

4

Export Program
Manual

Special Procedures

Commodity • Cotton

Contents

Introduction [page 4-2-1](#)

Issuing a PPQ Form 577 for Baled Compressed Cotton [page 4-2-1](#)

National Cotton Compliance Agreement [page 4-2-2](#)

Introduction

PPQ has updated the nationwide template for establishing compliance agreements with the cotton industry. Do **not** change or modify the revised version of the template listed in this section. A [fillable National Cotton Compliance Agreement](#) is available. Authorized Certification Officials (ACOs) should contact Mike Ward, Senior Accreditation Programs Manager, through the communication protocol listed in [Appendix C](#), if they have questions or concerns regarding the national compliance agreement for the cotton industry.

Issuing a PPQ Form 577 for Baled Compressed Cotton

Cotton warehouses may be under a compliance agreement to conduct the phytosanitary inspection necessary to issue a PPQ Form 577. Below are general guidelines on how to certify baled compressed cotton when the inspection is conducted by a warehouse under compliance.

1. Receive and review PPQ 572 from exporter or designated agent. The PPQ 572 **must** have the name and address of the warehouse that conducted the inspection, inspection results, and the date of the inspection.
2. Verify the warehouses listed on the PPQ 572 are currently listed on the cotton compliance agreement database. If **not** in the database, contact your Export Certification Specialist (ECS).
3. Verify that the number of inspected bales equals the number of inspected bales to be placed on the PPQ Form 577.
4. Issue the PPQ Form 577.
5. PCIT users are **not** required to maintain physical copies as long as the document is attached in PCIT. Retain all paper copies from compliant warehouses with the multi-part paper file copy of PPQ Form 577.

National Cotton Compliance Agreement

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
PLANT PROTECTION AND QUARANTINE PROGRAMS

NATIONAL COTTON COMPLIANCE AGREEMENT STIPULATIONS

In authorizing and participating in the treatment of uniform densely packed baled cotton¹ as a basis for the certification of regulated articles, no liability shall be attached either to the United States Department of Agriculture, to cooperating agencies, or to any of their employees.

The participant will handle, process, and move regulated articles in accordance with instructions. The participant will maintain and offer for inspection such records as may be required. The participant will carry out all additional conditions, treatments, procedures, precautions, and sanitary measures which may be required by the Authorized Certification Official (ACO):

1. The participant will load for export **only** densely packed cotton bales requiring phytosanitary certification.
2. The participant will visually inspect each shipment using the attached hypergeometric sampling chart (see [Table 4-2-1](#) on [page-4-2-5](#)) to ascertain that the bales are free from living insects, cottonseed, soil, plant material, or other contaminants. To verify through random sampling that the bales are densely packed. The integrity of the bale wrapping **must** be maintained to prevent contamination of the cotton with soil, grease, etc.
3. The participant will load **only** cotton that **must** be stored and **must** be entered into the inventory of warehouse(s) party to this agreement.
4. The participant will load **only** clearly marked bales that have been kept segregated from uncompressed cotton into clean containers, box cars, or other equipment. Marking **must** include, but is **not** limited to the Permanent Bale Identification (PBI) tag.
5. Containers, box cars, or other equipment with less than a full load of compliant warehouse origin cotton **must** be reinspected at a port of export by Federal, State, or County ACOs if commingled with non-compliant cotton.

1 Densely packed baled cotton is defined as a minimum compression rate of 22 pounds of lint per cubic foot (352.4 kg of lint per cubic meter).

