offices shall restore cotton application data from the server **only** at the direction of their State Office Computer Specialist or National Help Desk personnel.**--***

*--354 Deleting Loan/LDP Files From System

A
Deleting Loan/LDP Files From System

Other Functions Menu 600, option 4, "Delete Loan/LDP Files from System", allows users to remove files for a given crop year. This function gives the user the option to:

- select loans, LDP's, or both for removal
- remove completed files, incomplete files, or both from the system
- retain specific files for a crop year while removing others.

B
Instructions

County Offices shall remove loan and LDP files that are no longer needed on the system according to the following. This includes files for:

- redeemed loans
- loans and LDP's that **do not** have COPS errors.

Data files shall **not** be removed for EWR bales:

- that contain COPS errors so that the files are available for correction
- in outstanding loans that need to be released to a new or previous holder.

Step	Action	Result
1	On Menu 001, click **6**, "Other Functions".	Menu 600 will be displayed.
2	On Menu 600, click **4**, "Delete Loan/LDP Files From System".	Screen PWC64000 will be displayed.
3	On Screen PWC64000, select: • crop year to remove • type of files to remove • status of files to remove. Click "**Next Screen**".	Screen PWC65000 will be displayed.

--*

Continued on the next page

***--354 Deleting Loan/LDP Files From System (Continued)**

B
Instructions
(Continued)

Step	Action		Result
4	On Screen PWC65000, select files to be removed by clicking on the file sequence number. To select all files, click "**Select All**". Click "**Next Screen**".		A dialogue box displaying the question, "Are you sure you wish to delete the selected files?".
5	On the dialogue box, do the following.		
	IF selected files...	**THEN...**	
	are to be removed	click "**Y**".	Selected files will be removed from system. Menu 600 will be displayed.
	are **not** to be removed	click "**N**".	Selected files will **not** be removed. Menu 600 will be displayed. Repeat steps 2 through 4 to reselect files.

--*

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None.

Forms

This table lists all forms that are referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		100, 181, 237
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents	181.5	181, 223.7, Ex. 3.5
CCC-257	Schedule of Deposit		201, 201.5, 210.8, 210.11, 291
CCC-258	Wire Transfer of Funds		209
CCC-500	Loan Repayment Receipt	200	199, 201, 209, 210.5, Ex. 17.5
CCC-500-1	Loan Repayment Receipt Continuation Sheet		200

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-601	Commodity Credit Corporation Note and Security Agreement Terms and Conditions	Ex. 16	162, 189, 190, 193, 222.7, 242, 243, 303
CCC-601 ELS Appendix	Appendix to CCC-601, Note and Security Agreement Terms and Conditions for Outside Storage of ELS Cotton	Ex. 19	193, 222.7, 223.8, 224
CCC-605	Authorization of Electronic Agent and Designation of Agent - Cotton	207	Text, Ex. 3.5, 20
CCC-605-1	Designation of Agent - Cotton (Continuation Sheet to CCC-605)	207	201, 204, 206
CCC-605-2	Designation of Subsequent Agent - Cotton	207	204-206
CCC-633 EZ	Loan Deficiency Payment (LDP) Agreement and Request	261.5, 274	Text
CCC-638	Confirmation of Sale	36	
CCC-639	Competitive Bid Pricing Worksheet	36	
CCC-664	Agreement to Permit Assumption of a Commodity Credit Corporation (CCC) Loan		28
CCC-674	Certification for Contracts, Grants, Loans, and Cooperative Agreements	37	
CCC-679	Lien Waiver	124	41, 165, 181, 201, 237
CCC-683	Commodity Loan Seal	239	236, 238
CCC-686	Application for Loan or Loan Deficiency Payment by Heirs (On a Commodity Produced by a Person Who Has Died)	105	
CCC-694-2	Acknowledgment of Commodity Certificate Purchase	201	181
CCC-697	Request to Lock in a Market Loan Repayment Rate		197
CCC-734	Notification of Pending Redemption and/or LDP Request	50	50

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

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Number	Title	Display Reference	Reference
CCC-770 CottonMAL	Warehouse-Receipted Cotton and Outside-Stored ELS Marketing Assistance Loan Checklist	54	
CCC-770 Eligibility	Eligibility Checklist		54
CCC-770 LDP/eLDP	Loan Deficiency Payment (LDP) and eLDP Program Review Checklist	54	
CCC-809	Cooperating Ginner's Bagging and Bale Ties Certification and Agreement	72	71, 73, 76, 77
CCC-877	Seed Cotton Loan Worksheet	238	193, 236, 237, 240, 242, 243
CCC-879	Application for Approval of Cotton Gin Under Seed Cotton Loan Program	79	80
CCC-880	Ginner's Seed Cotton Agreement	80	
CCC-881	Seed Cotton Producer's Note and Security Agreement	242	240, 241, 243, 253
CCC-881-1	Seed Cotton Producer's Note and Security Agreement, Continuation Sheet	243	240, 241, 253
CCC-883	Seed Cotton Removal, Ginning and Marketing Authorization	253	250, 251
CCC-902E	Farm Operating Plan for an Entity 2009 and Subsequent Program Years		181
CCC-926	Average Adjusted Gross Income (AGI) Statement		43, 100, 181
CCC-1099-G	Report of Payments to Producers		201
CCC-Cotton A	Cotton Producer's Note and Security Agreement	189	Text, Ex. 2
CCC-Cotton A Continuation	CCC-Cotton A Continuation Sheet	190	187, 188, 193, 223.9
CCC-Cotton A-1	Schedule of Pledged Cotton	191	Text
CCC Cotton A-5	Statement of Eligibility and Information Worksheet	182	Text, Ex. 2

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

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CCC-Cotton AA **1**/	Upland Cotton Producer's Loan Deficiency Payment Application and Certification		275-278, 282
CCC-Cotton AA-1	Schedule of LDP for Upland Cotton	278, 285.2	Text
CCC-Cotton AA-2	Spotcheck of Upland Cotton Subject to AWP Lock-In	275	
CCC-Cotton G	Cotton Cooperative Loan Agreement		250, Ex. 2
FSA-211 - 211A	Power of Attorney (Includes FSA-211A, Power of Attorney Signature Continuation Sheet)		45, 181, 181.5, 201, 237
FSA-237 **1**/	Facsimile Signature Authorization and Verification		205
FSA-578	Report of Acreage		100, 118, 181, 185, 237
KC-232	Notice of Approval or Change in Status of Storage Agreement or Contract	48	
SF-LLL	Disclosure of Lobbying Activities	37	
UCC-1	National Financing Statement		124, 181, 181.5, 223.7, Ex. 3.5
UCC-1F	Effective Financing Statement		124

1/ These forms are obsolete.

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
APD	Analysis and Procedures Division, KCAO	10, 214
BI	beneficial interest	Text, Ex. 3.5
CCA	coarse count adjustment	Text, Ex. 3.5
CCR	Centralized Cotton Redemption	Text, Ex. 3.5, 17.5, 20
CLG	Commodity Loan Group	50, 214, Ex. 13
CMD	Commodity Management Division, KCCO	10, 11, 48, 57, 121, 191, 213
CRTS	Cotton Receipt Tracking System	10, 210.11, 285.2
CSA	Cotton Storage Agreement	4, 49, 65, 121
EAD	Electronic Agent Designation	204, 210.5, 210.7, 210.8, Ex. 3.5, 17.5, 20
eLDP	electronic Loan Deficiency Payment	Part 5, Section 3
FCA	fine county adjustment	22, 26, 197
GPR	graduated payment reduction	32, 101
HVI	high volume instrument	167, Ex. 12
JCIBPC	Joint Cotton Industry Bale Packaging Committee	4, 14, 70-74, 76, 77, 125, Ex. 2, 3.5
PBI	permanent bale identifier	280
PSCAO	Price Support and Commodity Applications Office	50, 214, Ex. 13
SCB	Storage Contract Branch, CMD, KCCO	10, 11, 48, 57, 121, 191, 213, Ex. 3.5
TSR	Transaction Summary Report	199, 276, 279, 305

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. **Exceptions:** Only CED shall approve loans for: • STC members • SED's • State and County Office employees • COC members.	14

Definitions of Terms Used in This Handbook

Acceptable Warehouse Receipt

***--[7 CFR 1427.3]** Acceptable warehouse receipt means an original or replacement receipt that may or may **not** be certificated for delivery for a futures-pricing contract, and is either of the following:

- for 2008 crop cotton **only**, a pre-numbered, pre-punched, negotiable warehouse receipt issued under the authority of the U.S. Warehouse Act, a State licensing authority, or by an approved CCC warehouse in such format authorized and approved, in advance, by CCC

- for 2008 through 2012 crop cotton, EWR record issued by such warehouse recorded in a central filing system or systems maintained in 1 or more locations that are approved by FSA to operate such system. **--***

AMS National Database

The AMS national database is:

- composed of all of the classing data on cotton that is classed by AMS
- located at the AMS office in Memphis, Tennessee.

