

**66TH PLENARY MEETING
OF THE
INTERNATIONAL COTTON
ADVISORY COMMITTEE**

**Izmir, Turkey
October 22 - 26, 2007**

**COUNTRY STATEMENT
THE UNITED STATES OF AMERICA**

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UPLAND COTTON SITUATION AND OUTLOOK (As of the September 2007 USDA Estimate):

Acreage and Production:

U.S. upland cotton production in marketing year 2007/08 (on an August/July marketing year) is forecast at 17.0 million bales, 18.3 percent lower than the 20.8 million bales in 2006/07, and 3.2 million bales below the 5-year average of 20.2 million bales.

Planted area in 2007 totaled 10.6 million acres, 29.6 percent below the previous year. Harvested area is forecast at 10.3 million acres, which suggests an abandonment rate of 2.8 percent. Yield per harvested acre is forecast at 797 pounds, higher than the 5-year average of 770 pounds.

Domestic Mill Use:

In 2007/08, mill use is projected to decline to 4.6 million bales. Mill use of upland cotton in 2006/07 is reached 4.9 million bales, which would signify a 15.6 percent decline from 2005/06.

Foreign Trade:

Upland raw cotton exports are estimated at 12.3 million bales for 2006/07, which would indicate a 28.7 percent decrease from the previous year. The top export destination was China, to which the U.S. exported 3.9 million bales, representing 32 percent of all upland exports, down from 52 percent in the previous year. The other top ten upland markets, were Turkey, Mexico, Indonesia, Pakistan, Taiwan, Thailand, Korea, Hong Kong and Japan. Together these destinations represented 87 percent of upland cotton exports.

In 2007/08, upland exports are projected to increase to 15.9 million bales due to stable foreign production and increasing demand. The U.S. share of world exports of all cotton is expected to increase to a 42.1 percent, above the 5-year average of 39.4 percent. In 2006/07, the U.S. share of world cotton trade was estimated at 34.7 percent.

U.S. upland cotton imports in 2006/07 are estimated at 10,000 bales. A majority of the imports were from Egypt. In 2007/08, U.S. imports are expected to remain unchanged from the previous year.

Supply and Stocks:

The 9.6 million bale beginning stocks in 2007/08 are the highest in 40 years. Up 3.6 million bales from 2006/07. Ending stocks for 2007/08 are forecast at 6.1 million bales, 3.5 million bales less than 2006/07, due mainly to lower production and higher exports. The 2006/07 upland stocks-to-use ratio was 55.5 percent and the ratio is forecast to decrease to 29.9 percent in 2007/08.

Manmade Fibers:

U.S. domestic consumption of manmade fibers declined for the first time in 5 years in calendar 2006. Domestic consumption reached 14.6 billion pounds in 2006, 2 percent below 2005. The

decline was attributable to an 8- percent decrease in manmade fiber mill use. Meanwhile, textile imports of manmade fiber products continued to expand, rising slightly from 2005 to reach nearly 7.3 billion pounds. Textile exports, on the other hand, dropped 11 percent to 2.1 billion pounds. Overall, manmade fibers account for about 54 percent of the total fiber consumption in the United States. Meanwhile, U.S. per capita consumption of manmade fibers fell one and a half pounds from 2005 to 49 pounds per person in calendar 2006.

Inter-fiber Competition:

In contrast to manmade fibers, U.S. cotton domestic consumption expanded slightly in 2006, however, U.S. mill use declined again for the ninth consecutive year. U.S. mill use declined to 2.6 billion pounds as a result of the stagnant cotton product exports and the continued rise in cotton textile imports. In 2006, U.S. cotton textile imports increased 4 percent to a record of about 11 billion pounds. In contrast, exports were slightly lower than 2005 at 2.3 billion pounds. As a result of these changes, total U.S. domestic consumption of cotton reached a new record in 2006 of 11.3 billion pounds, 1 percent above the year before. Overall, cotton accounts for 41.5 percent of 2006 total U.S. fiber consumption, slightly above the previous 5-year average. However, U.S. per capita consumption of cotton remained steady at an estimated 37.8 pounds per person in calendar 2006.

Despite the reduction in cotton mill use, cotton's share of fibers used on the cotton system in 2006/07 averaged 85 percent, the highest in over 30 years. While only accounting for a small percentage of the final product price, raw cotton prices were consistently below those for polyester this year. For the season, U.S. upland mill-delivered cotton prices during 2006/07 averaged about 57 cents per pound, similar to a year earlier. During the comparable period, polyester staple prices averaged about 74 cents per pound, similar to a year earlier. Meanwhile, rayon staple prices have continued well above those for cotton and polyester, averaging 113 cents per pound for the season.

UPLAND MARKET SITUATION:

Prices:

The average price received by farmers for upland cotton was estimated at 47.3 cents per pound (preliminary average) for the 2006/07 marketing year, according to the National Agricultural Statistics Service, USDA. This compares with 47.7 cents for the 2005/06 marketing. The marketing year average price is monthly prices weighted by monthly marketings during the period August through the following July.

Table 1. Season average prices, upland cotton, for the base quality, by designated markets, cents per pound, 2001-2006 1/ 2/						
Market Areas	2001	2002	2003	2004	2005	2006
Southeast	33.02	48.28	60.80	45.91	49.65	49.90
North Delta	33.24	48.47	60.78	46.02	49.67	49.46
South Delta	33.24	48.46	60.85	46.02	49.63	49.46
East Texas-Oklahoma	32.59	46.76	59.95	44.22	47.69	48.17
West Texas	32.39	46.51	59.71	44.08	47.78	48.06
Desert Southwest	32.60	46.27	59.23	45.66	48.26	47.08
San Joaquin Valley	34.64	47.52	59.71	47.38	50.06	48.58
Average	33.10	47.46	60.15	45.61	48.96	48.67

1/ Year beginning August 1. 2/ In mixed lots, net weight, compressed, FOB car/truck.

Table 2. High and low average prices for upland cotton base quality in the designated markets, by seasons. 1/					
Year		HIGH		LOW	
		Date	Price	Date	Price
2001	2/	10-Jul-02	41.39	25-Oct-01	25.94
2002	2/	14-Jul-03	55.86	4-Oct-02	36.56
2003	2/	29-Oct-03	77.66	29-Jul-04	42.45
2004	2/	26-Apr-05	52.30	8-Feb-05	40.39
2005	2/	14-Feb-06	53.25	15-Aug-05	43.46
2006	2/	13-Jul-07	60.67	14-May-07	42.84

1/ Year beginning August 1. 2/ Color 41, leaf 4, staple 34, mike 35-36 and 43-49, strength 26.5-28.4.

