

Fact Sheet October 2006

2005 Cottonseed Payment Program

Overview

Launched in October 2006, USDA's Farm Service Agency (FSA) 2005 Cottonseed Payment Program (CPP) provides up to \$15 million for assistance to producers and first-handlers of the 2005 cottonseed crop in counties declared natural disaster areas by President George W. Bush as a result of damage from 2005 hurricanes Katrina, Ophelia, Rita and Wilma. Counties contiguous to those named by the president are also eligible for CCP assistance.

The Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery of 2006 authorizes the program. FSA administers 2005 CPP payments on behalf of USDA's Commodity Credit Corporation (CCC).

Payment Rate

CCC will calculate the payment rate by dividing the total available program funds by the total eligible payment quantity of cottonseed. Eligible applicants may not receive more than the national average price of 2005-crop cottonseed as determined by CCC, or \$98 per ton, multiplied by the applicant's total eligible payment quantity (tonbasis).

These payments will be base-distributed using 2003 cottonseed production data.

Eligibility Requirements

To be eligible, applicants must be producers or first-handlers of 2005-crop cottonseed. Cottonseed refers to any variety of upland cottonseed and extra long staple (ELS) cottonseed produced and ginned in the United States.

Eligible cotton must have been grown in counties designated a disaster area resulting from the 2005 hurricanes Katrina, Ophelia, Rita, Wilma, or a related condition, and counties contiguous thereto, meaning counties directly adjoining primary disaster counties. All eligible counties are listed at the end of this fact sheet.

An eligible applicant must be a firsthandler of cottonseed or a gin that has an eligible payment quantity (see Applicant Payment Quantity). If the 2005 gin is no longer in business and cannot apply for payment and distribute funds on behalf of producers, the producer's current gin becomes the applicant.

Signatories to the application or those receiving payment must share any payment with the cotton producer equal to the amount of 2005-crop cottonseed lost by the producer.

Eligible Cottonseed

To be eligible for payments, cottonseed must:

- Have been produced from cotton grown in a hurricane-affected county during the 2005-crop production period;
- Have been the result of ginning 2005-crop cotton by the applicant; and
- Not have been destroyed or damaged at the gin by fire, flood or other events such that its loss or damage was compensated by other local, state or federal government or private or public insurance or disaster relief payments.

Total Payment Quantity

The total quantity of 2005-crop cottonseed eligible will be based on the total payment quantity of cottonseed for which applications are filed.

The total payment quantity of cottonseed (ton-basis) will be: (1) the average weight of cotton lint (ton-basis) for which payment is requested by all applicants; (2) multiplied by the Olympic average of estimated pounds of cottonseed per pound of ginned cotton lint, as determined by CCC for the five years preceding the 2005 crop.

Applicant Payment Quantity

The applicant's payment quantity of cottonseed will be calculated by the applicant and submitted on the Cottonseed Payment Application and Certification form for approval by CCC. The application will be evaluated using the following criteria:

- An applicant must be an eligible gin to which a producer delivered 2005 cotton. The applicant's payment eligibility will be based on the total amount of 2003 crop lint deliveries by cotton producers in eligible counties.
- The 2003 crop lint delivery determination will be made by the applicant for each eligible county producer-by-producer, based on producer certification, ginning records or other relevant information as applicable. If the producer delivered 2003crop cotton to a gin(s) different from the gin that received 2005crop deliveries, the 2005 gin must contact the 2003 gin(s) for production information or obtain other proof of the eligible quantity from the cotton producer so as to calculate or verify the claim.
- If the producer delivered cotton to more than one 2005 gin, each gin will be an applicant. If the producer did not deliver cotton to the same gins in 2003, the applicants will divide the total 2003 production equally between each applicant gin.
- If the producer did not grow any 2005-crop cotton in an eligible county, the applicant will not apply for payment to the producer.

