

1 **Gins, Warehouses, and Domestic Trade Committee**
2 **Adopted at the 102nd Annual Convention**
3 **June 23, 2026**

4
5 The Gins, Warehouses, and Domestic Trade Committee recommends that ACSA:

6
7 **GINS**
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- 9 1. Encourage gins to ensure all packaging is in compliance with methods and materials approved
10 by the Joint Cotton Industry Bale Packaging Committee (JCIBPC) for loan eligibility, noting
11 tie length specifications should be strictly adhered to, to ensure production of only true gin
12 universal density bales; further, urge that for any experimental packaging, in addition to
13 durability, safety for fire issues and stacking be considered before approval;
14
- 15 2. Recommend gins strictly adhere to the format of the Permanent Bale Identification (PBI) as
16 outlined by the National Cotton Council of America's (NCC's) PBI Task Force and encourage
17 that PBI tags are:
18
- 19 a) Both machine and human readable;
 - 20
 - 21 b) Prominently displayed and affixed to bales in a manner that prevents their detachment
22 from bales; and,
 - 23
 - 24 c) Not placed in the heads of the bales and / or under the bagging, since domestic customers
25 cannot scan tags placed in such manner;
 - 26
- 27 3. With respect to contamination of cotton:
28
- 29 a) Urge producers and gins to make every effort to prevent contamination by foreign matter
30 prior to and during the ginning process in light of the damage to the reputation of U.S.
31 cotton both domestically and abroad from escalating incidences of contamination; further,
32 fervently seek to develop new solutions to eliminate contamination by utilizing emerging
33 technology;
34
 - 35 b) Encourage gins to maintain product liability insurance;
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 - 37 c) Encourage that physical protection be provided for uncovered bales in transit between the
38 gin and the warehouse;
 - 39
 - 40 d) Urge gins to carry adequate product liability, completed operations, and recall insurance
41 — as a condition of standard ginning agreements — to protect downstream merchants,
42 warehouses, and buyers from losses arising from gin operations, including bale damage,
43 contamination, and recall events traceable to the ginning process;
 - 44
 - 45 e) Request the NCC, producers, gins, and manufacturers of round bale harvesters to make
46 special efforts to educate gins and their employees to minimize contamination; and,
 - 47
 - 48 f) Support the NCC's Quality Task Force's creation of standards and compliance
49 measurements regarding module wrap;

- 1 4. Strongly urge NCC to educate gins on the importance of maintaining bale weights at five
2 hundred (500) pounds net weight;
3
- 4 5. Urge the Commodity Credit Corporation (CCC) to maintain and enforce a maximum bale
5 moisture content level of seven and a half percent (7.5%), with no tolerances, in order for
6 cotton to be eligible for the CCC Loan Program and that the CCC establish methods of testing
7 for moisture content prior to entry into the Loan Program; and further urge the CCC to
8 immediately prohibit cotton ginned with any water spray system for the purpose of adding
9 moisture (weight) that would exceed seven and a half percent (7.5%) from entering the CCC
10 Loan Program;
11
- 12 6. Recommend the JCIBPC encourage EWR, Inc. to create fields in the gin / warehouse profile
13 for gins to accurately and timely report bagging and tare codes prior to ginning and add
14 visibility on the EWR, Inc. website; furthermore, encourage EWR, Inc. to validate bag and tie
15 codes on warehouse receipts against profile codes; further, urge The Seam to list this
16 information on its platform; and,
17
- 18 7. Work with the JCIBPC to add a quick-response (QR) code in addition to the bar code, giving
19 “space” for future information; further, work with JCIBPC to determine the proper data
20 elements to be carried by the QR code;
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22 **WAREHOUSES**

