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INDUSTRY BULLETIN

May 7, 2014

To: NATIONAL COTTON COUNCIL
Certified Interest Organizations Representing Cotton Shippers, Marketing Cooperatives,
Warehousemen and Ginners

From: Mark Lange
President and CEO

Subject: Update on Industry Initiative to Improve Cotton Flow

Please distribute this bulletin among your membership as an update on industry efforts to improve cotton flow.

Background

In response to a joint recommendation from Cotton Growers Warehouse Association and Cotton Warehouse Association of America, the NCC Board of Directors took action on recommendations from the NCC's Cotton Flow Committee. As a result of this action, USDA soon will have the ability to see all shipping order update information sent by shippers and warehouses. This action was one of several recommendations adopted by the NCC Board to ensure that warehouses are meeting USDA's minimum shipping standard. Specifically, this action will allow USDA to review an audit trail of requested shipping dates, provided to EWR, Inc., and compare those to actual dates shipped and bales made available for shipment data. The NCC Board also agreed to provide funding for the necessary software development by EWR, Inc. to facilitate implementation of the recommendation. The software development is underway and current plans call for it to be finalized, tested and available for industry use by June 1, 2014. On that date, Batch 23 files can appear in the mail files of all users in the EWR, Inc. provider system.

Important Shipper Information

The software changes to Batch 23 provide the shipper with the ability to send shipping request dates to a warehouse via the provider system. These dates are captured and can be audited by USDA for enforcing compliance with the minimum shipping standard. If no shipping order information is sent by the shipper to the warehouse via Batch 23, USDA cannot measure the warehouse's compliance with the minimum shipping standard.

Important Warehouse Information

Shipping order updates sent via Batch 23 will be received in the warehouse's provider mailbox. Warehouses have the option of using this system to respond to requested dates. Opening and responding to the Batch 23 is voluntary but warehouses are reminded that USDA may use these dates, by regular audit or in response to complaints, to confirm compliance with the minimum shipping standard.