Approved Cotton Clerk

An approved cotton clerk mans a person outside the County Office who is approved to prepare loan and LDP documents for producers.

Approved Gin Location

Approved gin location means a location that is approved by CCC.

Approved Provider

Approved provider means providers that 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.

Approved Warehouse

Approved warehouse means a public warehouse for which a CCC storage agreement is in effect.

Arid Region

An arid region is a region of low rainfall and low humidity.

Bagging and Ties

Bagging and ties means wrapping materials used to secure a bale of cotton.

CCC Commodity Inspector

CCC commodity inspector means the COC representative who does field work under the CCC loan program.

Definitions of Terms Used in This Handbook (Continued)

CCC-Cotton A Loan

CCC-Cotton A loan means a cotton loan made to an individual by a County Office.

CCC-Cotton G Loan

CCC-Cotton G loan means a cotton loan made to an approved cotton marketing cooperative through a servicing agent bank.

Central Filing System

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

Class Card

Class card means a classification memorandum issued by AMS showing the class, grade and staple length, micronaire, and strength reading of a bale of cotton.

Color Group

Color group means cotton that is in 1 of the following color groups:

- White
- Light Spotted
- Spotted
- Tinged
- Yellow Stained.

Compression Status

Compression status means 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".

Contract Commodity

Contract commodity means barley, corn, grain sorghum, oats, rice, upland cotton, and wheat.

Cotton

[7 CFR 1427.3] Cotton means upland and ELS cotton meeting the definitions in this exhibit, **excluding** cotton **not** meeting such definitions.

Cotton Board

[80 Stat. 297] Cotton Board means the board that was authorized under the Cotton Research and Promotion Act to collect the research and promotion fee assessed on upland cotton.

Definitions of Terms Used in This Handbook (Continued)

Cotton Clerk

[7 CFR 1427.3] A cotton clerk is a person approved by CCC to assist producers in preparing loan and loan deficiency documents.

Cotton On-Line Processing System (COPS)

COPS is the Cotton On-Line Processing System, CCC's system for processing cotton management operations.

Date Documents Provided

The date documents provided (enter on CCC Cotton A-5, item 8) is the later of the following dates that CCC received any of the following documents required for the loan:

- the date of receipt of a signed CCC Cotton A-5 and all other required documents listed in subparagraph 181 B

- the date CCC was made holder of EWR's as specified on the EWR Validation Review Report

  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.

- the date paper warehouse receipts were delivered to the County Office.

Debar

Debar is the prohibition of doing business with CCC.

***--Delinquent Debt Status**

Delinquent debt status, for barring delinquent debtors from obtaining additional Federal loans or loan insurance or guarantees, may be any of the following.

- **For farm program debts,** the debt is in delinquent status 90 calendar days after the date of the first demand letter. The notification is not the first demand letter.

- **For farm storage facility loans,** the debt is in delinquent status if not paid in full within 90 calendar days after the due date; however, if the installment principal balance is less than $25, then the farm storage facility loan is not considered delinquent.

  Note: Farm Loan Managers are responsible for informing County Office personnel of any farm loan delinquent debts, as applicable.**--***

Definitions of Terms Used in This Handbook (Continued)

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.

Eligible Cotton

Eligible cotton is upland and ELS cotton that:

- was produced by an eligible producer in the U.S. in the current crop year
- meets eligibility requirements.

Eligible Producer

[7 CAR 1427.4] 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
- an agency of a State or political subdivision
- other legal entity.

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.

Extra Long Staple Cotton (ELS)

[7 CFR 1427.3] Extra long staple cotton or American Pima is 1 of the botanical groups (Gossypium barbadense) of cotton grown in the U.S. Staple length is usually longer than upland cotton, 1 ⅜ inches or longer.

Definitions of Terms Used in This Handbook (Continued)

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.

File Sequence Number

The file sequence number is an assigned 8-digit alphanumeric number used to identify each separate loan or LDP.

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.

***--Impress Signature**

An impress signature is a signature that is stamped, embossed, or a mechanically-reproduced signature.**--***

Joint Cotton Industry Bale Packing Committee (JCIBPC)

JCIBPC 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 this committee.

Lint Cotton

[7 CFR 1427.3] Lint cotton is cotton that has passed through the ginning process.

Lint Turnout Factor

Lint turnout factor is the percentage of lint cotton in a lot of seed cotton.

Definitions of Terms Used in This Handbook (Continued)

Loan Commodity	The term loan commodity means each contract commodity, extra long staple cotton, and oilseeds.
Loan Servicing Agent	**[7 CFR 1427.3]** The term loan servicing agent means a legal entity that enters into a written agreement with CCC to act as a loan servicing agent for CCC in making and servicing CCC-Cotton A cotton loans and performing other devices which are specifically prescribed by CCC.
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: • who prepared the documents required for the loan • the method by which the documents were prepared.
Provider	A provider is an individual or entity that has a provider agreement with CCC, maintains EWR's in a central filing system in a format meeting loan program requirements that can be downloaded into APSS through PC's.
Recourse Loan on Seed Cotton	A recourse loan on seed cotton is a loan that must be settled by the maturity date of the loan. CCC will not accept the seed cotton to settle the loan.
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)

Rick Storage	Rick storage is stacks or piles of seed cotton stored in a manner that will adequately protect the cotton against damage.
Seed Cotton	**[7 CFR 1427.3]** Seed cotton is cotton that has not passed through the ginning process.
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	**[7 CFR 1427.3]** Upland cotton is cotton produced in the U.S. from other than pure strain varieties of the Barbadense species, any hybrid thereof, or any variety of cotton which is 1 or more of these varieties. Upland cotton varies in staple length from about 7/8 inch to 1/4 inches.
Water Packed Cotton	Water packed cotton is either: • cotton in a bale 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.

Menu and Screen Index

Following menus and screens are displayed in this handbook.

Menu or Screen	Title or Description	Reference
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	Cotton Application eLDP Application Summary Screen	285.2
	Cotton Application eLDP File Summary Screen	285.2
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***--DCIA Guidelines**

A Example of Delinquent Debt

This example represents a farm programs delinquent debt. As a result of LDP spot check, the producer over-certified to production and was overpaid $50, therefore, the County Office must complete the following.

Step	Action	Result
1	County Office shall send the notification letter of the amount due to the producer according to subparagraph 42 D.	Producer does not respond or repay the LDP overpayment.
2	30 calendar days after the date of the notification letter, County Offices shall: • send the first demand letter according to subparagraph 42 E • establish a receivable in APSS for the debt.	
3	30 calendar days after the date of the first demand letter, County Offices shall: • transfer the receivable to claims • establish a claim according to 58-FI.	Producer does not respond or repay the LDP overpayment. **Note:** All other debt collection actions are applicable according to 58-FI.
4	60 calendar days after the date of the first demand letter, the County Office shall transfer the debt to KCFO for further collection handling.	
5	90 calendar days after the date of the first demand letter, the debt is delinquent for purposes of barring additional Federal financial assistance.	The debt is now in delinquent status and the producer is ineligible for an additional MAL and/or LDP until the delinquent Federal nontax debt is resolved. **Important:** The delinquent Federal nontax debt must be resolved before the final loan availability date of the applicable crop year.

--*

***--DCIA Guidelines (Continued)**

B DCIA Questions and Answers

If a producer has an unresolved delinquent Federal nontax debt, can the producer lock-in AWP on a module lock-in LDP request?

No. If the producer has an unresolved delinquent Federal nontax debt at the time of the request, the producer cannot be provided a lock-in.

If a partnership applies for LDP and 1 member (25 percent shareholder) of the partnership has a delinquent Federal nontax debt, is the partnership eligible to receive LDP?

