

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

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

Amendment 39

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reason for Amendment

Subparagraphs 172 A, 227 B, 238 D, 242 B, and 243 B have been amended to remove mention of location adjustments.

Subparagraphs 261 F and G have been added for consistency with provisions of 8-LP about LDP applications using CCC-633 EZ and multi-county producers.

Exhibits 5 through 11 have been amended to reflect 2008 crop loan differentials and adjustments.

Exhibit 15 has been withdrawn to remove upland cotton warehouse rates by location.

Page Control Chart		
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Exhibits

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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.

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.

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	<p>If quantity will be determined by weight, leave blank.</p> <p>If quantity is determined by measurement, enter the appropriate data. If stored as group modules, enter the data for the average size module.</p>
21	<p>If quantity is determined by:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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.

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: <ul style="list-style-type: none"> • 90 percent, if the cotton was measured • 95 percent, if the cotton was weighed. <p>Note: COC may reduce this entry on an individual producer or loan basis if necessary to protect CCC's interest.</p>
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. <p>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.</p> <p>Note: Obtain spouse's signature if required by State law.</p>
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.

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: <ul style="list-style-type: none"> • "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: <ul style="list-style-type: none"> • 90 percent, if the cotton was measured • 95 percent, if the cotton was weighed. <p>Note: COC may reduce this entry on an individual producer or loan basis if necessary to protect CCC's interest.</p>
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. <p>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.</p> <p>Note: Obtain spouse's signature if required by State law.</p>

261 Eligibility (Continued)

D Minimum Quality Requirements (7 CFR 1427.25(h))

To be eligible for LDP, 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.

This requirement is consistent with the calculation of loan gain. CCC policy is that the gain from repaying MAL shall not exceed the loan value of the commodity. Thus, if the loan value of cotton is zero, the loan gain or LDP for such cotton is also zero.

Note: CCC does **not** provide loans for cotton having a computed loan value of zero or less.

E Eligibility of Destroyed Cotton

LDP's:

- are **not** available for cotton that was lost or destroyed before ginning

Note: For an LDP to be calculated, even if a request has been submitted, the weight and classification of the cotton must have been determined. Therefore, LDP's are not provided for unginning seed cotton even if intention to obtain an LDP had been:

- indicated by submission of CCC-633 EZ, page 1
 - requested based on a module-lock-in using CCC-633 EZ, page 1.
- are available for cotton that was lost or destroyed **after** ginning, if classification information is available for lost or destroyed cotton and CCC-633 EZ, page 1 had been executed on the ginned cotton bales before the loss or destruction occurred.

261 Eligibility (Continued)***--F Submitting CCC-633 EZ's**

While CCC-633 EZ, page 1 can be submitted to any County Office in which the producer has an interest, CCC-633 EZ, pages 2, 3, or 4 **must** be requested at the County Office where the farm records are kept for the farm on which the commodity was produced. Requests **must** be submitted:

- in person
- by mail
- by FAX
- through eForms.

Following submission and approval of CCC-633 EZ, page 1, eLDP requests can be submitted by eligible producers who have:

- a customer profile
- level 2 eAuthentication account access.

G Multi-County Producers

If the producer farms in more than 1 county, the County Office first contacted shall:

- accept the LDP request on page 2, 3, or 4
- contact the other County Offices when either of the following applies:
 - the request covers eligible production from more than 1 farm and the farm program records are kept in more than 1 County Office
 - LDP's were received from more than 1 County Office
- FAX LDP requests to the applicable administrative County Office for completion.

If a single CCC-633 EZ, page 2, 3, or 4 includes production from multiple farms that are located in a different county, the County Office that accepts the LDP request **must** indicate in item 87 that "multiple LDP's will be issued to cover the requested quantity according to this LDP request".

Note: The applicable administrative County Office must:

- verify the COC-established maximum yield for the eligible production in the applicable county
- document in item 87 where the verification of information was obtained.--*

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.) and additional discounts may also apply.

The discount for leaf 8 for all color grades is .4000.

--For 2008 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 2008 crop upland cotton classed as "White". Coarse count applies to shaded selections.