Spot cotton quotations for color 41, leaf 4, staple 34, mike 35-36 and 43-49, strength readings of 26.5-28.4 grams per tex, uniformity of 81 units in the designated spot markets averaged 48.67 cents per pound for the 2006-2007 season, down from 48.96 cents for the 2005-2006 season. The season's lowest daily average quotation for the base quality occurred on May 14, 2007 at 42.84 cents per pound and the season's highest daily quotations was 60.67 cents on July 13, 2007. The lowest monthly average for the marketing year was 44.62 cents per pound in May 2007 and the highest was 57.50 cents per pound in July 2007.

Quality:

Color. The predominant color of Upland cotton classed from the 2006 crop was color 31, accounting for 40 percent of classings, according to the USDA, Agricultural Marketing Service, Cotton Program. Color 31 was the predominant color grade in 2005 and made up 36 percent of classings. In the white color grades, color 41 and better made up 93 percent of classings, up from 89 percent in 2005. All white color grades accounted for 95 percent of the 2006 crop, up from 91 percent in 2005. Light Spotted color grades comprised 5 percent of classings, down from 8 percent in 2005. Spotted color grades made up less than 1 percent of classings this season, about

the same as a year earlier. Tinged, Yellow Stained and Below grades accounted for less than 1 percent of classings this season, about the same as last year.

Leaf. The predominant leaf grade of Upland cotton classed from the 2006 crop was leaf grade 3, accounting for 55 percent of Upland classings. Leaf grade 3 was also the predominant leaf grade a year earlier, making up 51 percent of classings. Leaf grade 4 comprised the next highest percentage from the 2006 crop at 32 percent against 31 percent a year ago. Leaf grades 1-2 made up 8 percent of classings of the 2006 crop, compared with 15 percent in 2005. Leaf grades 5-7 made up about 5 percent of classings, as compared to 3 percent last year.

Staple. The average staple length of Upland cotton classed from the 2006 crop was 35.28 thirty-seconds of an inch, up from 34.8 a year ago. The predominant staple length was 35, making up about 26 percent of classings. Staple 35 was the predominant length last year and accounted for 32 percent of classings. Staples 31 and shorter comprised about 1 percent of classings this season, the same as last year. Staples 32 and 33, at 12 percent, were down slightly from 14 percent the previous year. Staple 34 made up 18 percent of the crop, up from 26 percent last year. Staples 36 and longer accounted for 43 percent of classings, down from 28 percent the previous year.

Mike. The average mike of Upland cotton classed from the 2006 crop was 4.4, up slightly from last year. Cotton with mike 3.4 and lower made up about 8 percent of classings, down from 10 percent in 2005. Cotton miking 3.5 through 4.9 comprised 79 percent of the classings this season, down from 82 percent a year ago. Cotton with mike 5.0 and higher made up 13 percent of the classings, up slightly from 12 percent in 2005.

Strength. The average fiber strength of Upland cotton classed from the 2006 crop was 29.2 grams per tex, the same as in 2005. Strengths in the 22 grams per tex and lower range accounted for less than 1 percent of classings, the same as the last four years. Strengths in the 23 to 25 range accounted for 3 percent, up slightly from 2 percent in 2005. Cotton with strengths of 26 to 29 grams per tex accounted for 55 percent of classings, down from 60 percent in 2005. Strengths in the 30 and higher range comprised 42 percent of classings, up from 38 percent a year ago.

Varieties Planted:

The Deltapine brand of Upland cottonseed was the most popular planted in the United States for the 2007-2008 season, according to the USDA, Agricultural Marketing Service's Cotton Program. The Bayer CropScience Fibermax brand was the second most popular followed by Stoneville, PhytoGen, Americot, All-Tex, and Dyna-Grow.

Transgenic varieties - genetically engineered varieties resistant to worms, herbicides, or both - accounted for about 92.7 percent of the Upland cotton planted in the United States in 2007. Usage of transgenic varieties in 2007 varied from a high of 100 percent in Arkansas, Mississippi, and Tennessee to a low of 71.1 percent in California. Other states planted from 93-99 percent transgenic except for Texas (86.5 percent).

Deltapine brand varieties were the most popular planted in 2007, accounting for about 42.9 percent of the United States acreage. This brand accounted for 81.7 percent of the acreage planted in the southeastern states (Alabama, Florida, Georgia, North Carolina, South Carolina,

and Virginia). It accounted for 64.9 percent of the acreage planted in the south central states (Arkansas, Louisiana, Mississippi, Missouri, and Tennessee), 13.2 percent in the southwestern states (Texas, Oklahoma, and Kansas), and 35.4 percent of the acreage planted in the western states (Arizona, California, and New Mexico). Deltapine's most popular varieties were DP 555 BG/RR, DP 444 BG/RR, DP 445 BG/RR, and DP 143 B2RF, accounting respectively for 18.1, 6.7, 5.1, and 2.2 percent of the U.S. Upland cotton acreage.

Bayer CropScience Fibermax brand varieties were the second most popular planted in 2007, accounting for about 29.3 percent of the United States acreage. These varieties accounted for 2.3 percent of the acreage planted in the southeastern states, about 1 percent in the south central states, 59.4 percent in the southwestern states, and 7.7 percent in the western states. The most popular Bayer CropScience Fibermax varieties were FM 9063 B2F, FM 960 B2R, FM 9058 F, and FM 958, accounting respectively for about 5.8, 5.1, 3.7, and 3.6 percent of the United States acreage planted to Upland cotton.

Stoneville brand varieties were the third most popular planted in 2007. These varieties accounted for about 15.4 percent of the acreage planted. They accounted for 11.2 percent of the acreage planted in the southeastern states, 29.8 percent of the acreage in the south central states, 9.7 percent in the southwestern states, and 8.9 percent in the western states. The most popular Stoneville varieties were ST 4554 B2RF, ST 5599 BR, and ST 4664 RF accounting respectively for about 8.1, 1.4, and 1 percent of the United States acreage planted to Upland cotton.

Phytogen brand varieties were the fourth most popular planted in 2007, accounting for about 3.3 percent of the United States acreage. They accounted for 3.1 percent of the acreage planted in the southeastern states, 2.3 percent of the acreage in the south central states, and 37.2 percent in the western states. The most popular Phytogen brand varieties were PHY 725RF and PHY 485 WRF, accounting respectively for about 0.8 and 0.7 percent of the United States acreage planted to Upland cotton.

