

Gins, Warehouses, and Domestic Trade Committee
Adopted at the 101th Annual Convention
June 18, 2025

The Gins, Warehouses, and Domestic Trade Committee recommends that ACSA:

GINS

1. Encourage gins to ensure all packaging is in compliance with methods and materials approved by the Joint Cotton Industry Bale Packaging Committee (JCIBPC) for loan eligibility, noting tie length specifications should be strictly adhered, to ensure production of only true gin universal density bales; further, urge that for any experimental packaging, in addition to durability, safety for fire issues and stacking be considered before approval;
2. Recommend gins strictly adhere to the format of the Permanent Bale Identification (PBI) as outlined by the National Cotton Council's (NCC's) PBI Task Force and encourage that PBI tags are:
 - a) Both machine and human readable;
 - b) Prominently displayed and affixed to bales in a manner that prevents their detachment from bales; and,
 - c) Not placed in the heads of the bales and / or under the bagging, since domestic customers cannot scan tags placed in such manner;
3. With respect to contamination of cotton:
 - a) Urge producers and gins to make every effort to prevent contamination by foreign matter prior to and during the ginning process in light of the damage to the reputation of U.S. cotton both domestically and abroad from escalating incidences of contamination; further, fervently seek to develop new solutions to eliminate contamination by utilizing emerging technology;
 - b) Encourage gins to maintain product liability insurance;
 - c) Encourage that physical protection be provided for uncovered bales in transit between the gin and the warehouse;
 - d) Urge that gins be required to obtain liability insurance to enter cotton into the Commodity Credit Corporation (CCC) loan;
 - e) Request the NCC, producers, gins, and manufacturers of round bale harvesters to make special efforts to educate gins and their employees to minimize contamination; and,
 - f) Support the NCC's Quality Task Force's creation of standards and compliance measurements regarding module wrap;
4. Strongly urge gins to maintain bale weights at five hundred (500) pounds net weight; further,

request EWR, Inc. to compile and provide data for the industry to analyze the distribution of bale weights;

5. Urge the CCC to maintain and enforce a maximum bale moisture content level of seven and a half percent (7.5%), with no tolerances, in order for cotton to be eligible for the CCC Loan Program and that the CCC establish methods of testing for moisture content prior to entry into the Loan Program; and further urge the CCC to immediately prohibit cotton ginned with any water spray system for the purpose of adding moisture (weight) that would exceed seven and a half percent (7.5%) from entering the CCC Loan Program;
6. Recommend the JCIBPC encourage EWR, Inc. to create fields in the gin / warehouse profile for gins to accurately and timely report bagging and tare codes prior to ginning and add visibility on the EWR, Inc. website; furthermore, encourage EWR, Inc. to validate bag and tie codes on warehouse receipts against profile codes; further, urge The Seam to list this information on its platform;
7. Work with the JCIBPC to add a quick-response (QR) code in addition to the bar code, giving “space” for future information; further, work with JCIBPC to determine the proper data elements to be carried by the QR code; and,
8. Urge NCC to focus efforts to utilize Radio-Frequency Identification tags / labels on module wrap to carry module specific data;

WAREHOUSES

1. Based on the NCC’s Packaging and Distribution Committee report and in accordance with the recommendations of the NCC’s Cotton Flow Committee, urge the U.S. Department of Agriculture (USDA) to initiate a non-complaint driven auditing system to audit compliance of warehouses and shippers regarding the Minimum Shipping Standard and related regulatory policies;
2. Work with NCC’s Cotton Flow Committee to establish a self-reporting compliance system and request surveillance and oversight from USDA-AMS to collectively increase accountability to the Minimum Shipping Standard;
3. Urge the USDA to enter into uniform warehouse compliance agreements throughout the U.S. cotton industry;
4. Recommend that, as a part of the Cotton Storage Agreement (CSA), the USDA requires all warehouses to:
 - a) Be certified to authorize the issuance of phytosanitary certificates;
 - b) Have a compliance agreement with the USDA for the performance of phytosanitary inspections;
 - c) Maintain visibility and currency of authorized signatures to the phytosanitary inspection;
 - d) Maintain visibility of warehouse compliance longevity on PCIT; and,

