

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

**Delayed Availability in APSS of the
Fine Count Adjustment (FCA) to the Upland Cotton AWP 2008 Crop Changes**

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The Food, Conservation, and Energy Act of 2008 (2008 Act) establishes FCA to the upland cotton AWP. This calculation adjustment will be automated so that County Offices will **not** enter any FCA value into any APSS or e-LDP transactions.

FCA will:

- become effective for loan repayment and LDP's processed on eligible bales starting October 31, 2008
- **not** be applied retroactively to any loan repayments or LDP's processed before this effective starting date.

The 2008 Act also provides for a 10 percent reduction in the maximum rates used to calculate any applicable upland cotton storage credits. This rate reduction does **not** apply to redemptions of any remaining 2007 crop loan bales. A separate CN notice will be issued when software has been revised to incorporate this rate reduction for 2008 and subsequent crops.

The calculation of the upland cotton AWP announced October 30, 2008, will include the revised calculation of transportation costs, as provided by the 2008 Act.

Disposal Date	Distribution
May 1, 2009	Cotton State Offices; State Offices relay to applicable County Offices, Cotton CMA's, and LSA's

Notice CN-1033

1 Overview (Continued)

B Purpose

This notice informs State and County Offices and cotton CMA's and LSA's that the FCA calculation will **not** be immediately incorporated in calculations processed in APSS. APSS software has yet to be modified to provide FCA for either loan repayments or LDP's.

2 Processing 2008 Crop FCA Adjustments

A Software Incorporating FCA Calculations

FCA calculations will be incorporated starting October 31, 2008, for:

- loan repayments processed using the following:
 - centralized loan redemption process
 - Automated Cotton Reporting System (ACRS)
 - Cotton Online Processing System web-based process
- LDP's processed using the following:
 - ACRS
 - cotton e-LDP process.

B APSS Delay in Incorporating FCA

APSS cotton software does **not** currently incorporate FCA calculations. A separate CN notice will advise State and County Offices when APSS has been updated to include these calculations for both loan redemptions and LDP's.

C County Office Action

County Offices shall:

- process all upland cotton LDP's starting October 31, 2008, using the e-LDP process and shall discontinue using the APSS LDP process
- inform producers or merchants who present requests for upland cotton loan redemptions or LDP's for processing in APSS at the County Office that:
 - FCA will **not** be incorporated in this transaction until further notice is provided
 - transactions processed from October 31, 2008, until the APSS software is updated will be corrected if requested

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2 Processing 2008 Crop FCA Adjustments (Continued)

C County Office Action (Continued)

- FCA adjustment will **not** be provided retroactively to transactions processed before October 31, 2008
- producers are allowed to request corrections to upland cotton loan redemptions and LDP's inadvertently processed without the FCA adjustment in APSS starting on October 31, 2008. As soon as APSS has been updated for FCA, these transactions can be corrected using normal correction processes.

D Contact

For questions or information about this notice, State Offices shall contact Gene Rosera by either of the following:

- e-mail at **gene.rosera@wdc.usda.gov**
- telephone at 202-720-8481.