Americot brand varieties were the next most popular and accounted for about 2.2 percent of the U.S. acreage planted in 2007. All-Tex brand varieties were the next most popular and accounted for about 1.7 percent of the U.S. acreage planted in 2007. Dyna-Gro varieties were the seventh most popular and accounted for about 1.4 percent of the 2007 cotton acreage.

Estimates of the percentage of the various varieties of cotton planted in the United States for 2007 were based on informal surveys made by the Cotton Program Classing Offices. Those surveyed included ginners, seed dealers, extension agents, and other knowledgeable sources.

Southeast	Deltapine DP 555 BG/RR	Deltapine DP 444 BG/RR	Stoneville ST 4554 B2RF	Stoneville ST 5242 BR	Deltapine DP 445 BG/RR	Deltapine DP 449 BG/RR	Deltapine DP 515 BG/RR
	58.45	8.14	4.13	2.87	2.55	2.07	2.01
	Stoneville ST 4554 B2RF	Deltapine DP 555 BG/RR	Deltapine DP 445 BG/RR	Deltapine DP 444 BG/RR	Deltapine DP 117 B2RF	Stoneville ST 5599 BR	Deltapine DP 164 B2RF
South Central	18.92	16.16	16.05	15.31	5.00	3.57	3.25
Southwest	Bayer Crop Science - Fibermax	Bayer Crop Science - Fibermax	Bayer Crop Science - Fibermax	Bayer Crop Science - Fibermax	Stoneville	Deltapine	Bayer Crop Science - Fibermax
	FM 9063 B2F	FM 960 B2R	FM 9058 F	FM 958	ST 4554 B2RF	DP 143 B2RF	FM 989 B2R
	11.85	10.62	7.72	7.52	4.40	3.37	2.73
West	Phytogen PHY 725 RF	Phytogen PHY 72	Deltapine DP 455 BG/RR	Deltapine DP 449 BG/RR	Deltapine DP 164 B2RF	Deltapine DP 448 B	Phytogen PHY 78
	21.10	10.39	9.94	8.75	6.32	3.16	2.50
	Deltapine	Stoneville	Deltapine	Bayer Crop Science - Fibermax	Deltapine	Bayer Crop Science - Fibermax	Bayer Crop Science - Fibermax
US	DP 555 BG/RR	ST 4554 B2RF	DP 444 BG/RR	FM 9063 B2F	DP 445 BG/RR	FM 960 B2R	FM 9058 F
	18.10	8.14	6.65	5.80	5.14	5.11	3.68

Southeast	Deltapine	Stoneville	Phytogen	Bayer CropScience- Fibermax	Misc	Dyna-Gro	AFD Seed
	81.71	11.16	3.14	2.34	1.19	0.46	0.00
South Central	Deltapine	Stoneville	Phytogen	Cropland Genetics	Bayer CropScience- Fibermax	Dyna-Gro	Americot
	64.88	29.77	2.27	1.40	0.98	0.55	0.13
Southwest	Bayer CropScience- Fibermax	Deltapine	Stoneville	Americot	All-Tex	Paymaster	AFD Seed
	59.35	13.24	9.74	4.56	3.52	2.68	2.28
West	Phytogen	Deltapine	Stoneville	Bayer CropScience- Fibermax	CPCSD	Dyna-Gro	Misc
	37.22	35.42	8.93	7.69	4.54	3.21	2.42
US	Deltapine	Bayer CropScience- Fibermax	Stoneville	Phytogen	Americot	All-Tex	Dyna- Gro
	42.87	29.27	15.37	3.30	2.22	1.67	1.38

ELS COTTON SITUATION AND OUTLOOK (As of the June 2006 USDA Estimate):

Acreage and Production:

The U.S. ELS cotton production in 2007/08 is forecast at 793,000 bales, up 3.7 percent from the 2006/07 crop. U.S. plantings of ELS cotton are estimated at 293,000 acres in 2007, down 10.1 percent from last year's projections. The national ELS cotton yield is forecast at 1,317 pounds per harvested acre, up 15.9 percent from the 2006/07 crop. Harvested area in 2007/08 is forecast at 289,000 acres, indicating an abandonment rate of 1.4 percent. California remains the dominant ELS producing state.

Domestic Mill Use:

Mill use of ELS cotton in 2006/07 is estimated to have reached 40,000 bales, down 21.6 percent from the previous year. In 2007/08, mill consumption is projected to remain unchanged.

Foreign Trade:

U.S. Pima exports for 2007/08 are projected to reach 800,000 bales, up from last season's 672,000 bales. Exports in 2006/07 were up 29.2 percent from the previous year's level. Exports to China were down significantly but China remained the largest U.S. Pima market. The decrease in exports to China was more than offset by increases in exports to other top 10 markets. The other top ten export destinations include Pakistan, India, Indonesia, Japan, Taiwan, Thailand, Korea, Germany, and Italy. The top 10 markets accounted for 87.0 percent of total ELS exports.

ELS imports for 2006/07 were 12,000 bales with over 90 percent imported from Egypt. Imports in 2007/08 are expected to decline slightly.

Supply and Stocks:

The ELS cotton supply for 2007/08 is forecast to increase to 927,000 bales, up 9.6 percent from the previous year's estimate. Ending stocks for 2007/08 are expected to decrease to 77,000 bales. The stocks-to-use ratio is forecast to decrease to 9.2 percent.

ELS (AMERICAN PIMA) MARKET SITUATION:

Quality: Color grades 1 and 2 made up 85 percent of classings from the 2006 crop, down from 88 percent in 2005. Color grade 2 was the predominant color grade in 2006, accounting for 81 percent of the classings. Color grades 3 and lower comprised 15 percent of 2006 classings. Leaf grades 1 and 2 accounted respectively for 4 percent and 68 percent of the 2006 classings. The average staple length was 47.8 thirty-seconds of an inch, as compared to 47.7 last year. Staple 48 was the predominant length, comprising 75 percent of classings this season. Staple 48 was the predominant staple length in 2005. Average mike was 4.0 and was the same as last year. Average fiber strength was 40.1 grams per tex, down from 40.4 last year.

Varieties Planted: Phytogen was the most popular brand of American Pima varieties planted in 2007. Phytogen variety PHY 800 Pima accounted for 62.4 percent of the United States Pima acreage and was the most popular variety planted in California (68 percent of California Pima acreage). Deltapine's DP 340 Pima was the second most planted American Pima variety and accounted for 22.8 percent of the U.S. crop. Deltapine's DP 744 Pima was the next most popular variety and accounted for 7.6 percent of the U.S. Pima acreage. The most popular American Pima variety planted in Texas, New Mexico, and Arizona was Deltapine DP 340, accounting respectively for 34.7, 55.7, and 54.0 percent Pima acreage.