Yes. The partnership will receive 75 percent of LDP and the delinquent debtor's pro-rata share (25 percent shareholder) of the partnership is offset and applied to the delinquent Federal nontax debt. See 58-FI, subparagraph 161 A.

Are delinquent producers who enter into Federal agency-approved payment agreements eligible for MAL's and LDP's if the producer is current on the payment agreement?

Yes. The producer is eligible if the producer is able to resolve the delinquent Federal nontax debt with the creditor approved payment agreement on or before the date MAL's and LDP's are issued.

If a producer assigns the MAL disbursement or payment from LDP to cover part or all of the producer's delinquent Federal nontax debt, can MAL or LDP be issued?

Yes, as long as an approved payment agreement has been completed according to 58-FI and the MAL disbursement or payment from LDP is applied to the delinquent debt under the terms of the approved payment agreement.

Note: It is the creditor agency and the producer who develop the terms in the approved payment agreement that will resolve the delinquent Federal nontax debt. If the LDP will resolve the delinquent Federal nontax debt in full or in part, the producer may apply the LDP to the delinquent Federal nontax debt and make acceptable payment arrangements with the creditor for the remainder of the delinquent Federal nontax debt. For FLP purposes, at the time of disbursement MAL or LDP must cure the delinquency in full.**--***

***--DCIA Guidelines (Continued)**

B DCIA Questions and Answers

If a producer repays MAL and a market gain is earned and it is later discovered that the producer has a delinquent Federal nontax debt at the time of the MAL repayment, is the producer entitled to retain the market gain?

No. The producer must repay the market gain with interest since it was discovered that he/she had a delinquent Federal nontax debt at the time of MAL repayment.

If 2 producers sign the same LDP request and Producer A is not a delinquent debtor but Producer B has a delinquent Federal nontax tax, can FSA pay Producer A his/her share of LDP?

Yes. Producer A is entitled to receive LDP on his/her share of bales (bales must be physically divided) and **if** Producer B resolves the delinquent Federal nontax debt before the final loan availability date, he/she then will be entitled to receive his/her share of LDP.**--***

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.

Grade Code	Leaf	Staple Length (Inches)								
		13/16 Through 29/32 (26-29)	15/16 (30)	31/32 (31)	1 (32)	1-1/16 (33)	1-1/8 (34)	1-3/32 (35)	1-1/8 (36)	1-5/32 & Longer (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.

Grade Code		Leaf	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
			(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 2008 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	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	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 2009 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	-945
3.0 through 3.2	-550
3.3 through 3.4	-390
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 (g/tex)	Points per Pound
37.5 and above	0
36.5 – 37.4	-550
35.5 – 36.4	-800
35.4 and below	-1050

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*--Explanation of AMS Cotton Codes, 2005 Crop
UNIVERSAL CLASSIFICATION DATA FORMAT

Column	Code Explanation / 7-CN Reference	Classification Code and Notes					
1-5	Gin Code Number (5-digit number)	First 2 digits = classing code; last 3 digits – gin identification					
6-12	Gin Bale Number (gin-assigned 7-digit bale number)	Permanent Bale Identification (PBI) = code + bale numbers					
13-20	Date Classed	YYYMMDD					
21	Single Bale, or Module or Trailer Average Sample	0: Single Bale		1: Module Avg		2: Trailer Avg	
22-26	Gin-Assigned Module/Trailer Number (5 digits)	5 digit number to identify module/trailer – assigned by gin					
27, 28	Bales in Module/Trailer (2 digits)						
29, 30	Color Grade (Upland) or Special Condition		White	Light Spotted	Spotted	Tinged	Yellow Stained
	Good Middling	GM	11	12	13		
	Strict Middling	SM	21	22	23	24	25
	Middling	MID	31	32	33	34	35
	Strict Low Middling	SLM	41	42	43	44	
	Low Middling	LM	51	52	53	54	
	Strict Good Ordinary	SGO	61	62	63		
	Good Ordinary	GO	71				
	Below Grade	BG	81	82	83	84	85
	Upland Special Condition	96: Mix of Upland and Pima (Ineligible)		97: Fire Damaged (Ineligible)		98: Water Damaged (Ineligible)	
	Pima Color Grades	01, 02, 03, 04, 05, 06, 07 (Below Grade)					
	Pima						
31, 32	Fiber Length in 32nd inches	See columns 54-56 for length in inches.					
33, 34	Micronaire (“Mike”)	(fineness)					
35-37	Strength (Grams per Tex)	Weak: 23 and less; Intermediate: 24-25; Average: 26-28; Strong: 29-30; Very Strong: 31+					
38	Leaf Grade (One digit)	Identified by Grades 1-7. Leaf grade 8 (Below Grade) has more leaf than leaf grade 7.					

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*--Explanation of AMS Cotton Codes, 2005 Crop
UNIVERSAL CLASSIFICATION DATA FORMAT

Column	Code Explanation / 7-CN Reference	Classification Code and Notes	
39, 40	Extraneous Matter (Exhibit 6)	Level 1	Level 2
	Preparation	01	02
	Bark	11	12
	Grass	21	22
	Seed Coat Fragments	31	32
	Oil	41	42
	Spindle Twist	51	52
	Other	61	62
41, 42	Remarks (See individual code for loan eligibility)	75 Sides have different color grades or groups (Eligible)	78 Redder than normal ELS (Eligible)
		76 Reginned Cotton (Ineligible)	92 Pima Ginned on Saw Gin (Ineligible)
		77 Repacked Cotton (Ineligible)	
43, 44	HVI Color Grade	The first 2 digits are the color grade; the third digit is the color-grade division that denotes differences within a color grade.	
45	Color Quadrant		
46-48	Color Rd (Indicator of greyness or reflectance.)	Indicates location of HVI measurement of greyness.	
49-51	Color +b (Indicator of yellowness.)	Indicates location of HVI measurement of yellowness.	
52, 53	Non-lint content (Trash percent surface)	**Example:** Code 04 indicates that trash particles cover 0.4 percent of the sample surface.	
54-56	Fiber Length (100th Inch Basis	See columns 31 and 32 for lengths in 32nds of inch.	
57-59	Length Uniformity Index (Percent)	Very Low: Below 76.5; Low: 76.5-79.4; Average: 79.5-82.4; High: 82.5-85.4; Very High: Above 85.4	
60	Upland or Pima	Upland: 1	Pima: 2
61	Record Type	0 = Original 1 = Review 2 = Rework 3 = Duplicate 4 = Correction	
62	Record Status	0 = Not a correction 1 = Correction	
63-67	CCC Loan Premiums and Discounts or Loan Rate (Blank if ineligible for loan).	For Upland: Entry is (+) if Premium points or (-) if Discount points. Entry is blank if not loan eligible.	

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Cotton Data File Format Requirements

1 General Requirements

A General Format Requirements

Cotton data submitted to the County Office must be formatted according to this exhibit.

General instructions for all cotton data files are in this paragraph. Additional instructions are in paragraphs 2 and 3 based on whether it is a loan or LDP request. The following table provides guidance on which cotton data file format shall be used.

IF data is for...	THEN follow additional instructions in...
Loan	paragraph 2 or 3.
LDP	paragraph 2 **only**.

Note: Cotton data files for LDP **must** be submitted using the extended format in paragraph 2 this format includes the bale weights.

Cotton data files not properly formatted cannot be processed by the County Office and will be returned for corrections. For first-time users, a test may be submitted to the following address for review:

FRED GUSTAFSON
FSA ADC PSCAO-CLG
STOP 8148
P.O. BOX 419205
KANSAS CITY, MO 64141-6205.

--**E-mail: **Fred.Gustafson@kcc.usda.gov**.**--

Cotton Data File Format Requirements (Continued)

1 General Requirements (Continued)

B File Naming Conventions

Format standards require that each cotton loan/LDP bale data file name consist of the following:

- 3-character "X" alphabetic prefix code that identifies the creating entity
- 5-digit "N" numeric file sequence number
- suffix, when applicable, that indicates the file contains EWR data.

The file name format shall be:

- "**XXXNNNNN**", for paragraph 2 submissions
- "**XXXNNNNN.EWR**", for paragraph 3 submissions.

Effective with the 2001 crop, the first digit of the 5-digit file sequence number shall be the last digit of the crop year. Each file sequence number is increased by 1 for each file created by the entity during the crop year.

Example: "Big Cotton Gin, Inc." has a file prefix code "BCG". Its files would be named as follows for the 2001 crop year:

- BCG10001 (first file created)
- BCG10002 (second file created).