Grade Code	Leaf	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
		(26-29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37 & Longer)
SM 11 & 21 BETTER	1-2	-215	-160	-150	-140	10	230	450	545	555
	3	-265	-175	-165	-155	5	200	405	485	495
	4	-325	-250	-210	-190	-85	100	260	355	365
	5	-420	-350	-340	-330	-220	-45	135	190	205
	6	-635	-535	-485	-465	-395	-315	-240	-225	-215
	7	-710	-620	-605	-595	-540	-455	-400	-380	-370
MID 31	1-2	-265	-190	-170	-155	-15	185	385	470	480
	3	-315	-235	-180	-165	-25	165	370	430	440
	4	-390	-320	-235	-220	-125	70	220	290	300
	5	-475	-400	-370	-350	-245	-110	90	145	160
	6	-680	-580	-500	-485	-405	-335	-275	-255	-245
	7	-755	-675	-630	-615	-550	-460	-425	-400	-390
SLM 41	1-2	-415	-365	-300	-275	-130	50	145	195	195
	3	-415	-365	-300	-275	-130	50	145	195	195
	4	-490	-415	-320	-295	-195	Base	100	150	155
	5	-520	-470	-445	-420	-290	-205	-105	-65	-60
	6	-715	-620	-565	-540	-470	-405	-370	-355	-355
	7	-790	-740	-710	-685	-630	-575	-545	-535	-535
LM 51	1-2	-570	-535	-510	-495	-320	-270	-195	-180	-180
	3	-570	-535	-510	-495	-320	-270	-195	-180	-180
	4	-570	-535	-510	-495	-320	-270	-195	-180	-180
	5	-605	-590	-575	-560	-470	-375	-310	-290	-290
	6	-810	-735	-710	-680	-605	-545	-510	-495	-495
	7	-885	-835	-810	-785	-750	-700	-665	-655	-655
SGO 61	1-2	-640	-635	-630	-620	-545	-480	-445	-445	-445
	3	-640	-635	-630	-620	-545	-480	-445	-445	-445
	4	-640	-635	-630	-620	-545	-480	-445	-445	-445
	5	-640	-635	-630	-620	-545	-480	-445	-445	-445
	6	-835	-795	-775	-760	-705	-660	-645	-625	-625
	7	-910	-900	-890	-880	-810	-750	-730	-720	-720
GO 71	1-2	-995	-990	-985	-980	-920	-825	-790	-790	-790
	3	-995	-990	-985	-980	-920	-825	-790	-790	-790
	4	-995	-990	-985	-980	-920	-825	-790	-790	-790
	5	-995	-990	-985	-980	-920	-825	-790	-790	-790
	6	-995	-990	-985	-980	-920	-825	-790	-790	-790
	7	-1035	-1030	-1025	-1020	-955	-860	-840	-830	-830
BG 81	1-8	-4000	-4000	-4000	-4000	-4000	-4000	-4000	-4000	-4000

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**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 2008 crop upland cotton classed as “Light Spotted”.
Coarse count applies to shaded selections.

Grade	Code	Leaf	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
			(26-29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	37 & Longer
SM	12 & 22 BETTER	1-2	-315	-260	-215	-195	-45	75	205	275	285
		3	-370	-300	-235	-220	-60	60	185	245	255
		4	-405	-335	-290	-280	-155	-25	120	185	195
		5	-495	-445	-430	-420	-340	-210	-135	-95	-90
		6	-695	-620	-545	-530	-480	-410	-365	-360	-355
		7	-775	-700	-645	-635	-625	-570	-535	-525	-520
MID	32	1-2	-355	-305	-290	-280	-135	-30	50	105	105
		3	-405	-350	-310	-300	-150	-50	25	95	100
		4	-490	-420	-380	-360	-225	-130	-40	15	15
		5	-545	-515	-505	-495	-400	-300	-250	-220	-220
		6	-740	-690	-605	-595	-555	-485	-460	-445	-445
		7	-870	-795	-720	-710	-665	-645	-615	-610	-610
SLM	42	1-2	-465	-410	-390	-365	-265	-185	-105	-45	-45
		3	-465	-410	-390	-365	-265	-185	-105	-45	-45
		4	-530	-470	-460	-420	-290	-220	-150	-100	-100
		5	-600	-580	-570	-560	-450	-385	-330	-315	-315
		6	-845	-795	-725	-690	-620	-535	-495	-485	-485
		7	-925	-875	-840	-830	-755	-690	-660	-655	-655
LM	52	1-2	-660	-605	-560	-550	-435	-410	-375	-365	-365
		3	-660	-605	-560	-550	-435	-410	-375	-365	-365
		4	-660	-605	-560	-550	-435	-410	-375	-365	-365
		5	-735	-680	-660	-625	-555	-510	-475	-475	-475
		6	-960	-905	-860	-805	-750	-670	-645	-645	-645
		7	-1035	-985	-960	-895	-860	-795	-775	-775	-775
SGO	62	1-2	-810	-780	-770	-760	-715	-630	-610	-610	-610
		3	-810	-780	-770	-760	-715	-630	-610	-610	-610
		4	-810	-780	-770	-760	-715	-630	-610	-610	-610
		5	-810	-780	-770	-760	-715	-630	-610	-610	-610
		6	-985	-975	-965	-955	-900	-815	-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

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**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 2008 crop upland cotton classed as "Spotted".
Coarse count applies to shaded selections.

