

**DOMESTIC MILLS AND LOGISTICS**  
**Adopted at the SCA 95th Annual Meeting**  
**Chickasaw Country Club, Memphis, Tennessee – April 13, 2010**

**Domestic Mills**

1. We recommend that mills schedule delivery dates and destinations in a timely manner and adhere to those schedules and destinations.
2. We urge domestic mills to exercise care in the handling of cotton to ensure rejected bales are maintained in a merchantable condition and remind mills that they are responsible for patching sample holes on rejected bales.
3. We urge domestic mills to properly identify rejected bales, making sure that proper identification such as shippers mark, bale number, PBI tags, and etc. are on the bale, so that it can be easily identified when it reaches the warehouse.
4. We request that mills have more flexibility in their receiving hours to allow more orderly deliveries.
5. We urge the continuation of the joint meeting of the cotton trade and the textile mill buyers by initiating discussions between ACSA/AMCOT and the cotton committee of the National Council of Textile Organization (NCTO).
6. We request that mills give notice to shippers as far ahead as possible of mill shut downs or any changes in appointments or destination that would affect delivery of scheduled shipments. Mill should pay shipper for any additional costs incurred due to appointment changes.

**TRANSPORTATION**

1. We request that transportation firms, railroads, and warehouses report as soon as they become aware: Equipment shortages or anticipated shortages, delivery and pick up failures, breakdowns, fuel surcharges, damaged equipment, labor problems and loading delays directly to the shipper in a timely manner so that shippers may then substitute alternate methods of transportation to insure timely delivery.
2. We recommend that transportation firms strictly adhere to scheduled warehouse load dates, mill appointment dates, and schedule arrivals during specific loading/unloading hours or appointment delivery times.
3. We recommend that transportation firms and railroads use equipment in good, clean condition, free of contaminants and leakage, and that warehouses inspect equipment before loading.
4. We recommend that railroads actively solicit and strengthen ties with warehouses that maintain open rail sidings, thereby preserving rail as a viable and competitive means of transportation for shippers.

**GINNS**

1. We urge gins to maintain product liability insurance as coverage against the contamination of cotton by foreign objects prior to and during the ginning process.
2. We urge the Commodity Credit Corporation (CCC) to immediately establish a maximum bale moisture content level of 7.5%, with no tolerances, 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.

3. We urge the CCC to immediately prohibit cotton ginned with any water spray system for the purpose of adding moisture (weight) from entering the CCC Loan Program.
4. We recommend the use of only JCIBPC approved module markers.
5. We recommend that gins strictly adhere to the format of the PBI (Permanent Bale Identification) as outlined by the NCC PBI Task Force and that bale tags be both machine and human readable. PBI tags must be prominently displayed and affixed to the bale in a manner in which they cannot be detached from the bale to avoid risk of being rejected by customer.

## **WAREHOUSES**

1. We strongly recommend that all warehouse tariffs be updated and distributed in a timely manner. Holidays and shutdown periods should also be published in the tariffs.
2. We strongly recommend rebates/allowances be eliminated.
3. We recommend that warehouses improve their capacity to load out cotton by modernizing their facilities, updating equipment and improving methods of handling.
4. We request that warehouses maintain a full work week year round and expand hours and days of operation during periods of heavy shipping and receiving.
5. We strongly urge warehouses to repair damaged or improperly packaged bales to "Grade A" condition as outlined in the current JCIBPC directive entitled "A Guide for Cotton Bale Standards" and remind warehouses, especially certificated warehouses, not to remove or cover PBI tags.
6. We request that the FSA Warehouse License and Compliance Branch take appropriate action to assure that all CCC licensed warehouses are in compliance with the U.S. Warehouse Act regulations and provisions of their published tariffs, and recommend that members notify the USDA whenever violations occur.
7. We recommend that warehouses maintain rack samples, and expedite sample orders by pulling and returning samples within three days of receipt of sample order.
8. We request that warehouses refrain from using staples to attach tags to samples.
9. We recommend that warehouses direct all shipment information through the merchant or his designated representative to avoid confusion and delay resulting from miscommunication.
10. We strongly urge warehouses to verify the accuracy of all information on warehouse EWR's as inaccurate information can result in losses for the shipper and claims against the warehouse.
11. We support and urge prompt action by the NCC on the Packaging & Distribution Committee policy to explore an internet based system for scheduling and reporting warehouse shipments.
12. We recommend that ACSA form a committee to review with EWR policy changes for the problem of multiple storage locations so that cotton may be located and loaded promptly.
13. We urge all cotton warehouses to become compliant with USDA/APHIS/PPQ and subsequently meet USDA-PPQ phytosanitary standards.
14. We urge shipping warehouses to comply with CCC regulation regarding canceling electronic warehouse receipts within 24 hours, or one business day, after shipment of cotton.

15. We recommend that warehouses accept Early Shipping Orders on unredeemed loan cotton in order to facilitate more efficient scheduling and shipping.

## **SHIPPERS**

1. We recommend that shippers recognize that they are responsible for the performance of their vendors and develop a monitoring program of their performance. We further recommend that shippers establish and maintain clear lines of communication with their vendors and customers and assume responsibility as the focal point of information between warehouses, mills and transportation companies.
2. We urge shippers to pay warehouse invoices promptly in accordance with warehouse tariffs.
3. We recommend that more shippers join the Cotton Warehouse Association of America and the Southern Cotton Ginners Association as associate members.
4. We urge shippers to make optimum use of available transportation, as transportation problems seriously impact the warehouses' ability to perform.
5. We recommend that shippers advise mills of delivery problems in advance so that mills have adequate time to schedule alternate loads.
6. We recommend that shippers properly communicate additional information to warehouses including phyto certificates on shipments moving to an intermodal chain through EWR.
7. Request ACA, SCA, TCA and ACSA leadership to invite warehouse association officers to meet in a serious effort to address the problem of shippers failing to have trucks at the warehouse to pick up loads as scheduled.

## **INSURANCE**

1. Urge members to consult with their insurance representatives when chartering vessels regarding the possible exposure and need for insurance coverage for "Charterer's Liability". Urge members to become more aware of the problems associated with C&F containerized shipments and encourage all segments of the industry to improve the process of inspection of bales prior to stuffing containers, giving particular attention to bale count.
2. Urge members to review their insurance coverage limits, particularly inventory per location limits and transit per conveyance limits, to ensure that their coverage is adequate.
3. Urge members to review their insurance policy to determine if they have coverage for gin direct shipments loaded within 72 hours of ginning.