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- 24 1. Commend the U.S. Department of Agriculture (USDA) for initiating a non-complaint-driven
25 auditing system to audit compliance of warehouses and shippers regarding the Minimum
26 Shipping Standard and related regulatory policies; further, request USDA to provide periodic
27 reports or updates based on their findings;
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- 29 2. Urge the USDA to enter into uniform warehouse compliance agreements throughout the U.S.
30 cotton industry;
31
- 32 3. Recommend the USDA work towards requiring all warehouses to:
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 - 34 a) Be certified to authorize the issuance of phytosanitary certificates;
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 - 36 b) Have a compliance agreement with the USDA for the performance of phytosanitary
37 inspections;
 - 38
 - 39 c) Maintain visibility and currency of authorized signatures for the phytosanitary inspection;
40 and,
 - 41
 - 42 d) Maintain visibility of warehouse compliance longevity on PCIT;
 - 43
- 44 4. Recommend USDA-Agricultural Marketing Service (AMS) provide clear communication, a
45 transparent process, and consistent rigor when determining conditions that warrant a
46 declaration of storage deficit that will afford the opportunity for outside storage to occur in
47 compliance with the Marketing Assistance Loan Program;
48
- 49 5. Recommend segments of the cotton industry that handle baled cotton should provide staff
50 training as outlined in the NCC document “A Guide for Cotton Bale Standards,” and further

1 recommend that the holder or depositor of a bale be notified when such bale fails to meet the
2 recommended standard described therein;

- 3
- 4 6. Encourage warehouses to report damaged bales upon receipt so shippers can issue claims-for
5 damaged bales, whenever there is clear, photographic evidence of damages from a neutral
6 surveyor / controller;
- 7
- 8 7. Urge warehouses to carefully comply with the “Hours of Operations” requirements stipulated
9 in the Cotton Storage Agreement, and, further, encourage warehouses to publish scheduled
10 closures and hours of operation that comply with specified requirements in their tariffs;
- 11
- 12 8. Seek further discussion with the warehouse segment concerning fees, recommending that
13 warehouses:
- 14
- 15 a) Not assess charges for order changes when the cotton has not been broken out for loading;
- 16
- 17 b) Adopt loading procedures which will assure carriers are loaded within two (2) hours of
18 arrival and accept responsibility for detention if delays in loading are incurred during hours
19 of service;
- 20
- 21 c) Not exceed the industry ratified standard for late pickup charges and that they adhere to the
22 forty-eight (48) hour window before executing the charge; and
- 23
- 24 d) Invoice non-standard tariff charges, such as late pickup charges and early shipping order
25 (ESO) fees, as separate line items from standard tariff charges (such as receiving, classing,
26 storage, load-out / shipping, compression);
- 27
- 28 9. Keeping in mind that any increase in tariff charges will ultimately affect the price the farmer
29 receives, as well as negatively impact the competitiveness of U.S. cotton in the world market,
30 urge that non-warehousing charges, such as Texas Boll Weevil Maintenance fees, not be
31 included in tariff charges;
- 32
- 33 10. Urge warehouses to:
- 34
- 35 a) Comply with CCC regulations regarding canceling electronic warehouse receipts (EWRs)
36 within twenty-four (24) hours or one (1) business day after shipment of cotton; and,
- 37
- 38 b) Notify the shipper of loading onto the truck within twenty-four (24) hours via the EWR,
39 including load details, bale numbers, mark, trailer / railcar / container number and seal
40 number; further, record either the U.S. Department of Transportation or Motor Carrier
41 number of the driver on the bill of lading;
- 42
- 43 11. Convene a working group in conjunction with Cotton Warehouse Association of America and
44 Cotton Growers Warehouse Association to meet periodically to determine and implement ways
45 to strengthen and modernize our industry, noting that the current warehousing system was
46 designed to support U.S. textile mills and the U.S. is now an exporting market; further,
47 encourage the U.S. industry to reward warehouses for prompt shipping versus storing, noting
48 that the warehousing segment provides critical infrastructure, as the U.S. needs to find ways to
49 promote faster shipping to keep U.S. cotton competitive in the world marketplace;

