

For: Cotton State and County Offices, Cotton CMA's, and LSA's

Receiving Cotton Classing Directly From AMS Classing Offices

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

According to 7-CN, paragraphs 167 and 275, AMS classing must be submitted for all cotton tendered for loan or LDP. CCC currently obtains AMS classing from:

- EWR providers as part of the EWR record
- CMA's and LSA's as part of their marketing assistance loan or LDP submission
- cotton entities who prepare diskettes or e-mail containing the classing
- directly from AMS.

Beginning July 1, 2004, CCC will obtain classing data for all crop years directly from AMS.

B Purpose

This notice informs State and County Offices, CMA's, and LSA's that the Cotton Online Processing System (COPS) will receive and store classing directly from AMS.

C Contact

State Offices shall direct questions about this notice to Julie Floriani by:

- telephone at 202-720-8374
- e-mail to julie_floriani@wdc.usda.gov.

<p>Disposal Date</p> <p>June 1, 2005</p>	<p>Distribution</p> <p>Cotton State Offices; State Offices relay to County Offices, Cotton CMA's and LSA's</p>
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2 CMS Modifications

A General Information

CCC will obtain the classing database from AMS in its entirety for each crop year beginning July 1, 2004. COPS will request classing data hourly from the 12 regional AMS classing offices.

Beginning with crop year 2004, bales within each loan and LDP transaction will be validated against the classing database. This will prevent errors such as duplicates and miskeyed data.

COPS will reject the bale if a classing record does not exist.

3 Classing Requirements for County Offices

A Software Modifications

APSS and cotton PC software will be modified and included in a future release to process:

- loans if COPS receives **both** of the following:
 - EWR record from a provider
 - classing directly from AMS
- LDP's based on a gin code, gin tag number, and crop year, which is provided by the AMS classing record. EWR's will not be required but will be used if available.

Note: Because each bale is identified by a unique permanent bale identifier (PBI) number, it is possible to process LDP using only the gin code/gin tag number. EWR's are required for loan because CCC must be the holder of the receipt for the bale to be eligible for loan.

Changes described in this notice will **not** affect the manner in which outside entities prepare loan and LDP pre-processed file data for County Offices.

B County Office Action

County Offices shall continue processing loans and LDP's in the current manner until modified software and instructions for processing in the new environment are issued.

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4 Classing Requirements for CMA's and LSA's

A Processing Transactions for Crop Year 2004

CMA's and LSA's will **continue** to include classing as part of their ACRS transaction for crop year 2004. Classing data in the ACRS transaction will be compared to the data received from AMS. The classing received from AMS will always be considered the correct data.

If the ACRS transaction is received before the AMS classing data:

- the ACRS file will be accepted
- funds will be disbursed based on CMA/LSA classing data
- classing data will be compared to the AMS data once received.

If the classing data does **not** match, CMA's and LSA's will:

- receive a COPS error code
- be required to immediately repay the benefit at principal plus interest by submitting a:
 - "T" transaction if the bale has **not** been redeemed
 - "U" transaction if the bale has been redeemed

Note: Classing on the "T" and "U" transactions must match classing on the loan advance and prior redemption, if applicable. If a "U" transaction is required, notify Debbie Goldberg at 816-926-2621 of your intent to submit a second transaction.

- be permitted to resubmit the transaction as a **new** loan or LDP request.

Note: If a "U" transaction is required, Kansas City must be notified before a second transaction is submitted.

If the AMS classing data is received before the ACRS transaction, and the data does **not** match:

- ACRS will **reject** the transaction
- CMA's and LSA's will be permitted to **resubmit** the transaction with the correct classing data.

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4 Classing Requirements for CMA's and LSA's (Continued)

A Processing Transactions for Crop Year 2004 (Continued)

Benefits for resubmitted or rejected transactions will be calculated using AWP that is in effect on the date of **resubmission**. If CMA's or LSA producers are adversely affected by the resubmission action, CMA's and LSA's may:

- request a waiver to this policy on a case-by-case basis
- submit a written request for CCC to honor AWP in effect on the date of the original submission by e-mail to Chris Kyer at **Chris.Kyer@wdc.usda.gov**

B Changes to Record Layout for Crop Year 2005

Beginning with the **2005** crop year, CMA's and LSA's will no longer be required to submit classing data with loan and LDP ACRS transactions.

ACRS will be modified as follows.

- ACRS will access bale and classing data directly from COPS.
- If the classing data is **not** available, the transaction will be rejected with an error code.

21-CN will be amended to incorporate these changes before the 2005 crop year.