C Requesting Entity Codes

Entities wanting to submit diskettes under this process must contact PSD, Automation
--**Branch at 202-720-8374 to be assigned a unique 3-character entity code to be used as the**--
file prefix.

Cotton Data File Format Requirements (Continued)

1 General Requirements (Continued)

***--D Method of Submission**

Cotton data files may be submitted:

- on 3 ½-inch diskettes that are in a IBM PC compatible format
- by e-mail.

Note: It is recommended that cotton data files be submitted to County Offices by e-mail since many County Offices do not have the capability to process diskettes. Contact applicable County Office to inquire if 3 ½ inch diskettes are accepted before using this method of submission.

Multiple files may be submitted by either of the following methods:

- 1 diskette
- attached and submitted with 1 e-mail.**--***

E Record Length

Each record must be 128 bytes plus a carriage return (Hex 0D) and a line feed (Hex 0A) character. This is a total of 130 bytes.

F Basic Format

Each file shall consist of the following:

- header record
- separate bale record for each warehouse receipt or gin tag on the loan or LDP
- trailer record.

***--G Separate Files Required by AWP for CCC-709, or Gin-Direct LDP's**

Separate files are required by AWP applicable to the bales being reported for CCC-709 LDP's. Multiple files may be submitted on 1 diskette or attached and submitted with 1 e-mail.**--***

Cotton Data File Format Requirements (Continued)

1 General Requirements (Continued)

H County Office Distribution

County Offices shall distribute this exhibit to individuals and firms that prepare cotton data files.

--2 Loan or LDP Using Extended Format--

A Header Record Format

Each file must have a header record with the following format.

Position	Size	Type	Justified	Explanation	Example
1	2	Numeric	Right	Code for the State where the loan or LDP will be made. This code must remain consistent throughout the entire file.	05
3	3	Numeric	Right	Code for the county where the loan or LDP will be made. This code must remain consistent throughout the entire file.	017
6	2	Numeric	Right	2-digit crop year.	***--**0X
8	5	Numeric	Right	File sequence number which ***--**begins with the last digit of the crop year and the number 0001 for each crop year and**--*** increases by 1 for each file created by the entity. This number must remain consistent throughout the entire file.	X0001**--***
13	1	Alpha	Left	Enter the letter “A”.	A
14	17	Alpha	Left	Space fill.	
31	5	Alpha	Left	Commodity code, “UP” for upland or “ELS” for extra long staple.	UP or ELS

Cotton Data File Format Requirements (Continued)

--2 Loan or LDP Using Extended Format (Continued)--

A Header Record Format (Continued)

Position	Size	Type	Justified	Explanation	Example
36	6	Numeric	Right	Warehouse code. **Note:** For LDP's not based on warehouse receipts, enter "999999" as the warehouse code.	866503
42	6	Numeric	Right	For cotton clerks that are charging the producer a fee, enter the amount of the clerk fees without the decimal. For example, enter $23.45 as 002345.	002345
48	6	Numeric	Right	Gin code where cotton was ginned.	070123
54	2	Numeric	Right	Tare weight according to ***--**paragraph 183.**--***	05
56	4	Numeric	Right	Zero fill.	0000
60	1	Alpha	Left	If receiving charges are prepaid, enter "Y". If receiving charges are not prepaid, enter "N".	Y
61	1	Alpha	Left	Space fill.	

Cotton Data File Format Requirements (Continued)

--2 Loan or LDP Using Extended Format (Continued)--

A Header Record Format (Continued)

Position	Size	Type	Justified	Explanation	Example
62	2	Alpha	Left	Compression code according to subparagraph 184 B.	GU
64	1	Alpha	Left	Space fill.	
65	1	Numeric	Left	Enter zero.	0
66	2	Alpha	Left	Space fill.	
68	33	Alpha	Left	Producer's name.	Bob Jones
101	9	Numeric	Right	Zero fill.	000000000
110	19	Alpha	Left	Space fill.	
129	1	Alpha	Left	Enter a carriage return (Hex 0D).	
130	1	Alpha	Left	Enter a line feed (Hex 0A).	

Cotton Data File Format Requirements (Continued)

--2 Loan or LDP Using Extended Format (Continued)--

B Bale Record Format

Each file must have 1 or more bale records with the following format.

Position	Size	Type	Justified	Explanation	Example
1	2	Numeric	Right	Code for the State where the loan or LDP will be made. This code must remain consistent throughout the entire file.	05
3	3	Numeric	Right	Code for the county where the loan or LDP will be made. This code must remain consistent throughout the entire file.	017
6	2	Numeric	Right	2-digit crop year.	***--**0X
8	5	Numeric	Right	File sequence number which ***--**begins with the last digit of the crop year and the number 0001 for each crop year and increases by**--*** 1 for each file created by the entity. This number must remain consistent throughout the entire file.	X0001**--***
13	1	Alpha	Left	Enter the letter “W”.	W
14	1	Alpha	Left	Space fill.	
15	8	Numeric	Right	Warehouse receipt number for the bale. This must be numeric and there may be no duplicates within the file. For LDP’s not based on warehouse receipts, enter the gin tag number for the bale.	00076362

Cotton Data File Format Requirements (Continued)

--2 Loan or LDP Using Extended Format (Continued)--

B Bale Record Format (Continued)

Position	Size	Type	Justified	Explanation	Example
23	8	Alpha	Left	Space fill.	
31	6	Date		Date bale was classed. Enter in MMDDYY format.	***--**10300X**--***
37	2	Numeric	Right	Color grade code.	31
39	2	Numeric	Right	Staple code.	35
41	2	Numeric	Right	Micronaire code. Enter without the decimal. For example, enter 3.4 as “34”.	34
43	1	Numeric	Left	Yellow stained code for upland. If AMS-assigned color grade is 25 or 35, enter “Y”; otherwise enter “N”.	N
44	6	Date		Date the receipt was issued. Enter in MMDDYY format. For LDP’s not based on warehouse receipts, enter the date of ginning as MMDDYY.	***--**10300X**--***
50	6	Date		Storage start date. Enter in MMDDYY format.	***--**10300X**--***

Cotton Data File Format Requirements (Continued)

***--2 Loan or LDP Using Extended Format (Continued)**

B Bale Record Format (Continued)

Position	Size	Type	Justified	Explanation	Example
56	3	Numeric	Right	Gross bale weight. May contain zeros if net bale weight is entered in the next field.	505
59	3	Numeric	Right	Net bale weight. If the bale weighs over 600 pounds, enter 600 in this field and the actual net bale weight in the next field.	500
62	3	Numeric	Right	If the actual bale weight is over 600 pounds, enter the actual net bale weight in this field; otherwise enter zeros in this field.	000
65	2	Numeric	Right	Other extraneous matter code. Enter “00” if no extraneous matter code for the bale.	11
67	4	Numeric	Right	Zero fill.	0000
71	2	Numeric	Right	Remarks code. Enter “00” if no remarks code for the bale.	76
73	3	Numeric	Right	Strength code. Enter without the decimal. For example, enter 21.5 as “215”.	215
76	7	Numeric	Right	Gin tag number for the bale.	0013579
83	1	Numeric	Left	Leaf grade.	1
84	42	Alpha	Left	Space fill.	
126	3	Numeric	Right	Uniformity Code (do not include decimal point).	Unif. of 77.3 to be entered as 773
129	1	Alpha	Left	Enter a carriage return (Hex 0D).	
130	1	Alpha	Left	Enter a line feed (Hex 0A).	

--*

Cotton Data File Format Requirements (Continued)

***--2 Loan or LDP Using Extended Format (Continued)**

C Trailer Record Format--*

Position	Size	Type	Justified	Explanation	Example
1	2	Numeric	Right	Code for the State where the loan or LDP will be made. This code must remain consistent throughout the entire file.	05
3	3	Numeric	Right	Code for the county where the loan or LDP will be made. This code must remain consistent throughout the entire file.	017
6	2	Numeric	Right	2-digit crop year.	***--**0X
8	5	Numeric	Right	File sequence number which ***--**begins with the last digit of the crop year and the number 0001**--*** for each crop year and increases by 1 for each file created by an entity. This number must remain consistent throughout the entire file.	X0001**--***
13	2	Alpha	Left	Enter the letters “ZZ”.	ZZ
15	4	Numeric	Right	Enter the numbers “9999”.	9999
19	12	Alpha	Left	Space fill.	
31	4	Numeric	Right	Enter the total number of bales on the loan or LDP. This must total the number of warehouse receipt records in the file.	0085
35	94	Alpha	Left	Space fill.	
129	1	Alpha	Left	Enter a carriage return (Hex 0D).	
130	1	Alpha	Left	Enter a line feed (Hex 0A).	