If the producer grew 2005-crop cotton but did not produce 2003-crop cotton, the producer will be considered a new producer. In this case the applicant will calculate an assumed 2003 lint delivery amount by: (1) multiplying the 2003 USDA **National Agricultural Statistics** Service (NASS) county average yield for the applicable county by; (2) the producer's 2005 cotton acreage in the eligible county. Proof of cotton acreage may be obtained by the applicant from FSA producer-certified county office acreage reports or crop insurance records. If the NASS county average yield is not computed for the applicable county, the applicant must use the NASS county average yield for the nearest cotton producing county with the highest NASS county average yield.

The applicant's lint eligibility will be calculated individually for all eligible producers. A gin's eligibilities will then be added together to determine the total lint amount.

Enrollment

CPP enrollment began Oct. 31, 2006. The sign-up deadline for CPP is Dec. 29, 2006, received by 11:59 p.m. Applications are available at local FSA offices and online at: http://www.sc.egov.usda.gov.

To participate, cotton gins must complete an application form including: (1) applicant name, address, phone and contact person; (2) bank account information for payees electing to have payments

made by EFT direct deposit; (3) the gin 5-digit identification code; and (4) the weight (in pounds) of cotton lint for which payment is requested. FSA must receive the application within the announced application period.

Applications must be filed by overnight mail or facsimile with FSA's Price Support Division in Washington, D.C. The address is:

USDA/FSA/PSD Attention: Chris Kyer 1400 Independence Ave., S.W. Stop 0512 - Room 4089 Washington, D.C. 20250-0512

The fax number is (202) 690-1536.

For more information contact Mr. Chris Kyer by phone at (202) 720-7935 or by e-mail at chris. kyer@wdc.usda.gov.

For More Information

For more information about FSA and its programs, visit your local USDA Service Center or online at: http://www.fsa.usda.gov.

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2005 Cottonseed Payment Program Eligible Counties

October 2006

County	State	Status Code	Status
Poldwin	Alahama	1	PRIMARY
Baldwin Bibb	Alabama Alabama	1	PRIMARY
Blount	Alabama	2	contiguous
Butler	Alabama	2	contiguous
Chilton	Alabama	2	contiguous
Choctaw	Alabama	1	PRIMARY
Clarke	Alabama	1	PRIMARY
Colbert	Alabama	1	PRIMARY
Conecuh	Alabama	2	contiguous
Covington	Alabama	2	contiguous
Cullman	Alabama	1	PRIMARY
Dallas	Alabama	2	contiguous
Escambia	Alabama	2	contiguous
Fayette	Alabama	2	contiguous
Franklin	Alabama	2	contiguous
Geneva	Alabama	2	contiguous
Greene	Alabama	1	PRIMARY
Hale	Alabama	1	PRIMARY
Jefferson	Alabama	1	PRIMARY
Lamar	Alabama	1	PRIMARY
Lauderdale	Alabama	1	PRIMARY
Lawrence	Alabama	2	contiguous
Limestone	Alabama	2	contiguous
Lowndes	Alabama	2	contiguous
Marengo	Alabama	1	PRIMARY
Marion	Alabama	1	PRIMARY
Marshall	Alabama	2	contiguous
Mobile	Alabama	1	PRIMARY
Monroe	Alabama	1	PRIMARY
Morgan	Alabama	2	contiguous
Perry	Alabama	1	PRIMARY
Pickens	Alabama	1	PRIMARY
St. Clair	Alabama	2	contiguous
Shelby	Alabama	2	contiguous
Sumter	Alabama	1	PRIMARY
Tuscaloosa	Alabama	1	PRIMARY
Walker	Alabama	2	contiguous
Washington	Alabama	1	PRIMARY