Grade	Code	Leaf	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
			26-29	30	31	32	33	34	35	36	37 & Longer
SM	13 & 23 BETTER	1-2	-465	-365	-315	-240	-190	-130	-100	-90	-90
		3	-465	-410	-340	-265	-215	-155	-125	-115	-115
		4	-540	-440	-415	-340	-280	-205	-175	-165	-165
		5	-665	-565	-540	-450	-395	-330	-300	-290	-290
		6	-765	-690	-590	-535	-495	-420	-380	-370	-370
		7	-840	-765	-665	-650	-630	-575	-540	-530	-530
MID	33	1-2	-560	-485	-425	-335	-265	-215	-205	-195	-195
		3	-560	-485	-425	-335	-265	-215	-205	-195	-195
		4	-610	-560	-485	-390	-330	-265	-255	-245	-245
		5	-710	-660	-610	-520	-450	-415	-390	-380	-380
		6	-835	-785	-695	-605	-545	-510	-505	-500	-500
		7	-920	-860	-785	-720	-670	-650	-620	-615	-615
SLM	43	1-2	-610	-580	-570	-560	-440	-395	-360	-340	-340
		3	-610	-580	-570	-560	-440	-395	-360	-340	-340
		4	-660	-640	-620	-610	-490	-435	-390	-370	-370
		5	-735	-705	-695	-685	-610	-600	-550	-550	-550
		6	-885	-835	-810	-795	-740	-730	-715	-710	-710
		7	-985	-940	-925	-915	-850	-840	-835	-830	-830
LM	53	1-2	-820	-785	-765	-750	-665	-570	-545	-545	-545
		3	-820	-785	-765	-750	-665	-570	-545	-545	-545
		4	-820	-785	-765	-750	-665	-570	-545	-545	-545
		5	-895	-845	-815	-800	-760	-660	-640	-635	-635
		6	-995	-985	-970	-955	-880	-790	-775	-775	-775
		7	-1070	-1050	-1035	-1020	-990	-880	-870	-870	-870
SGO	63	1-2	-1040	-995	-980	-970	-910	-815	-785	-780	-780
		3	-1040	-995	-980	-970	-910	-815	-785	-780	-780
		4	-1040	-995	-980	-970	-910	-815	-785	-780	-780
		5	-1040	-995	-980	-970	-910	-815	-785	-780	-780
		6	-1120	-1110	-1100	-1090	-1010	-915	-885	-885	-885
BG	83	1-8	-4000	-4000	-4000	-4000	-4000	-4000	-4000	-4000	

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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 2008 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 (37 & Longer)
			(26-29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	
SM	24	1-2	-670	-570	-520	-450	-400	-325	-325	-325	-325
		3	-670	-570	-520	-450	-400	-325	-325	-325	-325
		4	-795	-695	-645	-575	-500	-425	-425	-425	-425
		5	-895	-795	-745	-675	-625	-550	-550	-550	-550
		6	-1020	-945	-895	-825	-775	-700	-700	-700	-700
MID	34	1-2	-685	-585	-535	-465	-415	-340	-340	-340	-340
		3	-685	-585	-535	-465	-415	-340	-340	-340	-340
		4	-810	-710	-660	-590	-515	-440	-440	-440	-440
		5	-910	-810	-760	-690	-640	-565	-565	-565	-565
		6	-1035	-960	-910	-840	-790	-715	-715	-715	-715
SLM	44	1-2	-800	-700	-650	-580	-530	-455	-455	-455	-455
		3	-800	-700	-650	-580	-530	-455	-455	-455	-455
		4	-870	-775	-720	-650	-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	1-2	-900	-825	-775	-705	-655	-580	-580	-580	-580
		3	-900	-825	-775	-705	-655	-580	-580	-580	-580
		4	-900	-825	-775	-705	-655	-580	-580	-580	-580
		5	-995	-895	-850	-780	-705	-630	-630	-630	-630
		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

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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.

Grade	Code	Leaf	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
			(26-29)	(30)	(31)	(32)	(33)	34	35	36	37 & Longer
25		1 & 2	-870	-770	-720	-650	-600	-525	-525	-525	-525
		3	-870	-770	-720	-650	-600	-525	-525	-525	-525
		4	-995	-895	-845	-775	-700	-625	-625	-625	-625
		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
35		1 & 2	-885	-785	-735	-665	-615	-540	-540	-540	-540
		3	-885	-785	-735	-665	-615	-540	-540	-540	-540
		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

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Schedule of Discounts for Extraneous Matter in Upland Cotton