Cotton Data File Format Requirements (Continued)

--3 Loan Using Abbreviated Format (Continued)--

A Header Record Format

Each cotton EWR bale data file must have a header record with the following format.

Position	Size	Type	Justified	Explanation	Example
1	2	Numeric	Right	Code for the State where the loan or LDP will be made. This code must remain consistent throughout the entire file.	05
3	3	Numeric	Right	Code for the county where the loan or LDP will be made. This code must remain consistent throughout the entire file.	017
6	2	Numeric	Right	2-digit crop year.	***--**0X
8	5	Numeric	Right	File sequence number which ***--**begins with the last digit of the crop year and the number 0001**--*** for each crop year and increases by 1 for each file created by an entity. This number must remain consistent throughout the entire file.	X0001**--***
13	1	Alpha	Left	ENTER “A”.	A
14	22	Alpha	Left	Space fill.	
36	12	Numeric	Right	Zero fill.	000000000
48	6	Numeric	Right	Gin code where cotton was ginned.	070123
54	6	Numeric	Right	Zero fill.	000000
60	5	Alpha	Left	Space fill.	
65	1	Numeric	Left	Enter zero.	0
66	2	Alpha	Left	Space fill.	
68	33	Alpha	Left	Producer’s name.	Bob Jones
101	9	Numeric	Right	Zero fill.	000000000
110	19	Alpha	Left	Space fill.	
129	1	Alpha	Left	Enter a carriage return (Hex 0D).	
130	1	Alpha	Left	Enter a line feed (Hex 0A).	

Cotton Data File Format Requirements (Continued)

--3 Loan Using Abbreviated Format (Continued)--

B Bale Record Format

Each cotton EWR bale data file must have 1 or more bale records with the following format.

Position	Size	Type	Justified	Explanation	Example
1	2	Numeric	Right	Code for the State where the loan *** * *** will be made. This code must remain consistent throughout the entire file.	05
3	3	Numeric	Right	Code for the county where the loan *** * *** will be made. This code must remain consistent throughout the entire file.	017
6	2	Numeric	Right	2-digit crop year.	***--**0X
8	5	Numeric	Right	File sequence number which ***--**begins with the last digit of the crop year and the number 0001**--*** for each crop year and increases by 1 for each file created by an entity. This number must remain consistent throughout the entire file.	X0001**--***
13	1	Alpha	Left	ENTER “W”.	W
14	1	Alpha	Left	Space fill.	
15	8	Numeric	Right	Enter gin tag number.	00013579
23	8	Alpha	Left	Space fill.	
31	45	Numeric	Right	Zero fill.	00000000
76	7	Numeric	Right	Gin tag number.	0013579
83	26	Numeric	Right	Zero fill.	00000000
109	1	Alpha	Left	Space fill.	
110	4	Numeric	Right	Zero fill.	0000
114	15	Alpha	Left	Space fill.	
129	1	Alpha	Left	Enter a carriage return (Hex 0D).	
130	1	Alpha	Left	Enter a line feed (Hex 0A.)	

Cotton Data File Format Requirements (Continued)

--3 Loan Using Abbreviated Format (Continued)--

C Trailer Record Format

Each cotton EWR bale data file must have a trailer record with the following format.

Position	Size	Type	Justified	Explanation	Example
1	2	Numeric	Right	Code for the State where the loan *** * *** will be made. This code must remain consistent throughout the entire file.	05
3	3	Numeric	Right	Code for the county where the loan *** * *** will be made. This code must remain consistent throughout the entire file.	017
6	2	Numeric	Right	2-digit crop year.	***--**0X
8	5	Numeric	Right	File sequence number which ***--**begins with the last digit of the crop year and the number 0001**--*** for each crop year and increases by 1 for each file created by an entity. This number must remain consistent throughout the entire file.	X0001**--***
13	2	Alpha	Left	ENTER “ZZ”.	ZZ
15	4	Numeric	Right	ENTER “9999”.	9999
19	12	Alpha	Left	Space fill.	
31	4	Numeric	Right	Enter the total number of bales on the loan or LDP. This must total the number of warehouse receipt records in the file.	0085
35	94	Alpha	Left	Space fill.	
129	1	Alpha	Left	Enter a carriage return (Hex 0D).	
130	1	Alpha	Left	Enter a line feed (Hex 0A).	

CCC-601, Commodity Credit Corporation Note and Security Agreement Terms and Conditions

This is an example of CCC-601.

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This form is available electronically.

See Page 6 for Privacy Act and Public Burden Statements.

CCC-601
(09-08-08)

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.

"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; as determined by CCC and applicable interest as provided in the definitions found in this agreement, 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.

"CCC" means the Commodity Credit Corporation.

"Classification" means the measurement results provided by the Agricultural Marketing Service of color grade, leaf, staple length, uniformity, extraneous matter and micronaire, and for upland cotton, strength.

"Collateral" means 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 identified in the Note. The collateral consists of (A) with respect to farm-stored loans, the entire quantity of the commodity which is stored as identified in the Note and any authorized replacement of such quantity; or (B) with respect to warehouse-stored loans, the commodity represented by the warehouse receipts identified in the Note and any required supporting documents.

"Interest", if applicable, means (A) for a CCC commodity loan disbursed by CCC-184 and that has a total aggregate principal amount of $500,000 or more, an amount calculated: (i) when repaid by wire transfer, on a daily basis from the date of disbursement to, but not including, the second day before the date of repayment; or (ii) when repaid by other than a wire transfer, on a daily basis from the date of disbursement through the day after the date of repayment; (B) for a CCC commodity loan disbursed by EFT and that has a total aggregate principal amount of $500,000 or more, an amount calculated (i) when repaid by wire transfer, on a daily basis from the date of disbursement to, but not including, the second day before the date of repayment; or (ii) other than a wire transfer, on a daily basis from the date of disbursement to, but not including, the date of repayment; (C) for loans disbursed by CCC-184, 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; and (4) for loans disbursed by Electronic Funds Transfer (EFT), interest which has accrued on such amounts computed on a daily basis from the date of disbursement to, but not including, the second day before the date of repayment (7 CFR Part 1405).

"Loan Service Fee" means the service fee deducted at loan disbursement and is calculated as follows: (A) for wheat, feed grains, oilseeds, lentils, dry peas, chick peas, wool, mohair, peanuts, rice, and seed cotton, the smaller of ½ 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 ½ 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.

"Note" means any CCC Note and Security Agreement which by reference incorporates this form.

"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.

"Schedules of Premiums and Discounts" means the premiums and discounts established by CCC which are applicable to the grade or classification of the commodity as determined from the grading factors reflected on a: (A) warehouse receipt; (B) Federal Grain Inspection Service official grading certificate; (C) Agricultural Marketing Service Classification; or (D) Core test report from a CCC-approved testing facility. 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.

"Total Loan Amount" means the amount so identified in the Note.

All other words and phrases shall have the meanings assigned to them in the regulations found at 7 CFR Parts 718, 1400, 1403, 1405, 1421, 1425, 1427, 1434 and 1435.

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CCC-601, Commodity Credit Corporation Note and Security Agreement Terms and Conditions (Continued)

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(b) Joint and Several Liability. Each producer signing the Note is jointly and severally liable for payment of the amount due. If a producer has granted another person the authority to act on behalf of the producer with respect to any, or all, of the provisions of this note, if the actions of such other person result in loss or damage to CCC, the producer and such person shall be jointly and severally liable for payment to reimburse CCC for each losses or damages.

(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.

(d) Applicable Sections. Except as may otherwise be stated herein: (i) Sections 1 through 3, 5 through 7 and 11 are applicable to all loans; (ii) Section 4 is only applicable to nonrecourse loans; (iii) Section 8 is only applicable to farm-stored nonrecourse loans; (iv) Section 9 is only applicable to warehouse-stored nonrecourse loans; (v) Section 10 is only applicable to 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 8 and 9, deliver the collateral to CCC. In the case of farm-stored loans, the producer shall bear all expenses including receiving charges 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. All wool and mohair nonrecourse marketing assistance loans not repaid by the loan maturity date must be liquidated through local sales at the farm storage location within a 60-calendar day period at no storage expense to CCC. Any charges incurred by CCC as a result of the local sale will be paid by the producer.

