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CCC-Cotton G4

(03-09-04)

U.S. DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

COTTON RECONCENTRATION AGREEMENT

NOTE: *The authority for collecting the following information is Pub. L. 107.171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the information is the Agricultural Act of 1949, as amended, the Federal Agriculture Improvement and Reform Act of 1996, the Commodity Credit Corporation Charter Act, as amended, and regulations (7 CFR Parts 1425 and 1427). The information requested is necessary in order to participate in the loan and loan deficiency payment (LDP) program. No further monies or other benefits may be paid out under this program unless this form is completed and filed as required by existing law and regulations (7 CFR Part 1427.19). This information may be furnished to other USDA agencies, IRS, Department of Justice, or State and Federal law enforcement agencies, and in response to orders of a court magistrate or administrative tribunal.
RETURN COMPLETED FORM TO THE DIRECTOR, PRICE SUPPORT DIVISION, USDA, FARM SERVICE AGENCY, STOP 0512, Room 4095-S, 1400 Independence Avenue, SW, Washington, D.C. 20250-0512.

A. Date of Agreement (MM-DD-YYYY)	B. Name of Cooperative	
C. Street Address	D. City, State, Zip Code	E. Phone Number (Area Code)

This agreement is entered into on the date indicated above by and between the Commodity Credit Corporation, Washington, DC, an agency of the United States (hereinafter called "CCC") and the authorized cooperative indicated above (hereafter referred to as the "Cooperative").

WITNESSETH:

WHEREAS, Cooperatives approved to participate in the cotton loan and LDP program on behalf of their members place cotton under loan to CCC which may be reconcentrated from one location to another.

WHEREAS, these same Cooperatives possess individual detailed bale information for bales of cotton that must be reconcentrated; and

WHEREAS, detailed bale information is necessary for the reconcentration of cotton.

NOW THEREFORE, in consideration of the premises, the parties hereto agree as follows:

1. CCC will notify the Cooperative of the scheduled number of bales of cotton to be reconcentrated, the shipping warehouse(s), and the receiving warehouse(s).
2. The Cooperative may redeem any cotton selected for reconcentration within ten (10) days after receiving a notification of reconcentration.
3. Unredeemed cotton will be reconcentrated in the following manner:
 - (a) CCC will furnish the Cooperative and shipping warehouse with a shipping order (KC-1659) which will be the authorization for reconcentration, and it will include shipping instructions for the Cooperative. The shipping order will show the number of bales to be shipped, shipping warehouse, receiving warehouse, intermediate warehouse (if applicable), carrier, freight rate, and reconcentration order (R / O) number. The R / O number will cover the complete reconcentration.

- (b) CCC will provide written authorization to the servicing agent bank to release a specified number of individual warehouse receipts to the Cooperative, to exchange block receipts with the Cooperative for new block receipts (minus a number of bale tag numbers specified by CCC), or instruct applicable EWR provider to amend EWR's to show warehouse as holder for reconcentration.
 - (c) As a condition to release or exchange warehouse receipts the Cooperative must furnish a trust receipt to cover the reconcentration and, at CCC's option may provide an irrevocable letter of credit, in the form approved by CCC, or bond. Such performance security shall be in an amount as determined by CCC, based upon the number of bales to be reconcentrated, to be sufficient to protect CCC in the event the Cooperative fails to fully discharge all of its obligations under this agreement. CCC shall reimburse the Cooperative for the cost of the letter of credit or bond.
 - (d) The Cooperative will use batch sequence numbers from completed CCC-719 as lot numbers to control the shipments. It will also prepare bale tag lists of the cotton to be transported and send them to the shipping, intermediate (if applicable), and receiving warehouses and to the cotton commercial bank.
 - (e) The Cooperative will send the new individual warehouse receipts, block receipt, or EWR numbers for EWR's that have been amended to show CCC as holder to the servicing agent bank. The Cooperative will obtain a shipping and receiving list showing the old and new warehouse receipt numbers or bale tag numbers when individual receipts are not used and bale weights from the receiving warehouse.
 - (f) The Cooperative may redeem all bales of cotton damaged to the extent that they would otherwise be ineligible to be placed under loan to CCC. The Cooperative will immediately forfeit and initiate claims action against the responsible party for all lost and unredeemed damaged bales of cotton. Any amount obtained from such claim action for a bale of cotton up to and equal to the loan value plus accumulated interest for such bale of cotton will be relinquished to CCC. Any additional amount will be retained by the Cooperative.
 - (g) The Cooperative will initiate a claims action against the responsible party for any weight loss in excess of ten (10) pounds for a bale of cotton. All amounts obtained from such claims action will be relinquished to CCC and credited to the Cooperative's account.
 - (h) The Cooperative will pay all contract charges resulting from the reconcentration. These may include, but not be limited to, receiving, loadout, storage, compression, and freight charges. Evidence of such payment shall be maintained for five years to allow a subsequent review of such action.
4. The Cooperative will obtain reimbursement for all contract charges (except administrative costs) as provided in 21-CN.
5. CCC will reimburse the Cooperative for reasonable out-of-pocket expenses incurred as a result of making payments of reconcentration charges that are above the normal day-to-day cost of doing business. Reasonable out-of-pocket expenses exclude normal expenses the Cooperative would have incurred in the absence of reconcentration activity.
- (a) Itemized expenses must be invoiced to the Controller, CCC, Stop 0581-POC, Washington, DC 20250-0581, for reimbursement. Each invoice must contain the following certification:

"The Cooperative certifies that the expenses listed in this invoice are out-of-pocket expenses over and above the normal cost of doing business incurred by the Cooperative during the reconcentration of cotton as directed by CCC. "
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- (Signature of Cooperative Officer)*
- (b) Out-of-pocket expenses claimed will be subject to audit and records must be maintained for five years. If the expenses are found to be excessive and an overpayment occurs, the overpayment will be refunded to CCC plus interest from the date of disbursement using the CCC loan interest rate in effect at the time of disbursement. Late payment charges will be added for refunds not made within 30 days from the date of notice.

IN WITNESS THEREOF, the parties hereto have executed this Agreement, in duplicate to be executed on the date in Item 1.

6. COMMODITY CREDIT CORPORATION:

A. ATTEST: _____ B. By _____ C. Date: _____
(Signature of Contracting Officer)

7. COOPERATIVE:

A. ATTEST: _____ B. By _____ C. Date: _____
(Signature of Responsible Party)

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