

TEXAS BOLL WEEVIL ERADICATION FOUNDATION, INC.



P.O. Box 5089 ♦ Abilene, Texas 79608-5089 ♦ Voice: (325) 672-2800 ♦ Fax: (325) 672-5034

April 26, 2022

Warehouses, Compresses and other Central Collection Points:

On behalf of the cotton producers of Texas, we want to thank you for your help in collecting the 2021 Boll Weevil Eradication Maintenance Fee for cotton produced in the West Texas Maintenance Area (WTMA) and the East Texas Maintenance Area (ETMA). Your assistance allows Texas cotton producers to continue to protect the tremendous investment made to eradicate the boll weevil.

2022 Maintenance Fees

The maintenance fee rates for the 2022 cotton crop remain the same as the 2021 crop. Those rates set by the Commissioner of Agriculture are:

ETMA

For cotton produced in 2022, ETMA's maintenance fee remains at \$2.00 per bale.

WTMA

For cotton produced in 2022, WTMA's maintenance fee remains at \$1.00 per bale.

Enclosed you will find a map (Attachment A) showing the two Texas maintenance areas as well as a listing of counties located in each maintenance area (Attachments B and C). The maintenance fees should be included in the tariff or schedule of fees, but by law must be collected on all bales produced in the respective maintenance area. Sample tariff language is included in Attachment D.

Maintenance Fees Collected at First Central Collection Point

In accordance with the law, maintenance fees shall be collected at the first central collection points that receive and ship cotton produced in the maintenance area. Central collection points include all cotton warehouses, cotton compresses and other venues collecting harvested and ginned cotton that was produced within a maintenance area. Central collection point shall include a cotton gin **only** when:

- a) The cotton in question ships directly from the gin to a user or exporter of cotton, and is not stored at a domestic warehouse or compress, and then only for those bales that ship directly; or
- b) When a cotton gin agrees to serve as a central collection point.

The “first handler” warehouse is responsible for collecting the maintenance fee on all bales grown in a maintenance area. However, if a bale was ginned at a location acting as the central collection point, the warehouse will not be required to collect the maintenance fee as long as reasonable evidence can be provided that the fee was collected at the gin.

If a bale is ginned at a location not acting as a central collection point, the first warehouse that receives the bale is obligated to collect the maintenance fee. If the bale is later shipped to another warehouse as a result of “reconstitution” or any other reason, the subsequent warehouse is not responsible for collecting maintenance fees provided the warehouse is in possession of commercially reasonable evidence showing a prior warehouse has already remitted the maintenance fee.

Remittance Dates

Maintenance fees are due to the Foundation by March 1, 2023, on all bales sold and shipped, and the tariff paid, by February 15, 2023. Fees on bales shipped by May 15th are due June 1st and bales shipped by September 15th are due to the Foundation by October 1st.

The following table summarizes shipping cutoff dates and the corresponding remittance dates for the year’s maintenance fees.

Bale Shipped Cutoff Date	Remittance Due Date
February 15, 2023	March 1, 2023
May 15, 2023	June 1, 2023
September 15, 2023	October 1, 2023

Remittance Forms

Copies of ETMA and the WTMA remittance forms are enclosed for your convenience (Attachments E and F). Additional copies of these forms and other maintenance fee information can be found at <https://www.txbollweevil.org/tma.html>.

Refunds

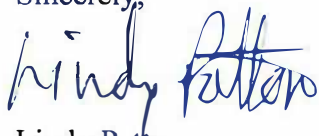
In the event a central collection point collects and remits a maintenance fee on cotton bales that were NOT produced in a Texas maintenance area, the cotton producer should submit a refund request to the Foundation along with support documentation showing that the fee was paid on cotton produced outside a maintenance area. Upon receipt of the refund request and adequate supporting documentation, the Foundation will issue a maintenance fee refund to the producer.

The formation of maintenance areas has been very successful, a success owed in large part to the cooperation shown by the Warehouses, Compresses and other central collection points. Transitioning to the maintenance area model is critical to the continued success of boll weevil eradication efforts in Texas and to the protection of the \$1.3 billion investment made by Texas cotton growers and the state and federal legislatures.

The Foundation and TDA are committed to making the administration of the collection process of maintenance fees as simple and effective as possible. I appreciate your help in making this program more efficient for our state's cotton producers.

Please feel free to contact Texas Boll Weevil Eradication at 325-672-2800 with any questions you might have.

Sincerely,

A handwritten signature in blue ink that reads "Lindy Patton". The signature is written in a cursive style with a large, stylized initial "L".

Lindy Patton
President and CEO

Attachments