- e) Provide adequate staff and resources to stay current to prevent any backlog of issuance of phytosanitary certificates;
5. Recommend USDA-AMS provide clear communication, a transparent process, and consistent rigor when determining conditions that warrant a declaration of storage deficit that will afford the opportunity for outside storage to occur in compliance with the Marketing Assistance Loan Program;
6. Recommend segments of the cotton industry that handle baled cotton should provide staff training as outlined in the NCC document “A Guide for Cotton Bale Standards,” and further recommend that the holder or depositor of a bale be notified when such bale fails to meet the recommended standard described therein;
7. Propose a process whereby shippers issue claims to the shipping warehouses for damaged bales, whenever there is clear, photographic evidence of damages from a neutral survey or / controller;
8. Urge warehouses to carefully comply with the “Hours of Operations” requirements stipulated in the CSA, and, further, encourage warehouses to publish scheduled closures and hours of operation that comply with specified requirements in their tariffs;
9. Work with relevant parties, including Cotton Warehouse Association of America (CWAA) and Cotton Growers Warehouse Association (CGWA), to understand relevant information for a standardized tariff; further work with EWR, Inc. and USDA-Agricultural Marketing Service (AMS) to incorporate a standard tariff format into the CSA for loan cotton with relevant tariff information, including a PDF copy and the tariff of all charges a warehouse can levy for service provided, stored on EWR, Inc.’s warehouse profile; further, request the tariff information be downloadable into a CSV file or other formats by EWR, Inc. users;
10. Seek further discussion with the warehouse segment concerning fees for late pickup of cotton, recommending that warehouses:
 - a) Not assess charges for order changes when the cotton has not been broken out for loading;
 - b) Adopt loading procedures which will assure carriers are loaded within two (2) hours of arrival and accept responsibility for detention if delays in loading are incurred during hours of service;
 - c) Not exceed the industry ratified standard for late pickup charges and that they adhere to the forty-eight (48) hour window before executing the charge; and,
 - d) Invoice non-standard tariff charges, such as late pickup charges and early shipping order (ESO) fees, as separate line items from standard tariff charges (such as receiving, classing, storage, load / out / shipping, compression);
11. Keeping in mind that any increase in tariff charges will ultimately affect the price the farmer receives, as well as negatively impact the competitiveness of U.S. cotton in the world market, urge that non-warehousing charges, such as Texas Boll Weevil Maintenance fees, not be included in tariff charges;