5. WAIVER OF PRESENTMENT. The producer waives presentment for payment, demand, protest, notice of protest, and notice of non-payment of the Note.

6. 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 that are eligible for loan and that are free and clear of all liens including Federal and State tax 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 approval of CCC and then only in accordance with instructions issued by CCC or provisions of CCC-699C, Cotton Transfer Agreement. If such movement is not completed as instructed by CCC or the collateral is disposed of, either CCC may at its discretion accelerate the loan maturity date, assess liquidated damages as specified in Section 6(g), and take other administrative actions, as determined appropriate by CCC, including denial of future 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 maturity date may be accelerated.

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CCC-601, Commodity Credit Corporation Note and Security Agreement Terms and Conditions (Continued)

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(e) Certification. The producer must provide an accurate certification of the quantity of the commodity to be pledged as collateral for a loan. If CCC determines that the producer has filed an incorrect certification of such eligible quantity, CCC may at its discretion accelerate the loan maturity date, assess liquidated damages, as specified in Section 6(g), and take other administrative actions, as determined by CCC, including denial of future loans.

(f) Loss or Damaged Loan Collateral. The producer is responsible for any loss in quantity or quality of the commodity pledged as collateral for a farm-stored or warehouse-stored loan. CCC shall not assume any loss in quantity or quality of the loan collateral regardless of where stored.

(g) Liquidated Damages. If CCC determines that the producer has violated provisions of Sections 6(c), 6(e), or 7(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.

(i) For producers determined to have violated provisions of Section 6(c) and if CCC determines that the producer acted in good faith, liquidated damages may be assessed by multiplying the quantity involved in the violation by 10 percent of the loan rate. The producer shall pay such liquidated damage penalties plus the lesser of (1) the principal amount of the loan and charges plus interest, (2) CCC determined value on the date the violation occurred plus 15 percent of the applicable loan rate 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 and require full payment at principal and charges plus interest. For honey, the producer shall pay the principal amount of the loan and charges plus interest.

(ii) For producers determined to have violated provisions of Section 6(e) or 7(a), and if CCC determines the producer acted in good faith, liquidated damages maybe assessed by multiplying the quantity involved in the violation by 10 percent of the loan rate. 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.

(iii) If CCC determines that the producer 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 10 percent of the loan rate. The producer shall pay such liquidated damages plus the principal amount of the loan and charges plus interest.

(h) Delinquent Federal Nontax Debt. If it is discovered that a producer incorrectly certified to the DCIA question, the producer will be notified that the loan must be repaid at principal and interest immediately.

If a producer receives a loan and it is later discovered that the producer has a delinquent Federal nontax debt, the producer will be notified that the delinquent Federal nontax debt must be resolved before the final loan availability date for the applicable commodity. If the delinquent Federal nontax debt is not resolved before the final loan availability date, the producer must repay the loan at principal plus interest.

(i) Miscellaneous Charges. Miscellaneous charges, such as but not limited to storage and receiving are the sole responsibility of the producer requesting the MAL or commodity loan.

7. 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 6(g), 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) Over-disbursement or Under-collection. 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 applicable statutes and regulations.

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CCC-601, Commodity Credit Corporation Note and Security Agreement Terms and Conditions (Continued)

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(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 by either Section 8(b) or 9(c).

8. FARM-STORED NONRECOURSE LOANS.

(a) General. This section is applicable to a loan made with respect to collateral stored in CCC-approved storage under the control of the producer and not in a public warehouse.

(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 is collateral will be made on a shelled corn basis. (iii) If the value of the collateral at settlement is less than the amount due because of any loss in quantity or quality of the collateral, 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 or subsequent to the time of settlement is greater than the amount due, CCC will retain such excess and will not 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.

9. WAREHOUSE-STORED NONRECOURSE LOANS.

(a) General. This section is applicable to a loan that has been made with respect to eligible commodities pledged as loan collateral which is stored in a warehouse approved by CCC.

(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, take actions to protect or determine the quality of the collateral, or advance the maturity date of such loan. Any charges incurred by CCC as the result of such actions 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) If the value of the collateral at or subsequent to the time of 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, CCC will retain such excess and will not pay such amount to any party. (iv) Title to the collateral will vest in CCC on the day following the loan maturity date. (v) CCC may elect to calculate such settlement values based on the net weight, good condition, and classification as reflected on the warehouse receipt delivered to CCC, whether such receipt is the receipt issued by the original storing warehouse and presented for calculating the loan amount or a receipt issued by a subsequent warehouse due to the transfer of such commodity while pledged as collateral for a CCC loan.

(d) Cotton Loan Redemptions and Settlement. (i) The amount by which an upland cotton loan repayment value may be reduced for the value of storage charges during the period of the loan shall be zero for any period the cotton is stored outside and shall otherwise be calculated based on the maximum payment rate determined for the warehouse and announced by CCC. Cotton shall be considered by CCC to be stored outside if it is stored outside any time during the period of the loan exceeding the 15-day period that starts with the first day the warehouse is notified the cotton is pledged as collateral for a CCC loan. (ii) 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 1(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) (1) all warehouse storage charges associated with the

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CCC-601, Commodity Credit Corporation Note and Security Agreement Terms and Conditions (Continued)

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forfeited cotton that accrued before the cotton was pledged as collateral for the loan; (2) any accrued warehouse receiving charges associated with the forfeited cotton, including, if applicable, charges for new bale ties, unpaid warehouse compression, or other charges as may be levied by the storing warehouse; and (3) Warehouse storage charges for periods of outside storage or charges that exceed the maximum storage credit rates for the loan period paid by CCC to the warehouse.

(e) Transfer of CCC Upland or ELS Cotton or Peanut Loan Collateral. Collateral for an upland or ELS cotton or peanut marketing assistance loan may be transferred from a CCC-approved warehouse to another CCC-approved warehouse if CCC holds as security for the loan a warehouse receipt with respect to such commodity and the following terms and conditions of this subsection are met. (i) The producer may grant authorization to transfer loan collateral only to the agent designated and authorized by the producer to redeem all or a portion of the loan collateral. Any authorization to transfer loan collateral granted by the producer may be transferred by such agent of the producer to a subsequent agent as provided by the terms of applicable CCC forms. A producer is not obligated by CCC to grant authorization to transfer loan collateral as a condition of designating and authorizing any agent to redeem from loan all or a portion of the loan commodity. (ii) CCC will calculate any loan redemption for transferred cotton based on the credits, and charges with respect to the shipping warehouse under the transfer authorization. If a producer delivers transferred cotton to CCC in satisfaction of a loan obligation, CCC will settle such collateral delivery based on the charges effective at the receiving warehouse plus any unpaid charges at the shipping warehouse. (iii) As a condition for CCC to approve the transfer of cotton loan collateral, the requestor of a transfer, whether such requestor is the producer, or the producer's agent, must agree to pay all charges that may result from such transfer or intended transfer and be responsible for all losses of quantity or quality that result from the transfer. Despite any such agreement, the producer is responsible for any charges associated with the transfer of CCC cotton loan collateral including those that are not paid by any agent, or subsequent agent, the producer authorized to request such a transfer and who agreed to pay such charges. All such unpaid charges are for the account of the producer and shall not be charged to the outstanding balance of the loan obligation. CCC will not assume any liability for any charge associated with the transfer of any cotton loan collateral. (iv) The producer is responsible to CCC for all losses of quantity or quality associated with the transfer of CCC cotton loan collateral including unpaid losses on transfers made at the request of an agent of the producer even if the agent had agreed to pay such charges. CCC does not assume any loss in quantity or quality resulting from transfer of the loan collateral. (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. RECOURSE LOANS.

(a) General. CCC may make recourse loans available to eligible producers of high moisture corn, high moisture grain sorghum, seed cotton, 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.

(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 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

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CCC-601, Commodity Credit Corporation Note and Security Agreement Terms and Conditions (Continued)

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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, 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 8 and 9 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 or barter 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) 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. (iii) If the proceeds received from the sale or barter 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.