U.S. GOVERNMENT PROGRAMS:

For most commodities, including cotton, the provisions of the 2002 U.S. Farm Bill expire after the 2007 crop season. After the 2002 U.S. Farm Bill expires, many U.S. farm and agricultural programs would either disappear or revert back to permanent legislation. For most major commodities, including cotton, permanent legislation is the provisions of the 1949 Agricultural Act. Given the heavy dependence of U.S. agriculture on exports, a return permanent legislation would not be in the interest of any portion of the of U.S. agriculture industry. Therefore it is extremely likely that the 2002 U.S. Farm Bill will not be replaced by a new 2007 Farm Bill or at least an extension of the 2002 Farm Bill.

Both the House and the Senate of the United States Congress will draft and approve their own versions of the 2007 U.S. Farm Bill. A conference committee with representatives of both chambers would meet negotiate a final draft which would then be voted on and passed by both chambers. This Bill would be sent to the President to be signed into law.

As of October 1st the House of Representatives has approved a Farm Bill, however the Senate has not yet approved a Farm Bill. Certain provision of the 2002 Farm Bill, such as food aid for the poor, have been temporarily extended pending the completion of the 2007 Farm Bill

Domestic Programs for 2002 through 2007:

Upland Cotton:

The current upland cotton program is authorized by the Farm Security and Rural Investment Act of 2002 (2002 Act). This Act, passed in May 2002, retains most of the provisions from the previous farm legislation, the Agricultural Market Transition Act of 1996 (1996 Act), in that it again provides no authority for set-aside. It retains the separation of most farm payments from farm production or market prices. The 2002 Act provided farmers complete flexibility in their planting decisions and reduced the influence of government policies in the marketplace for agricultural commodities. In addition to upland cotton, the 2002 Act also provides payments for feed grains, wheat, rice, peanuts, soybeans, and minor oilseeds. These are the "program crops." It provides minimal price support and is designed to enable American farmers to produce for the marketplace. The total land area and the average yields for each program crop that will receive these payments were fixed.

General Provisions Applicable to Program Crops:

"Direct Payments" are made to farm operators and/or owners. These payments are not tied to market prices or to any planting requirement or prohibition, except for compliance with plans on the farm for erosion control or wetland preservation. Hence, they cannot be considered to provide support for prices or as income subsidies to compensate for low market prices.

Each farm's historical planted area (base area) in each of the program crops (corn, sorghum, barley, oats, wheat, rice, peanuts, soybeans, minor oilseeds, and upland cotton) forms the basis for payments under the program. There are no significant planting requirements other than prohibitions on planting certain fruits and vegetables. Also, if the land is not used for an agricultural purpose it should be protected from erosion. Producers must comply with plans previously developed for the farm which specify certain cultural practices or which require the installation of certain physical infrastructure to protect against soil erosion or to preserve wetland environments. Land formerly dedicated to a program crop which is presently enrolled in the Conservation Reserve Program (CRP), a 10-year leasing arrangement which holds fragile lands out of production to combat erosion, may re-enter production and may begin earning payments at the expiration of the 10-year lease as long as conservation plans for the farm are followed.

The 2002 Act provided direct payment rates for each of the program crops. The **direct payment rate** for upland cotton is 6.67 cents per pound. In each year through 2007, producers with a history of upland cotton production on the farm are projected to receive a total of approximately \$590 million. By contrast, producers of the largest of the program crops, corn, are projected to receive a total of about \$2.1 billion each year.

Counter-cyclical payments are computed for the farm, rather than for the farmer, and are based on the historical planted area (base area) in each of the program crops and on the historical average yields for each program crop on the farm. The total land area that will receive the payments will vary only by the addition of base area on such lands as may be released from the CRP. The **target price** for upland cotton is 72.4 cents per pound. The maximum payment rate that can be paid for upland cotton is 13.73 cents per pound. This will be paid if the weighted average market price for the August-July marketing year is below 52.0 cents. The counter-cyclical payment rate for the year will reach zero if the average market price reaches or exceeds 65.73 cents.

Many provisions of the upland cotton program that was in effect for the 2001 and earlier crops were retained in the 2002 Act. Producers are entitled to receive **"marketing assistance loans"** as in past programs. The **loan rate** for the 2002-2007 crops of upland cotton is fixed at 52.0 cents per pound. Producers are eligible for loans on their entire production. Loans are available for a period of 9 months from the first full month after the loan is made. Loans are nonrecourse; forfeiture of the cotton pledged to the Commodity Credit Corporation (CCC) constitutes payment of the loan in full, regardless of the current market value of the cotton.

Marketing loan provisions are continued under the 2002 Act with no modifications. If it is determined that the world market price for upland cotton, adjusted to U.S. quality and location (the adjusted world price or AWP), is below the loan rate, then the Secretary of Agriculture shall implement a marketing loan program to provide for the repayment of loans at the AWP.

Eligible producers who agree to forgo CCC loans may receive loan deficiency payments on their total production otherwise eligible for loan. The loan deficiency payment rate is equal to the difference, if any, between the loan rate and the loan repayment rate (AWP) in effect during the week in which the application for payment is filed. Loan deficiency payments are subject to a payment limitation.

A **3-step procedure** to help keep U.S. cotton prices competitive is continued for the 2002 through 2007 crop years. Under **Step 1** (last used in April 1992), the Secretary has discretionary authority to make a downward adjustment to the AWP when (1) the Friday through Thursday average of the lowest priced U.S. growth as quoted C.I.F. northern Europe for M 1-3/32 inch cotton (U.S. Northern Europe price) is greater than the Friday through Thursday average of the cheapest five northern Europe quotes (Northern Europe price), and (2) the AWP is less than 115 percent of the loan rate. The maximum allowable AWP adjustment is equal to the difference between the U.S. Northern Europe price and the Northern Europe price.

Step 2, now defunct, required issuance of marketing certificates to U.S. domestic users and exporters when the U.S. Northern Europe price exceeds the Northern Europe price and the AWP does not exceed 134 percent of the loan rate for each week of a consecutive 4-week period. The value of the certificate will equal the difference in the fourth week between the U.S. Northern Europe price and the Northern Europe price, multiplied by the quantity of cotton exported or opened by the domestic mill during the Friday through Thursday period following the fourth week. Following the WTO ruling against Step 2 as a prohibited subsidy, Congress eliminated Step 2 in the Deficit Reduction Act of 2005 (Section 1103 of PL 109-171), to be effective on the first day of the new marketing year, August 1, 2006.