*--The following discounts for extraneous matter apply to 2008 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)	-695--*
Bark		
Kansas, New Mexico, Oklahoma, Texas		
Level 1	(11)	-225
Level 2	(12)	-450
All other States		
Level 1	(11)	-370
Level 2	(12)	*-- -725
Grass		
Level 1	(21)	-370
Level 2	(22)	-725
Seed Coat Fragments		
Level 1	(31)	-370
Level 2	(32)	-725
Oil		
Level 1	(41)	-370
Level 2	(42)	-725
Spindle Twist		
Level 1	(51)	-370
Level 2	(52)	-725
Other		
Level 1	(61)	-370
Level 2	(62)	-725--*

Schedule of Premiums and Discounts for Uniformity in Upland Cotton

*--The following premiums and discounts for uniformity apply to 2008 crop upland cotton in all States. Uniformity is expressed as a percent and no other code is used.

Uniformity (Percent)	Points
77.4 & Below	-95
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 2008 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 2008 crop upland cotton.

Micronaire Reading	Discounts and Premiums (Points per Pound)
2.4 and below	-960
2.5 through 2.6	-925
2.7 through 2.9	-695
3.0 through 3.2	-405
3.3 through 3.4	-245
3.5 through 3.6	0
3.7 through 4.2	+15
4.3 through 4.9	0
5.0 through 5.2	-185
5.3 and above	-325

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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 2008 crop ELS cotton stored in approved warehouses at all locations. ELS cotton with a staple length of less than 44/32 is ineligible for loan. For 2008 crop ELS cotton, the national average loan rate is \$0.7977 per pound.

Color	Leaf	Staple Length (Inches)		
		1-3/8 Inches (44/32)	1-7/16 Inches (46/32)	1-1/2 Inches (48/32) and Longer
1	1-2	78.55	83.05	83.30
	3	75.10	79.60	79.85
	4	74.95	79.45	79.70
	5	74.85	79.35	79.60
	6	74.75	79.25	79.50
	7	74.75	79.25	79.50
2	1-2	77.55	82.25	82.85
	3	74.10	78.80	79.40
	4	73.95	78.65	79.25
	5	73.85	78.55	79.15
	6	73.75	78.45	79.05
	7	73.75	78.45	79.05
3	1-2	70.95	75.00	75.85
	3	67.50	71.55	72.40
	4	67.35	71.40	72.25
	5	67.25	71.30	72.15
	6	67.15	71.20	72.05
	7	67.15	71.20	72.05
4	1-4	59.35	63.85	63.85
	5	55.65	60.15	60.15
	6	55.55	60.05	60.05
	7	55.55	60.05	60.05

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Schedule of Loan Rates for ELS Cotton (American-Pima) by Color, Leaf, and Staple (Continued)

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
5	1-5	*--50.95	52.00	52.00
	6	47.15	48.20	48.20
	7	47.15	48.20	48.20
6	1-6	41.75	41.95	41.95
	7	37.95	38.15	38.15
7	1-7	37.00	37.00	37.00

Notes: The combined premiums for micronaire (26 points) and strength (0.72 points), that total 98 points or .98 cents per pound, are reflected in the loan rates for eligible qualities of ELS. The adjusted NALR reflected in this schedule is 80.75 cents per pound.

All grades of ELS cotton are subject to loan adjustments for micronaire, extraneous matter, and strength as shown in Exhibit 11. For 2008 crop ELS cotton, the loan rate cannot be--* adjusted below zero. CCC does not provide a loan on a bale unless the computed loan rate is greater than zero.

Schedules of Discounts for ELS Cotton

A ELS Micronaire Discounts

*--The following are the micronaire discounts for 2008 crop ELS cotton.

Micronaire Reading	Points per Pound
2.6 and below	-1355
2.7 through 2.9	-940
3.0 through 3.2	-545
3.3 through 3.4	-380--*
3.5 and above	0

B ELS Extraneous Matter Discounts

--The following are the extraneous matter discounts for 2008 crop ELS cotton.--

Description of Code	Code and Discounts (Points per Pound)	
	Code	Discount
No Extraneous Matter	(00)	0
Preparation		
Level 1	(01)	*-- -590
Level 2	(02)	-895
Grass		
Level 1	(21)	-500
Level 2	(22)	-825
Spindle Twist		
Level 1	(51)	-500
Level 2	(52)	-825
Bark, seed-coat fragments, Oil, Other		
Level 1	(11), (31), (41), (61)	-500
Level 2	(12), (32), (42), (62)	-825--*

Schedules of Discounts for ELS Cotton (Continued)

C ELS Strength Discounts

*--The following are the strength discounts for 2008 crop ELS cotton.

Strength Reading (Grams per Tex)	Points per Pound
37.5 and above	0
36.5 – 37.4	-505
35.5 – 36.4	-755
35.4 and below	-1005

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