11. 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 authority for collecting the following information is Pub. L. 110-246. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection 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.*

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, Conservation, and Energy Act of 2008. The information will be used to monitor collateral placed under loan in the commodity loan program. Failure to provide the required information will result in denial to move loan collateral for rotation or transfer. 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. ***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, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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A
Screen PCA42000

Screen PCA42000 will display the percent of cropland factor for each:

- member of a joint operation that is associated with LDP

  Note: These producers are identified with "MJO".

- producer on LDP who is not a joint operation and whose percent of cropland factor is less than 1.0000.

Notes: An individual producer ID may be shown more than once if the producer is a member of:

- 2 or more joint operations on a joint loan or LDP
- 1 or more joint operations and is also listed as an individual on a joint loan or LDP
- a joint operation that has an embedded joint operation of which the producer is also a member.

For APSS purposes, if the producer has 1 or more bad eligibility flags, the percent of cropland is defaulted to zero to deny payment. See subparagraphs B through D for additional information.

Continued on the next page

B
Joint Operations

During market loan repayment and LDP processing, the percent of cropland factor for each member of a joint operation must be verified.

Note: APSS verifies only the eligibility of members of a joint operation, not the joint operation; therefore, County Offices must verify that the joint operation is eligible before the members can be considered eligible.

IF the joint operation is...	AND...	THEN...
ineligible for payments		ENTER "0.0000" as the percent of cropland factor for each member of the joint operation.
eligible for payments	the percent of cropland factor for the joint operation is less than 1.0000	enter as the percent of cropland factor for each member of the joint operation, the lesser of the following: • joint operation's percent of cropland factor • the percent of cropland factor displayed on Screen PCA42000 for the member. **Note:** If neither percent of cropland is correct, enter the correct percent of cropland factor.
	the percent of cropland factor for the joint operation is equal to 1.0000	verify that the percent of cropland factor displayed on Screen PCA42000 for each producer is correct. **Note:** The percent of cropland factor displayed on Screen PCA42000 is determined using the logic in subparagraph D.

Continued on the next page

C
If Not a Joint Operation

If a producer is not a member of a joint operation, but the percent of cropland factor is less than 1.0000, County Offices shall verify the percent of cropland factor.

D
APSS Determination of the Percent of Cropland Factor

The following table explains how the percent of cropland factor in APSS is determined.

IF the producer's ID is...	AND the ID is...	THEN the percent of cropland factor will be...
not recorded in the eligibility file for the applicable crop year	a member of a joint operation	equal to 1.0000.
	not a member of a joint operation	equal to 0.0000.
in the eligibility file for the applicable crop year and has all good flags		the percent of cropland factor recorded in the subsidiary file.
in the eligibility file for the applicable crop year and has 1 or more bad flags		equal to 0.0000.

CCR Sequence of Events

	Step	Action
	1	Producers may designate a loan for CCR (EAD) redemption at loanmaking.
	2	If the producer designates CCR (EAD) redemption at loanmaking, and the County Office answers questions in recording the loan in APSS, the EAD flag is automatically set.
COPS	3	If the producer does not designate the loan for CCR (EAD) redemption at loanmaking, the County Office can set the EAD status to "Y" in COPS for each applicable loan. See the User Guide in COPS for instructions.
	4	The buyer requests an invoice of desired bales from COPS.
	5	COPS sends an e-mail to a County Office employee listing the loan numbers for which an invoice has been sent to the buyer. The subject line reads "CCR in Progress". If any action needs to be taken against the loan during "CCR in Progress", contact the State Office. The CCR invoice is valid for 21 calendar days, but may be canceled by the merchant anytime before payment is submitted. An e-mail will be issued when a buyer cancels a CCR invoice.
	6	The buyer wires the money through Kansas City to FRB and COPS releases the warehouse receipts to the buyer.
	7	COPS sends an e-mail to the County Office employee providing the repayment invoice number that is available for downloading from COPS.

	8	The County Office will go into "Invoice Review" in COPS. Select "Cotton Redemption Invoice" from the "Invoice Type" drop-down list and CLICK "List". CLICK "Line No." for the desired invoice number and do the following:
		
		• click the following buttons and print the reports for each file:
		
		  • invoice detail
		  • loan recap
		  • print invoice screen
		
		• CLICK "Download Invoice".
		
		Note: See the User Guide in COPS for instructions.

PC	9	In cotton PC software, transfer the repayment files to APSS. From Menu 001, click option 4, "Centralized Repayment Functions". From Menu 400, click option 1, "Transfer Repayment Files to APSS". Select the applicable file name and transfer to the System 36 just as was done at loanmaking.

CCR Sequence of Events (Continued)

	Step	Action
APSS	10	In APSS, go into the repayment option and record the repayment using option 3 from the Centralized Repayment Menu. Basic repayment screens will display. Answer "N" to the question, "Is this the recording of a manually made action?" On Screen AGK01500, ENTER "1EFT" in the "Check/Item Number" field and enter the total amount of the invoice on the first repayment. On subsequent repayments on that invoice, choose that remittance.
	11	Prepare and close the schedule.

Kansas City will release EWR's. Do **not** release the bales in the PC. Do **not** send CCC-500 to buyers because they receive an electronic copy.

Notes: See paragraph 210.8 for handling invoices with negative repayments.

See paragraph 210.11 for handling CCR repayments for loans that have COPS errors.

Comparison of Payment of Charges for Cotton, Normal Loan vs. Transfer

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Charge	Loan Without Transfer	Transfer of Loan Collateral	
	Original Storing Warehouse	**Shipping (Original) Warehouse**	**Receiving Warehouse**
Receiving at warehouse	Paid by buyer upon load-out. If collateral is forfeited, paid by CCC, then billed to producer.	Paid by requestor of transfer.	Paid by requestor of transfer at load-out. If forfeited, paid by CCC, then billed to producer.
Pre-loan storage	Paid by producer or buyer. If collateral is forfeited, paid by CCC and billed to producer based on the CSA rate for loan cotton.	Paid by requestor of transfer.	Not applicable. Cotton is under loan when received under a transfer.
Accrued storage during loan period	Paid by buyer for redeemed cotton. CCC may reduce the loan repayment amount by all or a portion of the storage charges during the loan period based on CCC's storage credit rate for the warehouse. If cotton forfeits, charges are paid by CCC and any amount exceeding the storage-credit rate is billed to producer.	Paid by requestor of transfer.	Paid by buyer for redeemed cotton. The loan redemption amount may be reduced based on the CCC storage credit rate applicable at the **shipping warehouse** for the entire loan period; credits are reduced by a fixed 2-day period for time in transit and may be subject to the 75-day limit from date new EWR is issued by receiving warehouse. If cotton forfeits, CCC pays receiving warehouse based on its rate for loan cotton; any amount exceeding the storage-credit rate at receiving warehouse is billed to producer.
After loan storage	Paid by buyer. If forfeited, CCC pays the warehouse at the CSA rate for CCC-owned cotton.	Not applicable because under a transfer any after-loan storage charges would occur at the receiving warehouse.	Paid by buyer. If forfeited, CCC pays the warehouse at the CSA rate for CCC-owned cotton.
Compression	Paid by buyer upon load-out, regardless of whether loan is repaid or if cotton is bought from CCC. If cotton forfeits, billed by CCC to producer.	Paid by requestor of transfer.	Paid by buyer upon load-out, regardless of whether loan is repaid or if cotton is bought from CCC. If cotton forfeits, billed by CCC to producer based on rate at receiving warehouse.
Load-out	Paid by buyer.	Paid by requestor of transfer.--*	Paid by the buyer.
Freight to receiving warehouse	Paid by the producer.	N/A	Paid by the requestor of transfer.

***--Areas Approved for Outside-Stored Loan Bales**

Outside-stored loan bales are approved in the following areas.
***--**

Crop Year	Type Cotton	Type Loan	State	Approved Areas
2007	Upland	Warehouse-Receipted	AZ, CA, FL, MO, OK, TX	Entire State
	ELS	Warehouse-Receipted	AZ, CA, FL, MO, OK, TX	Entire State
		Farm-Stored	AZ	Maricopa, Pinal, and Yuma Counties
			CA	• Imperial and Kings Counties. • Fresno County west of Hwy 90. • Kern and Tulare Counties west of Hwy 99. • Merced County south of Hwy 152.
			NM	Dona Ana and Luna Counties
			TX	El Paso County
2008	Upland	Warehouse-Receipted	FL, KS, MO	Entire State
	ELS	Warehouse-Receipted	FL, KS, MO	Entire State
		Farm-Stored	AZ	Maricopa, Pinal, and Yuma Counties
			CA	• Imperial and Kings Counties. • Fresno County west of Hwy 90. • Kern and Tulare Counties west of Hwy 99. • Merced County south of Hwy 152.
			NM	Dona Ana and Luna Counties
			TX	El Paso County

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CCC-601 ELS Appendix, Note and Security Agreement Terms and Conditions for Outside Storage of ELS Cotton

This is an example of CCC-601 ELS Appendix.

