



COTTON RESEARCH & PROMOTION
STATE SUPPORT PROGRAM

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**COTTON RESEARCH AND PROMOTION PROGRAM
IMPORTER SUPPORT AND PRODUCER STATE SUPPORT PROGRAMS
OVERVIEW**

Objective

The mission of the Cotton Research and Promotion Program is to improve the demand for and profitability of cotton through research and promotion activities. The strategies and activities developed in the core program are neither region nor segment specific; they are designed to improve the situation for all program participants.

The mission of the Importer and Producer State Support Programs is also to improve the demand for and profitability of cotton. However, the strategies and activities created under these programs are generally designed to enhance the specific needs of the individual cotton-producing states (Producer State Support Programs) or the companies involved in the importing of cotton and cotton products (Importer Support Program).

Organizations and Committees

The main participants in the Support Programs include Cotton Incorporated, the Cotton Board, and the Support Committees. The main roles are described below:

Importer and Producer State Support Programs

Major Roles of Organizations and Committees

Cotton Board

- Advisory role in program development
- Program oversight
- Overall program communication to Support Committees & industry

Cotton Incorporated

- Advisory role in project development
- Review of project proposals as directed by Support Committees
- Project execution and management
- Communication of project status and results to Committees

COTTON RESEARCH & PROMOTION PROGRAM

Support Committees

- Project development
- Project selection & prioritization
- Direct C.I. staff to execute projects
- Project oversight & review

Project Development and Implementation Process

	Identify Strategic Ideas & Directions	Project Formulation (Identify projects, funding & priorities)	Project Implementation	Project Review
Cotton Board	X			X
Support Program Committees	X	X		X
Cotton Incorporated	X	X	X	X

GUIDELINES PRODUCER STATE SUPPORT PROGRAM

I. Criteria for Program Qualification

All projects proposed by the Support Program Committee(s) must adhere to the overall objective of the Cotton Research and Promotion Program. Essentially, that the overall objective is to improve the profit opportunities of U.S. cotton producers and importers through programs that:

1. Improve producer profitability,
2. Strengthen cotton's competitive position,
3. Expand (and/or maintain) domestic and global markets and uses for cotton, and
4. Are consistent with the strategies and activities of the core program.

II. Program Management

All projects will require Cotton Incorporated staff supervision and involvement, including oversight and, as appropriate, collaboration ideas to optimize project results.

III. Support Program Committee Organization, Function and Responsibilities

STRUCTURE AND FUNCTION OF PRODUCER STATE SUPPORT COMMITTEES

Producer State Support Program Executive Committee: Cotton Incorporated

Function: Provide oversight and direction to the Producer State Support Programs.

Members: Cotton Incorporated Directors as appointed by the Chairman of Cotton Incorporated's Board of Directors.

Responsibilities:

- (1) Adjudicate disputes arising from committee issues.
- (2) Report on the activities and progress of the State Support Programs to Cotton Incorporated and the Cotton Board.
- (3) Oversee and coordinate individual State Support Program Committees.
- (4) Facilitate, where appropriate, multi-state, regional research projects to maximize utilization of State Support research dollars and limit duplication.

III. Support Program Committee Organization, Function and Responsibilities - cont'd

Producer State Support Program Committees

Function: Develop research programs targeting the producer segment of the industry.

Members:

- (1) State Directors of Cotton Incorporated's Board
- (2) State Members of the Cotton Board's Board
- (3) Others:
 - a) Producer(s) and ginner/producer(s) who are not on Boards of either the Cotton Board or Cotton Incorporated
 - b) Members of state Certified Cotton Commissions or Boards
 - c) Representatives from Certified Grower Organizations

Advisory Members:

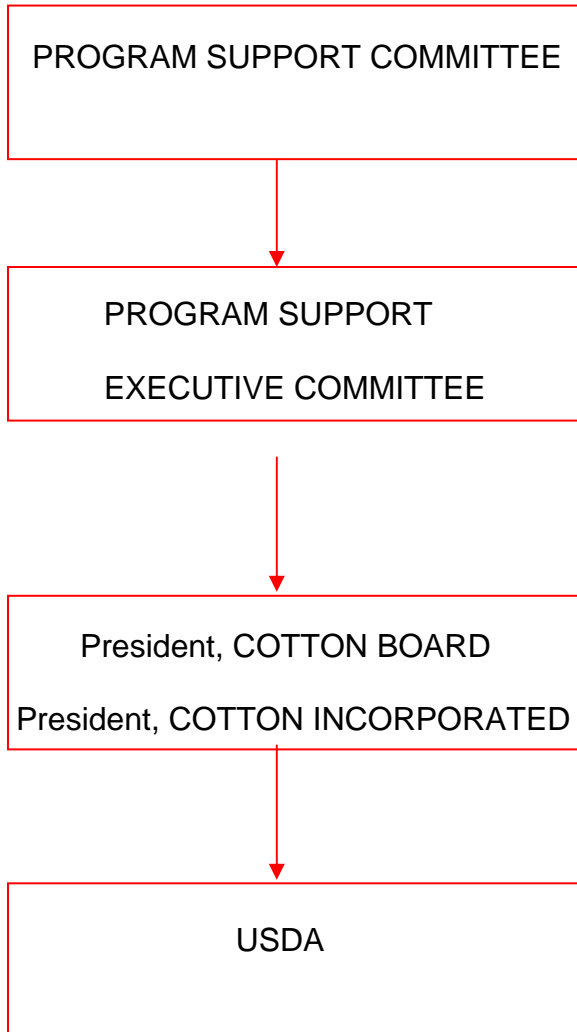
- (1) Cotton Incorporated staff member(s)
- (2) Cotton Board staff member(s)
- (3) Producer representative(s)
- (4) Industry representative(s)
- (5) State & federal research institutions representatives
- (6) State Extension Cotton Specialist

Responsibilities:

- (1) Work in conjunction with the Cotton Board and Cotton Incorporated to identify strategic research priorities.
- (2) Formulate specific project and program initiatives.
- (3) Assign funding and relative priority levels to project and program initiatives.

It is recommended that each Producer State Support Program Committee elect a Chair, Vice Chair, and Secretary to serve as officers and develop a simple set of bylaws or guidelines to govern activities of the committee. It is also recommended that all members should be eligible to hold office, but the committees should elect those who are deemed most capable to administer the Producer State Support Program. It is also suggested that in those cases where the Producer State Support Program Committee is of considerable size, an Executive Committee and/or Subcommittees be appointed or elected to expedite the operations of the Producer State Support Program Committee.

IV. THE DISPUTE RESOLUTION PROCESS



Step 1. Disagreements regarding programs and projects should be discussed within the committee, using the guidelines of the Producer State Support Programs as a basis for resolution.

Step 2. If the committee cannot resolve the issue, then the Cotton Incorporated Executive Committee will adjudicate the dispute.

Step 3. If the issue is still not resolved, the Cotton Incorporated Executive Committee shall present the issue to the Presidents of the Cotton Board and Cotton Incorporated.

Step 4. Only after steps one through three have been pursued completely should the Presidents of the Cotton Board and Cotton Incorporated present the issue to USDA for final resolution.

V. Producer State Support Project Options

The Producer State Support Program Committees may choose any of the following options in developing proposals for utilizing Support Program funds.

- (1) Cooperative research projects
- (2) Educational programs
- (3) Producer State Support Program Committee expenses [not to exceed one (1)% of the state's annual budget] such as postage and copying costs

If there are questions regarding the appropriateness of projects under consideration, it is suggested that the committee contact the Cotton Incorporated State Support liaison appointed for that state for direction or clarification.

