60TH PLENARY MEETING

OF THE

INTERNATIONAL COTTON

ADVISORY COMMITTEE

VICTORIA FALLS, ZIMBABWE

SEPTEMBER 16-21, 2001

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UPLAND COTTON SITUATION AND OUTLOOK:

Overview, Acreage and Production:

U.S. upland cotton production in 2001/02 is forecast at a record 19.4 million bales up from 16.8 million bales in 2000/01, 17 percent above the 5-year average.

Planted area in 2001 totaled 16.0 million acres, 612,000 (4 percent) above the previous year. Harvested area is forecast at 14.1 million acres, which suggests an abandonment rate of 11.6 percent. Yield per harvested acre is forecast at 661 pounds, above the 5-year average of 641 pounds. In 2000, harvested area reached 12.9 million acres, with an abandonment rate of 16.0 percent. Yields averaged 626 pounds per harvested acre. Since we are still in the harvest season, yields could vary from current estimates. However, production is forecast up 15.5 percent from last season. While significant area increases are reported for North Carolina, Arkansas, Georgia, Mississippi, Alabama, and others.

Domestic Mill Use:

Mill use of upland cotton in 2000/01 was 8.7 million bales, compared with 10.1 million used in 1999/2000. In 2001/02, mill use is projected to decline to 8.5 million bales, the lowest level since 1988/89.

Foreign Trade:

Upland raw cotton exports totaled 6.3 million bales in 2000/01, unchanged from the previous season. The top export destination was Mexico, which imported 1.8 million bales from the U.S. representing 29 percent of all upland exports. The top ten upland markets also included Turkey, Indonesia, Taiwan, Japan, Hong Kong, Korea, Canada, India and Thailand. Together these destinations represented 83 percent of upland exports.

In 2001/02 upland shipments are projected to increase to 8.5 million bales due to increased U.S. production and increased world demand. In 2001/02 the U.S. share of world trade is expected to increase to just under 32 percent, above the 5-year average of 24.5 percent. In 2000/01, the U.S. share of world trade (all cotton) was 25.6 percent, an increase from 24.7 percent the previous season.

U.S. upland cotton imports in 2000/01 totaled 2,000 bales. A majority of the imports were from Greece and Syria. In 2001/02, U.S. imports are projected to be unchanged due to an abundant domestic supply situation.

Supply and Stocks:

Total 2001/02 upland supply is projected at 24.9 billion bales, up 21 percent from 2000/01. With the forecast increase in the U.S. upland cotton supply, U.S. exports are expected to increase 36 percent from last season's 6.3 million bales to 8.5 million. Imports are expected to remain below 10,000 bales. With the increase in total demand less than the increase in production in 2001, ending stocks are forecast to increase by 45 percent to 8.1 million bales.

Based on the early-season projections of supply and use, 2001/02 upland ending stocks are estimated at 8.0 million bales, 2.5 million bales above beginning levels. Total use is forecast higher at 16.9 million bales, 1.9 million bales above 2000/01. At the end of 2000/01, the upland stocks-to-use ratio equaled 36.3 percent. For 2001/02 with the increase in production more than offsetting the increase in demand, the stocks-to-use ratio should increase to about 47 percent.

Manmade Fibers:

U.S. domestic consumption of manmade fibers continues to rise, reaching a record 13.6 billion pounds in 2000. The 2 percent increase from 1999 was the result of textile import expansion, however, as U.S. manmade fiber mill use was virtually unchanged in 2000 at 11.3 billion pounds. Despite similar mill use in 2000, textile exports increased

14 percent from 1999 and approached 2.5 billion pounds. Likewise, 2000 U.S. manmade fiber textile imports jumped nearly 14 percent from the year before to approximately 4.8 billion pounds. Overall, manmade fibers accounted for about 56 percent of the total fiber consumption in the United States, slightly below the previous 5-year average. However, U.S. per capita consumption of manmade fibers rose slightly from 1999 to over 49 pounds in 2000.

Inter-fiber Competition:

Similar to manmade fibers, U.S. cotton domestic consumption expanded in 2000, but U.S. mill use declined 4 percent to the 1992 level. U.S. mill use returned to the 4.8-million-pound level as a result of the continued rise in cotton textile imports. In 2000, U.S. cotton textile imports increased 12 percent to a record 7.5 billion pounds, while exports rose 18 percent to 2.4 billion. As a result, total U.S. domestic consumption of cotton reached a new record in 2000 at nearly 9.9 billion pounds, about 3 percent above 1999. Overall, cotton continues to account for 40 percent of total U.S. fiber consumption, slightly above the previous 5-year average. Also, U.S. per capita consumption of cotton increased half of a pound to nearly 36 pounds in 2000.