- 1 12. Urge cotton warehouses to maintain adequate records regarding arrival and departure of
2 carriers that include printed legible driver's name and trucking company name and encourage
3 such information to be recorded and maintained within EWR, Inc. and / or warehouse software;
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- 5 13. Recommend warehouses ensure the amount of insurance coverage provided will at all times
6 be in an amount and scope adequate to fully cover the interests of the holders of EWRs;
7
- 8 14. Urge USDA-AMS to provide careful oversight to changes in a warehouse's license capacity;
9
- 10 15. Strongly request that warehouses be prohibited from establishing their initial licensed capacity
11 each year at a level that is below the five (5) year Olympic average of the highest amount of
12 inventory on hand each year; and,
13
- 14 16. Urge USDA-AMS to implement industry policy enhancing the current minimum shipping
15 standard, such that if a warehouse is unable to offer a date within six (6) weeks, then beginning
16 on the seventh week and all subsequent weeks the warehouse will have to schedule at a rate of
17 five and twenty-five hundredths percent (5.25%) and continue to schedule at five and twenty-
18 five hundredths percent (5.25%) until they are able to offer dates within six (6) weeks again;
19 provided further,
20
 - 21 a) A week that has been established at five and twenty-five hundredths percent (5.25%)
22 cannot revert to four and a half percent (4.5%), but once the warehouse resumes scheduling
23 shipments less than six (6) weeks in the future, its shipping standard will return to four and
24 a half percent (4.5%) per week;
 - 25
 - 26 b) Ready dates offered no more than three (3) days prior to requested shipping dates are
27 considered compliant; and,
28
 - 29 c) Further urge the industry to commit to developing a report which identifies the weeks for
30 which a warehouse has an increased shipping standard to five and twenty-five hundredths
31 percent (5.25%);
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33 **SHIPPERS**

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- 35 1. Acknowledge that shippers:
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 - 37 a) Are responsible for the performance of their vendors and recommend they develop a
38 monitoring program of their performance;
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 - 40 b) Should establish and maintain clear lines of communication with warehouses,
41 transportation companies, and customers and should assume the responsibility as the
42 focal point of information between all entities;
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 - 44 c) Should send a Phyto request on every Batch-25 request for their export shipments; and,
45
 - 46 d) Should send a Batch 23 Shipping Order Update following the receipt of all Batch 23
47 Shipping Order Updates from warehouses to provide visibility for USDA-AMS oversight,
48 recognizing that failure to communicate accordingly prevents the establishment of a
49 transparent audit trail and will hinder compliance enforcement for warehouses;

2. Strongly oppose state or federal legislation that impedes the marketability of cotton, or which requires the bonding and / or licensing of cotton merchants as the cost of administering such requirements would be added to the cost of handling cotton and result in reduced producer income;

DOMESTIC AFFAIRS

1. Urge members to use Southern Mill Rules in their domestic contracts;
2. Meet with AMCOT to discuss the possibility of engaging the National Council of Textile Organizations Fiber Committee to consider the return to an annual or bi-annual review and updating of the Southern Mill Rules including the Pima rules section, noting that such Rules were last ratified and updated in 2004;
3. Urge mills to have sufficient personnel readily available for scheduling and verifying deliveries;
4. Request mills to be aware of the Hours of Service Regulations for truckers which may drastically impact their costs and service for cotton deliveries, and to review and if necessary, expand their receiving hours;
5. Request that mills give ample notice to shippers in regard to mill shutdowns or any changes in appointments or destination and pay shippers for any additional costs incurred due to appointment changes;
6. Remind mills that they are required to return any rejected bales to the shipper in merchantable condition including patching any tears or sample holes, noting further that any rejected bales should be returned with proper identification, such as shipper's mark, all tags, and especially PBI number; and,
7. In the context of the JCIBPC's ongoing initiative to eliminate the use of wire ties and polypropylene woven bale packaging, urge the industry to expeditiously embrace testing, seek loan eligibility, and request approval for delivery against the ICE Cotton #2 Futures Contract of cotton bale packaging; further, urge adoption by gins to reduce contamination in addition to their adoption of emerging bale fungibility measures, which will reduce bale handling and protect the condition of U.S. bales.