Wilcox	Alabama	1	PRIMARY
Winston	Alabama	1	PRIMARY
Ashley	Arkansas	2	contiguous
Chicot	Arkansas	2	contiguous
Columbia	Arkansas	2	contiguous
Crittenden	Arkansas	2	contiguous
Desha	Arkansas	2	contiguous
Lafayette	Arkansas	2	contiguous
Lee	Arkansas	2	contiguous
Miller	Arkansas	2	contiguous
Phillips	Arkansas	2	contiguous
St. Francis	Arkansas	2	contiguous
Union	Arkansas	2	contiguous
Bay	Florida	1	PRIMARY
Brevard	Florida	1	PRIMARY
Broward	Florida	1	PRIMARY
Calhoun	Florida	2	contiguous
Charlotte	Florida	1	PRIMARY
Collier	Florida	1	PRIMARY
De Soto	Florida	2	contiguous
Escambia	Florida	1	PRIMARY
Franklin	Florida	1	PRIMARY
Glades	Florida	1	PRIMARY
Gulf	Florida	1	PRIMARY
Hardee	Florida	1	PRIMARY
Hendry	Florida	1	PRIMARY
Highlands	Florida	1	PRIMARY
Hillsborough	Florida	2	contiguous
Holmes	Florida	2	contiguous
Indian River	Florida	1	PRIMARY
Jackson	Florida	2	contiguous
Lee	Florida	1	PRIMARY
Liberty	Florida	2	contiguous
Manatee	Florida	2	
Martin	Florida	1	PRIMARY
Miami-Dade	Florida	1	PRIMARY
Monroe	Florida	1	PRIMARY
Okaloosa	Florida	1	PRIMARY
Okeechobee	Florida	1	PRIMARY
Orange	Florida	2	contiguous
Osceola	Florida	2	contiguous
Palm Beach	Florida	1	PRIMARY
Polk	Florida	2	contiguous
St. Lucie	Florida	1	PRIMARY
Santa Rosa	Florida	1	PRIMARY
Sarasota	Florida	1	PRIMARY
Volusia	Florida	2	contiguous
Wakulla	Florida	2	contiguous
Walton	Florida	1	PRIMARY
Washington	Florida	2	contiguous
Acadia	Louisiana	1	PRIMARY
Allen	Louisiana	1	PRIMARY
Ascension	Louisiana	1	PRIMARY
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Assumption	Louisiana	1	PRIMARY
Avoyelles	Louisiana	1	PRIMARY
Beauregard	Louisiana	1	PRIMARY
Bienville	Louisiana	1	PRIMARY
Bossier	Louisiana	1	PRIMARY
Caddo	Louisiana	1	PRIMARY
Calcasieu	Louisiana	1	PRIMARY
Caldwell	Louisiana	1	PRIMARY
Cameron	Louisiana	1	PRIMARY
Catahoula	Louisiana	1	PRIMARY
Claiborne	Louisiana	1	PRIMARY
Concordia	Louisiana	1	PRIMARY
De Soto	Louisiana	1	PRIMARY
East Baton Rouge	Louisiana	1	PRIMARY
East Carroll	Louisiana	1	PRIMARY
East Feliciana	Louisiana	1	PRIMARY
	Louisiana	1	PRIMARY
Evangeline	Louisiana	-	
Franklin		1	PRIMARY
Grant	Louisiana	1	PRIMARY
Iberia	Louisiana	1	PRIMARY
Iberville	Louisiana	1	PRIMARY
Jackson	Louisiana	1	PRIMARY
<u>Jefferson</u>	Louisiana	1	PRIMARY
Jefferson Davis	Louisiana	1	PRIMARY
Lafayette	Louisiana	1	PRIMARY
Lafourche	Louisiana	1	PRIMARY
La Salle	Louisiana	1	PRIMARY
Lincoln	Louisiana	1	PRIMARY
Livingston	Louisiana	1	PRIMARY
Madison	Louisiana	1	PRIMARY
Morehouse	Louisiana	1	PRIMARY
Natchitoches	Louisiana	1	PRIMARY
Orleans	Louisiana	1	PRIMARY
Ouachita	Louisiana	1	PRIMARY
Plaquemines	Louisiana	1	PRIMARY
Pointe Coupee	Louisiana	1	PRIMARY
Rapides	Louisiana	1	PRIMARY
Red River	Louisiana	1	PRIMARY
Richland	Louisiana	1	PRIMARY
Sabine	Louisiana	1	PRIMARY
St. Bernard	Louisiana	1	PRIMARY
St. Charles	Louisiana	1	PRIMARY
St. Helena	Louisiana	1	PRIMARY
St. James	Louisiana	1	PRIMARY
St. John the Baptist	Louisiana	1	PRIMARY
St. Landry	Louisiana	1	PRIMARY
St. Martin	Louisiana	1	PRIMARY
St. Mary	Louisiana	1	PRIMARY
St. Tammany	Louisiana	1	PRIMARY
Tangipahoa	Louisiana	1	PRIMARY
Tensas	Louisiana	1	PRIMARY
Terrebonne	Louisiana	1	PRIMARY
Union	Louisiana	1	PRIMARY
Gillon	Louisialia		I IVIIVIAN I