6. Cotton inspected at the compliant facility may **only** be offloaded into another container, box cars, or other equipment with prior approval from Federal, State or County ACOs. Offloading without prior approval will invalidate the previous inspection.
7. The participant will maintain files of shipping documents showing the number of bales, marks, weight and origin by State of each bale, signed and completed PPQ Form 572 and the signature of the manager or their authorized agent. Such files will be made available for inspection upon request by Federal, State, or County ACOs. PCIT users are **not** required to maintain physical copies as long as the document is attached in PCIT. Files of each shipment **must** be maintained for three years even if participant is **no** longer active in the program.
8. The participant will, after completion of the inspection and loading, send the signed PPQ Form 572, Application for Inspection and Certification of Domestic Plants and Plant Products for Export, to the exporter (shipper or freight forwarder) requesting the inspection. The exporter shall contact Federal, State, or County ACOs by submitting the completed and signed PPQ Form 572 for each shipment.
9. Federal, State, or County ACOs reserve the right to periodically inspect operations, facilities and individual shipments of cotton shipped under this agreement. Such inspections may occur without prior notice to the warehouse official, but shall occur during normal duty hours.
10. Compliance agreements are non-transferable. If the participant leaves his/her present employer or company, the compliant warehouse **must** notify the local Federal, State or County ACOs within fourteen (14) days of the occurrence in writing.
11. With the signature below, the participant undertakes the responsibility for compliance for all conditions in the compliance agreement, and for all persons the participant directly supervises who may be involved with the inspection of the densely packed baled cotton.
12. The person who undertakes the responsibility for the compliance of the warehouse will maintain a list of all trained personnel who have the authority under this agreement to inspect and sign the inspection report. A current and updated list of signatures will be kept on file with Federal, State, or County ACOs.
13. Training and review of the conditions of this agreement will be conducted annually or as conditions warrant. Such training and reviews will be provided by Federal, State, or County ACOs to individuals who sign as a participant to this agreement.

14. The USDA reserves the right to modify the conditions of this agreement in order to meet any changes in phytosanitary import requirements of a foreign country(s). USDA will contact Federal, State, or County ACOs with the new importation requirements.
15. Verification of a facility and individual's participation in the National Cotton Compliance Agreement Program is required prior to issuance of a PPQ Form 577 for which a completed and signed PPQ Form 572 has been received. Federal, State, or County ACOs **must** verify the signature on the PPQ Form 572 with the signature on file.
16. This compliance agreement may be cancelled for repeated violations of the conditions of this agreement. Notification of each violation, major and minor, shall be communicated to the facility and responsible individual(s) by local Federal, State, or County ACOs in writing. All violations **must** be corrected within fourteen (14) business days. Facilities receiving three (3) major or five (5) or more minor violations in a twelve (12) month period shall have their compliance agreement cancelled. Such cancellation shall be made in writing and with thirty (30) business days prior notice.

Major violations include but are **not** limited to:

- a. Certifying for export cotton **other than** densely packed bales
- b. Receipt of notification of non-compliance from a foreign country, for which a violation is confirmed
- c. Unauthorized signature on PPQ Form 572
- d. PPQ Form 572 signed at non-compliant facility or by an unauthorized person at a compliant facility
- e. Absence of marking(s) (must include, but is not limited to the Permanent Bale Identification (PBI) identifier)
- f. Failure of a facility to timely notify Federal, State, or County ACOs of changes in personnel who sign as party to this agreement within fourteen (14) business days

Minor violations include but are **not** limited to:

- a. Absence of or errors in marks as described on a PPQ Form 577
 - b. Any loss of the integrity of the bale wrapping that leads to the contamination of the cotton with soil, grease, etc.
 - c. Incomplete or inaccurate PPQ Form 572 signed by authorized individuals party to this agreement
17. Affected facilities may reapply for participation in the National Cotton Compliance Agreement Program after a six (6) month waiting period and successful completion of official USDA training program.

TABLE 4-2-1: Hypergeometric Table for Random Sampling

Total number of inspectional units:	Randomly select this number of units to inspect:
1-10	10
11-12	11
13	12
14-15	13
16-17	14
18-19	15
20-22	16
23-25	17
26-28	18
29-32	19
33-38	20
39-44	21
45-53	22
54-65	23
66-82	24
83-108	25
109-157	26
158-271	27
272-885	28
886-200,000	29