Step 3 provides for a special import quota if the U.S. Northern Europe price, adjusted for any payment rate under Step 2 in the previous week, exceeds the Northern Europe price in each week of a consecutive 4-week period. The quota would equal 1 week's domestic mill consumption based on the seasonally adjusted average rate for the most recent 3 months for which data are available. This is approximately 28,300 tons or 130,000 bales. Importers would have 90 days to purchase and an additional 90 days to import the cotton. Quotas established under this provision can overlap.

A **limited global import quota** must be established whenever the average spot market price for SLM 1-1/16 inch cotton during the preceding month exceeds 130 percent of such average price during the preceding 36 months. The amount of the limited global import quota is equal to 21 days of domestic consumption except when a special quota has been established during the previous 12 months, in which case the quota would be the smaller of 21 days of domestic consumption or an amount needed to increase the supply of cotton to 130 percent of the demand. A 90-day period will be allowed for entering cotton under this quota. This quota cannot be in effect while a Step 3 quota is in effect.

Even if neither of the quotas is in effect, cotton still may be imported under the tariff rate quotas (TRQ) established pursuant to the General Agreement on Tariffs and Trade (GATT). Over the next twelve months, approximately 165,000 bales of raw upland cotton (staple 35 or less) may be

imported at the "in-quota" tariff level under the TRQ's and about 184,000 bales of extra-long staple.

ELS Cotton:

The 2002 Act provides for a nonrecourse loan program for extra long staple (ELS) cotton.

A national average **loan rate** established for the 2002 through 2007 crops is 79.77 cents per pound (82.45 cents per pound when adjusted to grade 2 staple 46.) Producers participating in the program are eligible for loans on their entire production. Loans are available for a term of 9 months from the first entire month after the loan is made.

Loans are nonrecourse, i.e., forfeiture of the pledged cotton to the Commodity Credit Corporation (CCC) constitutes payment of the loan in full, regardless of the current market value of the cotton.

The 2002 Act gave CCC the authority to sell ELS cotton for unrestricted use at price levels determined appropriate by the Secretary of Agriculture to maintain and expand domestic and export markets. The announced CCC sales policy set the minimum sales price at the highest price offered, but not less than the market price, as determined by CCC. CCC held no inventory of ELS cotton as of August 1, 2007.

The 2002 Act provided no authority for target prices, counter-cyclical payments, direct payments or for the acreage reduction programs for ELS cotton. ELS cotton may be grown on any farm without restriction, and producers are eligible for marketing assistance loans on all ELS cotton produced on participating farms.

An **ELS cotton competitiveness payment program** was authorized by legislation enacted on November 29, 1999. This program was extended to July 31, 2008 by the 2002 Act.

In authorizing the ELS cotton competitiveness payment program, Congress established that the program would trigger after 4 weeks in which the U.S. domestic spot price of ELS cotton exceeds the lowest price of competing non-U.S. growths. The payment rate is the amount of that difference, if any, determined each week. Under this general guideline, adjustments to price quotations for non-U.S. ELS cotton, C.I.F. northern Europe, were determined so that non-U.S. prices were made equivalent to the U.S. spot price with respect to location and quality. Valid comparisons between the U.S. and non-U.S. prices then could be made to arrive at reasonable payment rates. As of August 2005, USDA had replaced the U.S. domestic spot price with American Pima, C.I.F. Northern Europe. As of October 2005, both domestic and foreign quotes shifted to a Far East basis.

A "base" quality for U.S. Pima for purposes of the ELS payment program is defined as Pima grade 2, staple 46, a close approximation of Egyptian Giza-86. Three non-U.S. growths are being quoted, C/F Far East. Egyptian Giza 70 is a cotton of superior quality to the "base" Pima, so a "discount factor" of -4.69 cents per pound is being applied to the Giza 70 quotation before the comparison is made with the American Pima price. Egyptian Giza 86 quotations receive a premium adjustment of +8.11 cents per pound. Central Asian Pima was the only other foreign ELS cotton being quoted. To achieve comparability between Central Asian Pima and the "base"

quality of U.S. Pima, a premium of +22.42 cents per pound is being applied to the Central Asian Pima quotation. As required in the future, adjustment factors for other non-U.S. growths of ELS will be determined and applied.

Food Aid Program:

Food Aid / Public Law 480:

Under Title I of Public Law 480 (P.L. 480) the United States is authorized to sell commodities such as cotton, cotton yarn, and unfinished fabric manufactured entirely from U.S. cotton on long-term credits to participating countries.

To prevent P.L. 480 exports from interfering with normal commercial trade, the United States establishes a usual marketing requirement (UMR) in the Title I agreement, which can be waived or reduced in cases of unusual economic difficulty. In accepting the UMR, the participating country agrees to continue commercial purchasing at levels consistent with recent trade history. Sales of cotton under P.L. 480 are intended to help expand world trade rather than replace normal commercial purchases. No cotton has been funded under the P.L. 480, Title I program for over a decade.

Export Credit Programs:

The Commodity Credit Corporation (CCC) began using a risk-based fee structure for the GSM-102 program on July 1, 2005. Fee rates will be based on the country risk that CCC is undertaking, as well as the repayment term (tenor) and repayment frequency (annual or semi-annual) under the guarantee. For the GSM-102 program, country risk will be based on the country of the foreign obligor (opening bank), as determined by the CCC.

CCC Export Credit Guarantee Program GSM-102:

Initiated in 1981, the GSM-102 program attempts to develop, maintain or increase markets for U.S. agricultural commodities. The program assists U.S. exporters in obtaining short-term (up to 36 months) commercial financing by providing credit guarantee protection against the risk of nonpayment for both commercial and non-commercial reasons. The program requires that export sales be secured by a dollar denominated letter of credit issued by a CCC-approved bank. If the importer's bank defaults on payments for any reason, the CCC will pay the exporter or the lending institution the amounts covered in accordance with GSM-102 regulations.

Whenever the Department of Agriculture (USDA) determines that a country is eligible for a GSM-102 program and there is market demand for U.S. exports, a public announcement is made. This announcement states that CCC will accept applications for guarantees against nonpayment on sales of a particular commodity to that specified country. After such an announcement, but before shipment, any qualified U.S. exporter with a sale of a covered commodity to the specified country must submit an application to register its sales with the CCC. A guarantee fee must also be submitted to the CCC with the written application. Before the application is submitted, the exporter should first determine whether bank financing would be available. The export sale must be secured by an irrevocable letter of credit payable in U.S. dollars from a CCC-approved bank.