Vermilion	Louisiana	1	PRIMARY
Vernon	Louisiana	1	PRIMARY
Washington	Louisiana	1	PRIMARY
Webster	Louisiana	1	PRIMARY
West Baton Rouge	Louisiana	1	PRIMARY
West Carroll	Louisiana	1	PRIMARY
West Feliciana	Louisiana	1	PRIMARY
Winn	Louisiana	1	PRIMARY
Adams	Mississippi	1	PRIMARY
Alcorn	Mississippi	1	PRIMARY
Amite	Mississippi	1	PRIMARY
Attala	Mississippi	1	PRIMARY
Benton	Mississippi	1	PRIMARY
Bolivar	Mississippi	1	PRIMARY
Calhoun	Mississippi	1	PRIMARY
Carroll	Mississippi	1	PRIMARY
Chickasaw	Mississippi	1	PRIMARY
Choctaw	Mississippi	1	PRIMARY
Claiborne	Mississippi	1	PRIMARY
Clarke	Mississippi	1	PRIMARY
Clay	Mississippi	1	PRIMARY
Coahoma	Mississippi	1	PRIMARY
Copiah	Mississippi	1	PRIMARY
Covington	Mississippi	1	PRIMARY
De Soto	Mississippi	1	PRIMARY
Forrest	Mississippi	1	PRIMARY
Franklin		1	PRIMARY
	Mississippi	-	PRIMARY
George	Mississippi	1	
Greene Grenada	Mississippi	1	PRIMARY
Hancock	Mississippi		PRIMARY PRIMARY
Harrison	Mississippi Mississippi	1	PRIMARY
Hinds		1	PRIMARY
Holmes	Mississippi Mississippi		PRIMARY
	Mississippi	1	PRIMARY
Humphreys	Mississippi	1	PRIMARY
Issaquena Itawamba		1	PRIMARY
	Mississippi	1	PRIMARY
Jackson	Mississippi Mississippi	1	PRIMARY
Jasper Jefferson		1	PRIMARY
Jefferson Davis	Mississippi Mississippi	1	PRIMARY
Jones	Mississippi	1	PRIMARY
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Kemper	Mississippi	1	PRIMARY
Lafayette	Mississippi	1	PRIMARY
Lamar	Mississippi		PRIMARY
Lauderdale	Mississippi	1	PRIMARY
Lawrence	Mississippi	1	PRIMARY
Leake	Mississippi		PRIMARY
Lee	Mississippi	1	PRIMARY
Lincoln	Mississippi	1	PRIMARY
Lincoln	Mississippi	1	PRIMARY
Lowndes	Mississippi	1	PRIMARY
Madison	Mississippi	1	PRIMARY

