

For: CMA's

Locking-In AWP on Upland Seed Cotton for LDP's

Approved by: Deputy Administrator, Farm Programs



1 Overview

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Background

LDP's are available **only** on bales of ginned upland cotton based on production evidence consisting of either acceptable warehouse receipts or a gin tag list. Seed cotton is ineligible for a nonrecourse marketing assistance loan or LDP.

During the 1998 crop season, some producers were unable to use the AWP they may have wanted because their seed cotton was harvested, however it was not ginned.

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Purpose

This notice provides new provisions allowing producers to lock-in AWP, for the purpose of a subsequent LDP calculation, for harvested 1999 and subsequent crop years upland seed cotton stored in modules, ricks, or trailers before ginning.

<p>Disposal Date</p> <p>October 1, 2000</p>	<p>Distribution</p> <p>State Offices; State Offices relay to CMA's and LSA's</p>
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2 General Provisions

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Basic Policy

Beginning with the 1999 and subsequent crop years, producers may lock-in AWP on harvested upland seed cotton stored in ricks, modules, or trailers. Producers must provide a module number supplied by a cooperating gin when locking in AWP. Subsequently, the producer must submit production evidence identifying the specific bales produced from the specific module for which the lock-in was provided. LDP will be paid using the bale specific production evidence. The locked-in AWP shall be used to compute the LDP rate after the cotton has been ginned and acceptable production evidence is provided.

Bales must conform to the packaging, tagging, and weight requirements in 7-CN, paragraph 123.

LDP's based on a locked-in AWP are available from harvest through May 31.

A request for AWP lock-in on an upland seed cotton module is irrevocable. It cannot be canceled, withdrawn by the producer, or amended. LDP cannot be repaid to regain loan eligibility.

Only 1 AWP lock-in is permitted per module. In the event of an incorrect duplicate lock-in for an individual module or bale, the earliest dated lock-in will apply.

AWP lock-in is permitted for cotton under a seed-cotton loan.

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Definitions

Module number is the number provided by an approved, cooperating gin for a producer to affix to a cotton module, rick, or trailer.

Cooperating gin is one that has been approved by COC under 7-CN, paragraph 70.

Gin identification code is the number identifying the gin that provided the module number.

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3 Action

**A
ACRS Record**

CMA's and LSA's shall:

- submit an AWP Lock-In Trailer Record to ACRS using the following format:

Field	Name	Position	Size	Type	Format
1	CMA/LSA Code	1	6	N	9(06)
2	Gin Code	7	5	N	9(05)
3	Module Number	12	7	X	X(07)
4	Lock-in Date	17	8	N	yyyymmdd
5	Reserve	25	104		Spaces

- upon receiving gin tag numbers, process LDP transaction according to 21-CN, Part 4, Section 3. Each bale transaction must identify the module listed on the AWP Lock-In Record for which AWP was locked in.
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