The repayment period specified in the announcement is extended for up to three years under GSM-102. Approvals of acceptable applications are made up to the dollar limit stated in the announcement. The exporter is provided with a payment guarantee, which specifies the maximum value to be guaranteed by CCC. Presently, CCC generally covers 98 percent of the exported value. The per annum rate to be used to calculate eligible interest shall be the lesser of the interest rate specified between the U.S. bank (or exporter) and the foreign bank or 55 percent of the average investment rate of the most recent 26-week Treasury Bill. Coverage is effective from the date of export and continues in force for the period covered. The exporter may assign to a U.S. bank or other financial institution the proceeds payable by CCC under the payment guarantee. Notice of the assignment is sent to the Treasurer of the CCC who then acknowledges its receipt. Within 30 days (60 days for rail) after export of any commodity covered by a payment guarantee, the U.S. exporter must furnish the export information required by the GSM-102 regulations.

If the foreign bank, which issues the letter of credit, fails to make scheduled payments, the exporter or assignee must notify CCC of the default within 10 days of the payment's due date (or any extension thereof). Within 30 days after notice of nonpayment, the exporter or assignee may file a claim for the date of nonpayment.

In recent years, USDA has used the market basket approach under the majority of GSM programs, where no specific dollar amount is assigned to a commodity. Registrations are made on a first-come, first-served basis. So far, in fiscal year 2007, the United States announced guarantees totaling \$3.6 billion to 26 countries and regions. Sales of \$134.3 million in cotton were registered as of August 15, 2007.

COTTON MARKET DEVELOPMENT:

Domestic Market Development:

Under provisions of the Cotton Research and Promotion Act of 1966, a Cotton Research and Promotion Program was started in the United States in 1967. The primary objective is to carry out an effective and continuous program of research and promotion in order to strengthen the competitive position of cotton by expanding domestic and foreign markets for cotton, improving fiber quality, and lowering costs of production.

From 1967 to 1990, the program was financed through refundable assessments paid by producers. Amendments to the Act, contained in the 1990 Farm Bill, expanded the funding base for the program by authorizing assessments on imported cotton and cotton-containing products while eliminating refunds of producer paid assessments. These changes became effective in 1992. Assessments are levied on each bale or bale equivalent of cotton at a rate of \$1 per bale with a supplemental assessment not to exceed one percent of the value of lint of each bale.

The Act provides for the establishment of a Cotton Board to assist the Secretary of Agriculture by administering the Cotton Research and Promotion Program. The Board collects funds from cotton producers and importers to promote and research the use of cotton and its products. The Board reviews all proposed projects and budgets and recommends programs for approval by the Secretary of Agriculture. The Cotton Board consists of 30 cotton producer and importer

representatives appointed by the Secretary of Agriculture from nominations submitted by certified cotton producer and importer organizations. Cotton Board members represent each major cotton-producing state in the United States and cotton importers.

Research, promotion and technical assistance activities are carried out by a contracting organization, Cotton Incorporated. Research activities funded under the Cotton Research and Promotion Program effectively develop innovative processes and treatments for cotton to provide consumers with the latest in fiber technology. Since 1975, cotton's domestic market share at retail, excluding carpets, has increased from 34 to over 75 percent.

International Market Development:

Cotton Incorporated:

Cotton Incorporated's overseas operations began in 1973, with the purpose of expanding markets for cotton by providing technical and marketing assistance abroad. Cotton Incorporated maintains headquarters in United States with offices in China, Japan, Singapore, and Mexico. Experts from Cotton Incorporated work closely with mills and their customers to develop and deliver the best cotton products possible. They also help importers establish productive supply chains and sourcing relationships worldwide. Overseas activities include technical servicing to mills to enhance cotton processing technologies, introduction of new fabric and technological advances, and the presentation of color and fabric trend forecasting.

Cotton Council International:

Cotton Council International (CCI) is the international division of the National Cotton Council of America. CCI's mission is to increase exports of U.S. cotton, cottonseed and U.S. manufactured cotton products through activities that affect every phase of the marketing chain -- from the initial mill buyer of cotton fiber or purchaser of U.S. cotton-rich yarns and fabrics on through to the final consumer. These activities are partly funded by the Foreign Agricultural Service of the U.S. Department of Agriculture.

From its offices in the United States, the United Kingdom, Korea, and Hong Kong, along with in-country representatives throughout Asia, Latin America and Europe, CCI coordinates advertising campaigns for quality, 100-percent cotton products containing 50-percent or more U.S. cotton under the COTTON USA program. COTTON USA reaches about 3 billion current and potential customers of U.S. cotton in more than 50 countries worldwide. Examples of CCI activities include: orientation tours to the United States for foreign cotton spinners and manufacturers' representatives; trade missions to cotton-consuming countries for producers, exporters and government representatives; marketing support via advertising campaigns and retail sales promotions; and buying delegations for COTTON USA partners to targeted sourcing countries.