VI. Items for Inclusion in Producer State Support Program Proposals

Each project submitted must include:

- Descriptive title of the project
- Name of the Principal Investigator and Cooperators
- Name of the Performing Institution, Company, or Organization
- Name of the Responsible Financial Officer
- Objective
- Justification
- If appropriate, a review of related research
- An outline of the plan of work
- A budget
- Qualifications of the principle investigator and cooperators

VII. Timetable

<u>Month(s)</u>	<u>Action</u>
Early June	Cotton Board releases the funding level by state for the Producer State Support program for the next year. The funding formula will be based on 7.5% of producer generated assessments. Funds will be allocated among states according to production.
August	Cotton Incorporated Board approval of total Cotton Incorporated budget and programs including the Producer State Support Program funding by state.
September	Cotton Board approval of total Cotton Incorporated budget and programs.

VII. Timetable - cont'd

October-November USDA review and approval of all Cotton Research and Promotion Program budgets and supporting Plans of Work.

VIII. Producer State Support Program Requirements

- (1) Funding and technical support are provided by the Cotton Research and Promotion Program as conducted by Cotton Incorporated and administered by the Cotton Board through the Cotton Incorporated Support Program(s). Therefore, all Request for Proposals (RFP) should so state.
- (2) Proposals received from a Producer State Support Program RFP should be forwarded to Cotton Incorporated for review. In their review, the appropriate Cotton Incorporated staff should comment on the appropriateness of the research, possibility of duplication, technical feasibility, status of the project if a renewal is proposed, and the amount of funding requested. An explanation must be given by staff to justify a recommendation of "to fund" or "not to fund" a proposal.
- (3) The Producer State Support Committee will select and finalize all proposals.
- (4) The Cotton Board and Cotton Incorporated staff advisors to the Producer State Support Program Committee(s) or their representative should be present at Producer State Support Program Committee meetings.
- (5) Funding for programs should be on an individual project basis and not a lump sum transmitted to an intermediary organization. Approved projects will be funded for one year at a time, but Cotton Incorporated encourages multi-year planning for projects that require more than one year to complete.
- (6) As directed through a resolution by the Cotton Board, performing institutions are not allowed to charge indirect or overhead costs on research projects funded by the Producer State Support Program.
- (7) Cooperative Agreements or Contracts will be initiated by Cotton Incorporated for projects chosen by the Producer State Support Program Committees, and these Agreements will be subject to the same handling and processing within Cotton Incorporated as are Core Budget Project Agreements.
- (8) Producer State Support Committees may elect to partner with other states to fund coordinated, regional research or if appropriate to fund cooperators at institutions in states other than their own.

VIII. Producer State Support Program Requirements - cont'd

- (9) All Cooperative Agreements or Contracts should be made directly between Cotton Incorporated and the performing institution unless prior agreements have been formalized.
- (10) Each principle investigator, as specified in the Agreement or Contract, will submit progress reports to Cotton Incorporated and if requested, copies to State Support Program Committee/Subcommittees and others designated by the Support Program Committee/Subcommittees.
- (11) Acknowledgement must be given to the Cotton Research and Promotion Program as conducted by Cotton Incorporated and administered by the Cotton Board on all publications and all oral presentations where the results of a project are discussed.
- (12) Program funds should be used for projects and not the purchase of assets, unless the purchase of assets is specified in the original project plan and budget or is approved in a subsequent addendum.
- (13) If assets must be purchased to support a project, the assets become the property of Cotton Incorporated.

IX. Disbursement Procedures

Following approval of projects of the Producer State Support Program, Cotton Incorporated must follow specific procedures when disbursing the allocated funds.

Cotton Incorporated must disburse the funds for the approved projects during the fiscal period designated by the Cotton Board. Funds will be disbursed upon presentation of the required reimbursement documents. Reports of progress should be presented on a quarterly basis (or as specified in the project contract) by the cooperator.

The actual timing of the disbursement during a given fiscal period will depend on the nature of the approved project and should be described in the proposed project budget. No disbursement will be made by Cotton Incorporated beyond 45 days of the end of the fiscal period designated by the Cotton Board. All disbursements will carry standard right-to-audit provisions.

Funds can be carried over for multi-year projects or for annual projects that become delayed for acceptable reasons and become multi-year arrangements. Carryover is limited to one year and for funds amounting to \$1,000 or greater. Any request for carryover requires approval by the Cotton Incorporated project manager and the respective Producer State Support Committee.