Cotton's share of fibers used in the cotton system in 2000/01 averaged near last season's 78.5 percent, but below the 1998/99's 30-year high. While only accounting for a small percentage of the final product price, raw cotton prices began the season above those for polyester before falling well below them earlier this spring. For the season, U.S. upland mill-delivered cotton prices during 2000/01 averaged about 59 cents per pound, 1 cent below a year ago. However, polyester staple prices rose to about 60 cents during the comparable period. Meanwhile, rayon staple prices have continued well above those for cotton, averaging nearly 99 cents per pound for the season.

UPLAND MARKET SITUATION:

Prices:

Quotations for color 41, leaf grade 4, staple 34, mike 35-36 and 43-49, strength 23.5-25.4 cotton, in the designated markets averaged 51.56 cents per pound for the 2000-2001 season. This was down from 52.36 cents for the 1999-2000 season. Quotations averaged 59.33 cents per pound in August 2000, the first month of the marketing year. Average quotations were fairly steady until January but then dropped steadily until leveling off in June and July. The highest monthly average was 62.16 cents per pound in November 2000 and the lowest was 37.38 in June 2001. The season's highest daily average quotation for the base quality occurred on November 30, 2000 at 63.57 cents per pound and the season's lowest daily quotation was 35.39 cents on June 20, 2001.

Prices received by farmers for upland cotton averaged 51.10 cents per pound for the 2000-2001 marketing year, according to the National Agricultural Statistics Service, USDA. This compares with 45.00 cents for the 1999-2000 marketing year and 60.20 cents for the 1998-1999 marketing year.

Contracting:

United States upland cotton grower's forward contracted about 14 percent of the 2000 crop. This compares with 10 percent booked in 1999. Contracting was most active in the southeastern states (Alabama, Florida, Georgia, North Carolina, South Carolina and Virginia) where about 25 percent of the crop was under contract in 2000 and compares with 19 percent a year earlier. Growers in south central states (Arkansas, Louisiana, Mississippi, Missouri and Tennessee) forward contracted about 16 percent, compared with 10 percent in 1999. In the southwestern states (Oklahoma and Texas), about eight percent of the crop was booked, up slightly from five percent last year. Growers in the western states (Arizona, California and New Mexico) forward contracted about six percent, down from 11 percent in 1999.

United States upland cotton growers forward contracted about five percent of the 2001 crop by the end of July 2001. This was down from 12 percent booked through the same period last year. By the end of July 2001, about six

percent of the crop was under contract in the southeastern and south central states, five percent in the southwestern states and less than one percent in the western states.

Quality:

Color. The predominant color of upland cotton classed from the 2000 crop was color 31, accounting for 31 percent of classings, according to the USDA, Agricultural Marketing Service, Cotton Programs. Colors 11 & 21 were predominant in 1999 and made up 37 percent of classings. In the white color grades, color 41 and better made up 80 percent of classings down from 86 percent in 1999. All white color grades accounted for 83 percent of the 2000 crop, down from 88 percent in 1999. Light Spotted color grades comprised 16 percent of classings, up from 12 percent in 1999. Spotted color grades made up about 1 percent of classings this season, the same as a year earlier. Tinged, Stained and Below color grades accounted for less than 1 percent of classings this season, the same as last year.

Leaf. The predominant leaf grade of cotton classed from the 2000 crop was leaf grade 3, accounting for 54 percent of upland classings. Leaf grade 3 was predominant a year earlier making up 41 percent of classings. Leaf grade 1-2 comprised the next highest percentage from the 2000 crop at 24 percent against 36 percent a year ago. Leaf grade 4 made up 18 percent of classings from this year's crop, compared with 19 percent in 1999. Leaf grade 5-7 made up about 3 percent of classings, the same as last year.

Staple. The average staple length of upland cotton classed from the 2000 crop was 34.2 thirty-seconds inches, up slightly from 34.1 a year ago. The predominant staple length was 34, making up about 26 percent of classings. Staple 34 was the predominant length last year, accounting for 26 percent of classings. Staples 31 and shorter comprised 5 percent of classings this season, the same as last year. Staples 32 and 33, at 26 percent, were down from 29 percent the previous year. Staple 35 made up 22 percent of the crop, the same as last year. Staples 36 and longer accounted for 20 percent of classings, up from 18 percent the previous year.

Mike. The average mike of upland cotton classed from the 2000 crop was 43, down from 44 last year. Cotton with mike 34 and lower made up 6 percent of classings against 4 percent in 1999. Cotton miking 35 through 49 comprised 86 percent of the classings this season, up from 80 percent a year ago. Cotton with mike 50 and higher made up 8 percent, down from 16 percent in 1999.

Strength. The average fiber strength of upland cotton classed from the 2000 crop was 27.6 grams per tex, compared with 28.3 in 1999. Strengths in the 19 and lower range accounted for less than 1 percent of classings, the same as last year. Strengths in the 20 to 23 range accounted for 2 percent compared to less than 1 percent last year. Cotton with strengths of 24 to 27 grams per tex accounted for 53 percent of classings, against 37 percent a year ago. Strengths in the 28 and higher range comprised 45 percent of classings, down from 63 percent a year ago.