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This form is available electronically.
CCC-601-ELS Appendix
(04-02-09)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

APPENDIX TO CCC-601, NOTE AND SECURITY AGREEMENT TERMS AND CONDITIONS FOR OUTSIDE STORAGE OF ELS COTTON

NOTE: *The primary authority for requesting and safeguarding the information described on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246 and any amendments to such act as may follow). The information will be used to complete the terms of an agreement between the warehouse operator and CCC. Furnishing the requested information is voluntary, however, without it, eligibility to enter into an agreement with CCC cannot be determined. Failure to furnish the requested information will result in a determination of ineligibility for certain program benefits and other financial assistance administered by* ***USDA****. This information collected as a result of this form may be released to USDA employees, USDA contractors, or authorized USDA cooperators who are bound to safeguard the information under Section 1619 of the Food, Conservation, and Energy Act of 2008, the Privacy Act of 1974, the E-Government Act of 2002, and related authorities.*

This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

PART A – TERMS AND CONDITIONS

A producer submitting cotton to the Commodity Credit Corporation (CCC) as collateral for a marketing assistance loan may store such collateral outside subject to the following terms and conditions:

(1) Collateral Identification. The producer must identify all outside-stored cotton loan collateral by providing CCC, for each individual bale, the gin code number (5-digit number) and gin bale number (gin-assigned 7-digit number) as presented to the Agricultural Marketing Service (AMS) for classification services, and the bale net weight.

(2) Collateral Location. The producer must provide CCC the address, and any additional storage location information sufficient to enable a CCC representative to locate the cotton.

(3) Classification Information for Forfeited ELS Cotton. The producer is responsible to provide, within 30 days after the date of delivery of the cotton into a warehouse designated by CCC, AMS classification information, based on bale samples collected by an AMS-approved sampler.

(4) Settlement. Notwithstanding provisions of paragraph 9(c) of the Note and Security Agreement Terms and Condition (form CCC-601), if the producer elects to forfeit outside-stored loan collateral in satisfaction of the amount due: (i) 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 classification information provided after delivery of the cotton to CCC; and, (ii) the collateral shall be delivered to CCC in the original bags with original bale identification as provided by the ginner.

(5) Settlement Charges. If the producer forfeits outside-stored ELS cotton loan collateral to CCC in satisfaction of the amount due, the producer is liable, in addition to charges included in paragraph 4 of the Note and Security Agreement Terms and Condition (form CCC-601), for (i) expenses or charges associated with the storage of the cotton during the period of the loan, and (ii) charges levied by the warehouse associated with receiving, weighing, compression, issuance of an electronic warehouse receipt, other charges as may be levied by the warehouse specific to outside-stored cotton, and for classification services as required under paragraph (3) of this appendix.

PART B – PRODUCER CERTIFICATION

I accept that the terms and conditions of this appendix apply to the cotton pledged as collateral for this loan. I certify that the cotton pledged as collateral for this loan is packaged in a hermetically sealed bag, packaged at a measured internal humidity level established by the gin as appropriate to safeguard cotton quality, using packaging materials that meet or exceed industry minimum standards. I further certify that the cotton pledged as collateral for this loan meets the quality requirements set forth at 7 CFR 1427.5(c), has not been ginned on a saw gin, is not represented by a warehouse receipt, and is not reginned, repacked, mixed ELS and upland cotton, or fire damaged or water damaged. I further certify that the storage area is suitable for cotton storage, is constructed to prevent water accumulation under the cotton and is serviced by bale handling and transport equipment that will not damage the sealed bag or degrade the drainage characteristics of the storage area.

1A. Signature of Contact Producer /s/ James Smith	1B. Title/Relationship *(of the individual signing in the Representative Capacity)*	1C. Date March 3, 2009
2A. Signature of Other Producer /s/ James Smith	2B. Title/Relationship *(of the individual signing in the Representative Capacity)*	2C. Date March 3, 2009
3A. Signature of Other Producer /s/ James Smith	3B. Title/Relationship *(of the individual signing in the Representative Capacity)*	3C. Date March 3, 2009

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (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 to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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Guide for Using CCC-605 and EAD

--**County Offices shall follow these table instructions for setting the EAD status flag.**--

WHEN redemption requests is made through…	**AND EAD status flag for loan is set to…**	**THEN…**
CCR **by** merchant who is EAD	"Yes"	• CCC-605 is faxed to County Office by any merchant only to set flag and cotton is released to EAD, not necessarily to agent shown on CCC-605 • an original CCC-605 identifying EAD is not required in County Office for CCR loan redemption to occur or for County Office to enter the redemption into APSS.
County Office **by** merchant	"No", and EAD status is known to have never been set to "Yes" **Note:** This is the common situation for merchants not using CCR to redeem cotton.	• merchant must present CCC-605 that authorizes the merchant to redeem the requested loan collateral • County Office processes loan redemption under traditional (non-CCR process) and releases cotton • EAD status flag is never set to "Yes".
CCR **by** merchant who is **not** EAD	"Yes"	• County Office would not be aware of this redemption request • CCR rejects request; no invoice is sent to County Office and no County Office action occurs.
CO by producer	"Yes"	• producer must cancel CCC-605 in writing • County Office sets flag to "No" to stop redemption requested in CCR by any EAD.
County Office **by** producer **Note:** This event possibly occurs if a producer does not designate agent and redeems own cotton.	"No"	producer must cancel any outstanding CCC-605 in writing before redemption can be processed.

Guide for Using CCC-605 and EAD (Continued)

<table>
<tr><th>WHEN redemption requests is made through…</th><th>AND EAD status flag for loan is set to…</th><th colspan="2">THEN…</th></tr>
<tr><td rowspan="4">County Office by any merchant</td><td rowspan="4">“No” because a producer cancelled CCC-605 and the flag was reset from “Yes” to “No”</td><td colspan="2">County Office must check COPS to determine whether the merchant requesting the redemption is EAD or not and take the following action.</td></tr>
<tr><td>IF the merchant is…</td><td>THEN…</td></tr>
<tr><td>EAD in COPS</td><td>producer only must reset flag to “Yes” for EAD to be able to redeem at County Office.</td></tr>
<tr><td>not EAD in COPS and presents CCC-605 to County Office</td><td>producer has executed 2 competing CCC-605’s. County Office shall require producer to take 1 of the following actions before any redemption is processed:

• cancel both CCC-605’s in writing and redeem loan with producer’s own funds

• cancel, in writing, CCC-605 of non-EAD merchant and allow EAD to redeem the cotton

• instruct current EAD to designate non-EAD merchant as new EAD, allowing new merchant to redeem under CCR.</td></tr>
<tr><td>not EAD in COPS and does not present CCC-605</td><td>this merchant is ineligible to redeem the requested cotton.</td></tr>
</table>

Guide for Using CCC-605 and EAD (Continued)

WHEN redemption requests is made through…	**AND EAD status flag for loan is set to…**	**THEN…**	
County Office **by** any merchant	"Yes"	County Office must check COPS to determine whether the merchant is current EAD and take the following action.	
		IF the merchant requesting the redemption is…	**THEN…**
		EAD in COPS	• CCC-605 bearing the merchant's name is not needed in County Office • County Office processes redemption and releases cotton to merchant "X".
		not EAD in COPS and has CCC-605	producer has executed 2 competing CCC-605's. County Office shall require producer to take 1 of the following actions before any redemption is processed: • cancel both CCC-605's in writing and redeem loan with producer's own funds • cancel, in writing, CCC-605 of non-EAD merchant and allow EAD to redeem the cotton • instruct current EAD to designate non-EAD merchant as new EAD, allowing new merchant to redeem under CCR.
		not EAD in COPS and does **not** have CCC-605	County Office shall deny redemption request. **Note:** Any merchant must either be EAD or have CCC-605 to be authorized to redeem any loan.

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