Table 4: COTTON: SUPPLY AND DISAPPEARANCE, BY TYPE, 1986-2007

Year	Beginning Stocks 1/	Production 2/ 1,000 480-POUND NET WEIGHT BALES	Imports	Total Supply 3/	Mill Use 4/	Exports	Total Demand	Loss 5/	Ending Stocks
ALL KINDS									
1986	9,348	9,731	3	19,082	7,452	6,684	14,136	-80	5,026
1987	5,026	14,760	2	19,788	7,617	6,582	14,199	-182	5,771
1988	5,771	15,411	5	21,187	7,782	6,148	13,930	165	7,092
1989	7,092	12,196	2	19,290	8,759	7,694	16,453	-163	3,000
1990	3,000	15,505	4	18,509	8,657	7,793	16,450	-285	2,344
1991	2,344	17,614	13	19,971	9,613	6,646	16,259	8	3,704
1992	3,704	16,218	1	19,923	10,250	5,201	15,451	-190	4,662
1993	4,662	16,134	6	20,802	10,418	6,862	17,280	-8	3,530
1994	3,530	19,662	20	23,212	11,198	9,402	20,600	-38	2,650
1995	2,650	17,900	408	20,958	10,647	7,675	18,322	27	2,609
1996	2,609	18,942	403	21,954	11,126	6,865	17,991	-8	3,171
1997	3,971	18,793	13	22,777	11,349	7,500	18,849	41	3,887
1998	3,887	13,918	439	18,244	10,401	4,298	14,699	-394	3,939
1999	3,939	16,968	97	21,004	10,194	6,750	16,944	145	3,915
2000	3,915	17,188	16	21,119	8,862	6,740	15,602	-483	6,000
2001	6,000	20,303	21	26,324	7,696	11,000	18,696	180	7,448
2002	7,448	17,209	67	24,724	7,273	11,900	19,173	166	5,385
2003	5,385	18,255	45	23,685	6,266	13,758	20,024	211	3,450
2004	3,450	23,251	29	26,730	6,691	14,436	21,127	108	5,495
2005	5,495	23,890	28	29,413	5,871	18,040	23,911	-548	6,050
2006 6/	6,050	21,588	19	27,658	4,953	13,000	17,953	8	9,700
2007 7/	9,700	17,812	20	27,532	4,600	16,700	21,300	32	6,200
UPLAND									
1986	9,289	9,525	3	18,817	7,385	6,570	13,955	-80	4,942
1987	4,942	14,475	2	19,419	7,565	6,345	13,910	-209	5,718
1988	5,718	15,077	5	20,800	7,711	5,883	13,594	180	7,026
1989	7,026	11,504	2	18,532	8,686	7,242	15,928	-194	2,793
1990	2,798	15,147	4	17,949	8,592	7,378	15,970	-283	2,262
1991	2,262	17,216	13	19,491	9,548	6,348	15,896	12	3,583
1992	3,583	15,710	1	19,295	10,190	4,869	15,059	-221	4,456
1993	4,456	15,764	6	20,226	10,346	6,555	16,901	22	3,303
1994	3,303	19,324	18	22,645	11,109	8,978	20,087	-30	2,588
1995	2,588	17,532	400	20,520	10,538	7,375	17,913	64	2,543
1996	2,543	18,413	403	21,359	11,020	6,399	17,419	20	3,920
1997	3,920	18,245	13	22,178	11,234	7,060	18,294	62	3,822
1998	3,822	13,476	427	17,725	10,254	4,010	14,264	-375	3,836
1999	3,836	16,294	53	20,183	10,055	6,303	16,358	160	3,665
2000	3,665	16,799	8	20,472	8,738	6,303	15,041	-448	5,879
2001	5,879	19,603	6	25,488	7,592	10,603	18,195	173	7,120
2002	7,120	16,531	10	23,661	7,170	11,266	18,436	85	5,140
2003	5,140	17,823	4	22,967	6,204	13,239	19,443	140	3,384
2004	3,384	22,505	8	25,897	6,629	13,683	20,312	103	5,482
2005	5,482	23,260	9	28,751	5,820	17,520	23,340	-570	5,981
2006 6/	5,981	20,823	8	26,812	4,910	12,328	17,238	-2	9,576
2007 7/	9,576	17,019	10	26,605	4,560	15,900	20,460	22	6,123

Table 4 continued: COTTON: SUPPLY AND DISAPPEARANCE, BY TYPE, 1986-2007

Year	Beginning Stocks 1/	Production 2/	Imports	Total Supply 3/	Mill Use 4/	Exports	Total Demand	Loss 5/	Ending Stocks
1,000 480-POUND NET WEIGHT BALES EXTRA-LONG STAPLE									
1986	59	206	0	265	67	114	181	0	84
1987	84	285	0	369	52	237	289	27	53
1988	53	334	0	387	71	265	336	-15	66
1989	66	692	0	758	73	452	525	31	202
1990	202	358	0	560	65	415	480	-2	82
1991	82	398	0	480	65	298	363	-4	121
1992	121	508	0	629	60	332	392	31	206
1993	206	370	0	576	72	307	379	-30	227
1994	227	338	2	567	89	424	513	-8	62
1995	62	368	8	438	109	300	409	-37	66
1996	66	529	0	595	106	466	572	-28	51
1997	51	548	0	599	115	440	555	-21	65
1998	65	442	12	519	147	288	435	-19	103
1999	103	674	44	821	139	447	584	-15	250
2000	250	389	8	647	124	437	561	-35	121
2001	121	700	15	836	104	397	501	7	328
2002	328	678	57	1063	103	634	737	81	245
2003	245	432	41	718	62	519	581	71	66
2004	66	746	21	833	62	753	815	5	13
2005	13	630	19	662	51	520	571	22	69
2006 6/	69	765	12	846	40	672	712	10	124
2007 7/	124	793	10	927	40	800	840	10	77

1/ Compiled from Bureau of the Census data and adjusted to an August 1 480-pound net weight basis. Excludes preseason ginnings.

2/ Includes preseason ginnings.

3/ Totals made from unrounded data.

4/ Adjusted to August 1-July 31 marketing year.

5/ Difference between ending stocks based on Census data and preceding season's supply less disappearance. For upland cotton, this difference primarily reflects an increase of an estimated one percent in average bale weights due to moisture absorption once cotton is ginned and begins to flow through marketing channels. Additional moisture is absorbed by cotton moving in export channels. For ELS cotton, this difference reflects in part, reporting discrepancies for stocks, mill consumption, and exports.

6/ Estimate.

7/ Forecast.

Table 5: U.S. PER CAPITA DOMESTIC COTTON CONSUMPTION, 1984-2006 1/

Calendar Year	Mill Use	Textile Imports	Textile Exports	Net Trade 2/	Domestic Consumption 3/
Pounds					
1984	11.50	4.84	0.87	5.31	16.81
1985	11.80	6.75	0.87	5.88	17.20
1986	13.54	7.94	1.14	6.80	20.34
1987	15.46	9.62	1.23	8.39	23.85
1988	14.32	8.66	1.33	7.33	21.65
1989	16.36	9.52	2.05	7.47	23.83
1990	16.47	9.67	2.66	7.01	23.48
1991	17.15	10.20	2.67	7.53	24.69
1992	18.53	12.38	3.09	9.29	27.82
1993	18.97	13.74	3.51	10.23	29.20
1994	19.86	14.53	4.10	10.43	30.28
1995	19.44	15.34	4.99	10.35	29.79
1996	19.38	15.66	5.65	10.01	29.38
1997	19.94	18.63	6.57	12.06	32.00
1998	18.96	21.83	7.09	14.74	33.70
1999	17.77	24.03	7.42	16.61	34.37
2000	16.81	26.70	8.65	18.05	34.86
2001	13.49	26.45	7.44	19.01	32.50
2002	12.82	29.50	7.59	21.91	34.73
2003	11.09	31.72	7.96	23.76	34.85
2004	10.65	32.38	7.97	24.41	35.06
2005	10.22	35.38	7.86	27.52	37.74
2006	8.74	36.56	7.53	29.03	37.77

1/ U.S. apparent consumption of cotton and cotton textiles.