Marion	Mississippi	1	PRIMARY
Marshall	Mississippi	1	PRIMARY
Monroe	Mississippi	1	PRIMARY
Montgomery	Mississippi	1	PRIMARY
Neshoba	Mississippi	1	PRIMARY
Newton	Mississippi	1	PRIMARY
Noxubee	Mississippi	1	PRIMARY
Oktibbeha	Mississippi	1	PRIMARY
Panola	Mississippi	1	PRIMARY
Pearl River	Mississippi	1	PRIMARY
Perry	Mississippi	1	PRIMARY
Pike	Mississippi	1	PRIMARY
Pontotoc	Mississippi	1	PRIMARY
Prentiss	Mississippi	1	PRIMARY
Quitman	Mississippi	1	PRIMARY
Rankin	Mississippi	1	PRIMARY
Scott		1	PRIMARY
Sharkey	Mississippi	1	PRIMARY
	Mississippi		
Simpson	Mississippi	1	PRIMARY
Smith	Mississippi	1	PRIMARY
Stone	Mississippi	1	PRIMARY
Sunflower	Mississippi	1	PRIMARY
Tallahatchie	Mississippi	1	PRIMARY
Tate	Mississippi	1	PRIMARY
Tippah	Mississippi	1	PRIMARY
Tishomingo	Mississippi	1	PRIMARY
Tunica	Mississippi	1	PRIMARY
Union	Mississippi	1	PRIMARY
Walthall	Mississippi	1	PRIMARY
Warren	Mississippi	1	PRIMARY
Washington	Mississippi	1	PRIMARY
Wayne	Mississippi	1	PRIMARY
Webster	Mississippi	1	PRIMARY
Wilkinson	Mississippi	1	PRIMARY
Winston	Mississippi	1	PRIMARY
Yalobusha	Mississippi	1	PRIMARY
Yazoo	Mississippi	1	PRIMARY
Beaufort	North Carolina	2	contiguous
Bladen	North Carolina	2	contiguous
Brunswick	North Carolina	1	PRIMARY
Carteret	North Carolina	1	PRIMARY
Columbus	North Carolina	2	contiguous
Craven	North Carolina	1	PRIMARY
Currituck	North Carolina	2	contiguous
Dare	North Carolina	1	PRIMARY
Duplin	North Carolina	2	contiguous
Hyde	North Carolina	1	PRIMARY
Jones	North Carolina	1	PRIMARY
Lenoir	North Carolina	2	contiguous
New Hanover	North Carolina	1	PRIMARY
Onslow	North Carolina	1	PRIMARY
Pamlico	North Carolina	1	PRIMARY
Pender	North Carolina	1	PRIMARY

Pitt	North Carolina	2	contiguous
Sampson	North Carolina	2	contiguous
Tyrrell	North Carolina	2	contiguous
Washington	North Carolina	2	contiguous
Horry	South Carolina	2	contiguous
Fayette	Tennessee	2	contiguous
Giles	Tennessee	2	contiguous
Hardeman	Tennessee	2	
Hardin		2	contiguous
	Tennessee	2	contiguous
Lawrence	Tennessee	2	contiguous
McNairy	Tennessee	2	contiguous
Shelby	Tennessee	2	contiguous
Wayne	Tennessee		contiguous
Anderson	Texas	2	contiguous
Angelina	Texas	1	PRIMARY
Austin	Texas	2	contiguous
Brazoria	Texas	1	PRIMARY
Cass	Texas	2	contiguous
Chambers	Texas	1	PRIMARY
Cherokee	Texas	1	PRIMARY
Fort Bend	Texas	1	PRIMARY
Galveston	Texas	1	PRIMARY
Gregg	Texas	1	PRIMARY
Grimes	Texas	2	contiguous
Hardin	Texas	1	PRIMARY
Harris	Texas	1	PRIMARY
Harrison	Texas	1	PRIMARY
Henderson	Texas	2	contiguous
Houston	Texas	1	PRIMARY
Jasper	Texas	1	PRIMARY
Jefferson	Texas	1	PRIMARY
Leon	Texas	2	contiguous
Liberty	Texas	1	PRIMARY
Madison	Texas	2	contiguous
Marion	Texas	1	PRIMARY
Matagorda	Texas	2	contiguous
Montgomery	Texas	1	PRIMARY
Morris	Texas	2	contiguous
Nacogdoches	Texas	1	PRIMARY
Newton	Texas	1	PRIMARY
Orange	Texas	1	PRIMARY
Panola	Texas	1	PRIMARY
Polk	Texas	1	PRIMARY
Rusk	Texas	1	PRIMARY
Sabine	Texas	1	PRIMARY
San Augustine	Texas	1	PRIMARY
San Jacinto	Texas	1	PRIMARY
Shelby	Texas	1	PRIMARY
Smith	Texas	2	contiguous
Trinity	Texas	1	PRIMARY
Tyler	Texas	1	PRIMARY
Upshur	Texas	2	contiguous
Walker	Texas	1	PRIMARY
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Waller	Texas	2	contiguous
Wharton	Texas	2	contiguous

Total primary counties: 231 Total contiguous counties: 74 Total Counties: 305