- 1 12. Request the USDA-AMS take appropriate action to assure all CCC licensed warehouses are in
2 compliance with the U.S. Warehouse Act regulations and provisions of their published tariffs
3 and recommend members notify the USDA whenever violations occur;
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- 5 13. Urge warehouses to:
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 - 7 a) Comply with CCC regulations regarding canceling electronic warehouse receipts (EWRs)
8 within twenty-four (24) hours or one (1) business day after shipment of cotton; and,
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 - 10 b) Notify the shipper of loading on to the truck within twenty-four (24) hours via the EWR,
11 including load details, bale numbers mark, trailer / railcar / container number and seal
12 number; further, record either the U.S. Department of Transportation or Motor Carrier
13 number of the driver on the bill of lading;
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- 15 14. Convene a working group in conjunction with CWAA and CGWA to meet periodically to
16 determine and implement ways to strengthen and modernize our industry, noting that the
17 current warehousing system was designed to support U.S. textiles mills and the U.S. is now an
18 exporting market; further, encourage the U.S. industry to reward warehouses for prompt
19 shipping versus storing, noting that the warehousing segment provides critical infrastructure,
20 as the U.S. needs to find ways to promote faster shipping to keep U.S. cotton competitive in
21 the world marketplace;
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- 23 15. Urge cotton warehouses to maintain adequate records regarding arrival and departure of
24 carriers that include printed legible driver's name and trucking company name and encourage
25 such information to be recorded and maintained within EWR, Inc. and / or warehouse software;
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- 27 16. Recommend warehouses ensure the amount of insurance coverage provided will at all times
28 be in an amount and scope adequate to fully cover the interests of the holders of EWRs;
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- 30 17. Urge USDA-AMS to provide careful oversight to changes in a warehouse's license capacity;
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- 32 18. Strongly request that warehouses be prohibited from establishing their initial licensed capacity
33 each year at a level that is below the five (5) year Olympic average of the highest amount of
34 inventory on hand each year; and,
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- 36 19. Urge USDA-AMS to implement industry policy enhancing the current minimum shipping
37 standard, such that if a warehouse is unable to offer a date within six (6) weeks, then beginning
38 on the seventh week and all subsequent weeks the warehouse will have to schedule at a rate of
39 five and twenty-five hundredths percent (5.25%) and continue to schedule at five and twenty-
40 five hundredths percent (5.25%) until they are able to offer dates within six (6) weeks again;
41 provided further,
42
 - 43 a) A week that has been established at five and twenty-five hundredths percent (5.25%)
44 cannot revert to four and a half percent (4.5%), but once the warehouse resumes scheduling
45 shipments less than six (6) weeks in the future, its shipping standard will return to four and
46 a half percent (4.5%) per week;
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 - 48 b) Ready dates offered no more than three (3) days prior to requested shipping dates are
49 considered compliant; and,

- 1 c) Further urge the industry to commit to developing a report which identifies the weeks for
2 which a warehouse has an increased shipping standard to five and twenty-five hundredths
3 percent (5.25%);
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5 **SHIPPERS**

6 7 1. Acknowledge that shippers:

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9 a) Are responsible for the performance of their vendors and recommend they develop a
10 monitoring program of their performance;
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12 b) Should establish and maintain clear lines of communication with warehouses,
13 transportation companies, and customers and should assume the responsibility as the
14 focal point of information between all entities; and,
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16 c) Should send a Phyto request on every Batch-25 request for their export shipments;
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18 2. Strongly oppose state or federal legislation that impedes the marketability of cotton, or which
19 requires the bonding and / or licensing of cotton merchants as the cost of administering such
20 requirements would be added to the cost of handling cotton and result in reduced producer
21 income;
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23 **DOMESTIC AFFAIRS**

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25 1. Urge members to use Southern Mill Rules in their domestic contracts;
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27 2. Meet with AMCOT to discuss the possibility of engaging the National Council of Textile
28 Organizations (NCTO) Fiber Committee to consider the return to an annual or bi-annual review
29 and updating of the Southern Mill Rules including the Pima rules section, noting that such
30 Rules were last ratified and updated in 2004;
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32 3. Urge mills to have sufficient personnel readily available for scheduling and verifying
33 deliveries;
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35 4. Request mills to be aware of the Hours of Service Regulations for truckers which may
36 drastically impact their costs and service for cotton deliveries, and to review and if necessary,
37 expand their receiving hours;
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39 5. Request that mills give ample notice to shippers in regard to mill shutdowns or any changes
40 in appointments or destination and pay shippers for any additional costs incurred due to
41 appointment changes;
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43 6. Remind mills that they are required to return any rejected bales to the shipper in merchantable
44 condition including patching any tears or sample holes, noting further that any rejected bales
45 should be returned with proper identification, such as shippers mark, all tags, and especially
46 PBI number;
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48 7. Urge members to utilize ACSA arbitration apart from any trade rules stipulated; and,
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50 8. In the context of the JCIBPC's ongoing initiative to eliminate the use of wire ties and

1 polypropylene woven bale packaging, urge the industry to expeditiously embrace testing, seek
2 loan eligibility, and request approval for delivery against the ICE Cotton #2 Futures Contract
3 of 1.6 pound cotton bale packaging; further, urge adoption from gins to reduce contamination
4 in addition to their adoption of emerging bale fungibility measures, which will reduce bale
5 handling and protect the condition of U.S. bales.