2/ Imports minus exports.

3/ Mill use plus net trade.

Compiled by Economic Research Service, USDA, from Bureau of the Census data.

Table 6: RAW COTTON EQUIVALENT OF U.S. EXPORTS OF DOMESTIC COTTON MANUFACTURES AND IMPORTS FOR CONSUMPTION OF COTTON MANUFACTURES, 1984-2006

Calendar Year	Total Exports		Total Imports	
	1,000 Pounds	1,000 Bales 1/	1,000 Pounds	1,000 Bales 1/
1984	206,081	429.3	1,465,475	3,053.1
1985	213,224	444.2	1,629,166	3,394.1
1986	274,828	572.6	1,910,474	3,980.2
1987	298,004	620.8	2,335,696	4,866.0
1988	330,266	688.1	2,118,775	4,414.1
1989	491,067	1,023.1	2,353,918	4,904.0
1990	638,822	1,330.9	2,416,410	5,034.2
1991	676,308	1,409.0	2,592,913	5,401.9
1992	794,973	1,656.2	3,193,165	6,652.4
1993	914,725	1,905.7	3,574,387	7,446.6
1994	1,080,823	2,251.7	3,795,927	7,908.2
1995	1,330,810	2,772.5	4,048,669	8,434.7
1996	1,524,678	3,176.4	4,171,553	8,690.7
1997	1,792,384	3,734.1	5,084,073	10,591.8
1998	1,957,103	4,077.3	6,026,211	12,554.6
1999	2,073,505	4,319.8	6,711,432	13,982.2
2000	2,442,982	5,089.5	7,541,382	15,711.2
2001	2,123,784	4,424.6	7,545,249	15,719.3
2002	2,186,115	4,544.4	8,502,165	17,712.8
2003	2,317,059	4,827.2	9,231,664	19,232.6
2004	2,342,877	4,881.0	9,523,267	19,840.1
2005	2,335,030	4,864.6	10,505,133	21,885.7
2006	2,256,272	4,700.6	10,959,599	22,832.5

1/ Bales of 480-pound net weight.

Compiled by Economic Research Service, USDA, from Bureau of the Census data.

Table 7: MANMADE FIBERS: U.S. CONSUMPTION, 1984-2006

Year	Cellulosic	Noncellulosic	Total
Million pounds			
1984	587.9	7,378.2	7,966.1
1985	545.6	7,679.9	8,225.5
1986	608.3	8,044.4	8,652.7
1987	585.6	8,480.1	9,065.7
1988	612.4	8,595.0	9,207.4
1989	611.3	8,616.8	9,228.1
1990	604.5	8,448.1	9,052.6
1991	564.2	8,535.7	9,099.9
1992	565.4	9,173.2	9,738.6
1993	606.2	9,566.2	10,172.4
1994	544.6	10,217.6	10,762.2
1995	507.8	9,832.7	10,340.5
1996	472.9	10,053.4	10,526.3
1997	448.2	10,675.0	11,123.2
1998	382.5	10,744.0	11,126.5
1999	330.4	11,075.8	11,406.2
2000	301.5	11,144.3	11,445.8
2001	222.3	10,040.6	10,262.9
2002	203.0	10,402.8	10,605.8
2003	176.6	10,082.6	10,259.2
2004	181.7	10,181.3	10,363.0
2005	165.1	10,227.1	10,392.2
2006	174.3	9,448.6	9,622.9

Compiled by Economic Research Service, USDA, from Fiber Organon and Bureau of the Census data.

List of USDA Web Sites:

USDA Production, Supply, and Demand Estimates: On line access to USDA's historical and forecast data for cotton production, consumption, and trade for 120 countries.

<http://www.fas.usda.gov/psdonline/psdHome.aspx>

Cotton and Wool Outlook (CWS): Economic Research Service, U.S. Department of Agriculture.

Description: Monthly. Provides information and statistics on domestic and world cotton and wool production, consumption, export sales, use, and prices, including data on raw fibers and textiles.

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1281>

The USDA Economics, Statistics & Market Information System: Contains nearly 300 reports and datasets from the economics agencies of the U.S. Department of Agriculture. These materials cover U.S. and international agriculture and related topics. Most reports are text files that contain time-sensitive information. Most data sets are in spreadsheet format and include time-series data that are updated yearly.

<http://usda.mannlib.cornell.edu/>

The USDA Baseline provides: Long run projections for the U.S. agricultural sector through 2009. Projections cover selected agricultural commodities and agricultural trade, and aggregate indicators such as farm income and food prices. As "baseline" projections, they represent one plausible scenario for the next ten years, and reflect both model results and judgment. The projections assume no shocks and are based on specific assumptions for the macroeconomic conditions, policy, weather, and international developments.

<http://www.ers.usda.gov/briefing/baseline/>

AMS The Cotton Program: The program promotes the orderly and efficient marketing of cotton by preparing, distributing, and encouraging the use of universal cotton classification standards, and by providing cotton classification and market news that meet the needs and expectations of the cotton and textile industries.

<http://www.ams.usda.gov/cotton/index.htm>

USDA AMS Market News Reports - Cotton Reports: AMS provides current, unbiased price and sales information to assist in the orderly marketing and distribution of farm commodities. Reports include information on prices, volume, quality, condition, and other market data on farm products in specific markets and marketing areas. Reports cover both domestic and international markets.

<http://www.ams.usda.gov/cotton/mncs/index.htm>

USDA - National Agricultural Statistics Service Reports by Commodity:

<http://www.nass.usda.gov/Publications/index.asp>

World Agricultural Outlook Board WASDE REPORT: The World Agricultural Supply and Demand Estimates (WASDE) report is available electronically within one hour of release.

<http://www.usda.gov/oce/commodity/wasde/index.htm>

Farm Service Agency(FSA): The Farm Service Agency provides "Program Fact Sheets" in Portable Document Format (PDF) on all commodity programs including cotton.

<http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstyp=prfactsheet>

Export Credit Guarantee Programs: The Commodity Credit Corporation (CCC), U.S. Department of Agriculture, administers export credit guarantee programs for commercial financing of U.S. agricultural exports. <http://www.fas.usda.gov/excredits/ecgp.asp>

United States Farm Bill: Information on the U.S. Farm Bill.

http://www.usda.gov/wps/portal/!ut/p/s.7.0.A/7.0.1UH?navid=FARM_BILL_FORUMS