Varieties Planted: The Paymaster brand of upland cottonseed was the most popular planted in the United States for the 2001-2002 season, according to the USDA, Agricultural Marketing Service's Cotton Program. The Deltapine brand was the second most popular followed by Stoneville, Sure-Grow, Aventis, CPCSD, Phytogen, and All-Tex.

Transgenic varieties - genetically engineered varieties resistant to worms, herbicides or both - accounted for about 78 percent of the upland cotton planted in the United States in 2001. This is up from 72 percent of the U.S. upland cotton acreage in crop year 2000. Usage in 2001 varied from a high of 97 percent in Tennessee to a low of 36 percent in California. Texas producers planted transgenic varieties to 65 percent of their 6.2 million cotton acres.

Paymaster brand varieties were the most popular planted in 2001, accounting for 37.1 percent of the United States acreage. This brand accounted for 6.3 percent of the acreage planted in the southeastern states (Alabama, Florida, Georgia, North Carolina, South Carolina and Virginia). It accounted for 31.2 percent of the acreage planted in the south central states (Arkansas, Louisiana, Mississippi, Missouri and Tennessee), 64.9 percent in the southwestern states (Oklahoma and Texas), and 1.4 percent of the acreage planted in the western states (Arizona, California and New Mexico). Paymaster's most popular varieties were PM 2326 RR, PM 1218 BG/RR, and PM 2200 RR, accounting respectively for 11.4, 10.7, and 5.6 percent of the U.S. acreage.

Deltapine brand varieties were the second most popular planted in 2001, accounting for 30.7 percent of the United States acreage. These varieties accounted for 59.1 percent of the acreage planted in the southeastern states, 28.7 percent in the south central states, 14.4 percent in the southwestern states, and 37.4 percent in the western states. The most popular Deltapine varieties were DP 451 B/RR and DP 458 B/RR, accounting respectively for 6.4 and 5.4 percent of the U.S. acreage.

Stoneville varieties were the third most popular planted in 2001. These varieties accounted for 12.1 percent of the acreage planted. They accounted for 12.8 percent of the acreage planted in the southeastern states, 26.3 percent of the acreage in the south central states, 2.6 percent in the southwestern states, and 3.1 percent in the western states. The most popular Stoneville variety was ST 4892BR, which accounted for 5.8 percent of the United States acreage planted to cotton.

Sure-Grow varieties were the fourth most popular planted in 2001. These varieties accounted for 7.8 percent of the U.S. acreage and accounted for 16.7 percent of the southeastern states planted acreage, 11.7 percent in the south central states and 1.2 percent in the western states.

Aventis varieties were the next most popular and accounted for 4.5 percent of the U.S. acreage planted in 2001. The percentage of acres planted to Aventis varieties more that doubled from the 2000 crop. These varieties showed particular strength in south Texas, North Carolina, Virginia, and Georgia.

ELS COTTON SITUATION AND OUTLOOK:

Overview, Acreage and Production:

The U.S. ELS cotton production in 2001/02 is forecast at 593,000 bales, up 52 percent from the previous season. U.S. plantings of ELS cotton are estimated at 235,000 acres in 2001, up 38 percent from last season The national ELS cotton yield is forecast at 1,216 pounds per harvested acre, up 110 pounds from 2000/01. Harvested area in 2000/01 was 169,000 acres, indicating an abandonment rate of 1 percent. Area increases were noted in all producing states. California remains the dominant ELS producing state, accounting for 85 percent of the ELS acreage.

Domestic Mill Use:

Mill use of ELS cotton in 2000/01 was 120,000 bales, compared with 137,000 bales in the previous year. In 2001/02, mill consumption is projected to decline slightly to 115,000 bales.

Foreign Trade:

U.S. exports for 2001/02 are forecast at 460,000 bales up from last season's 435,000 bales. With tighter U.S. supply and higher prices, exports in 2000/01 of 435,000 bales were down 9 percent from the previous year's record level of 477,000 bales. The major export destination was Japan, which accounted for 16 percent of total U.S. ELS exports. The other top ten export destinations included Pakistan, Indonesia, Bangladesh, Taiwan, Italy, Korea, India, Germany, and Switzerland. The top 10 markets accounted for 88 percent of total ELS exports.

ELS imports for 2000/01 are estimated at 7,000 bales with over 95 percent imported from Egypt.

Supply and Stocks:

The ELS cotton supply in 2000/01 of 646,000 bales was 21 percent below the record level in the previous year. Ending stocks for 2000/01, estimated at 101,000 bales, resulted in a stocks-to-use ratio of 18.2 percent, compared with 42.8 percent in 1999/00.

The ELS cotton supply is forecast to increase to 704,000 bales in 2001/02, up 9 percent more than the previous year. Ending stocks for 2001/02 are expected to increase 38 percent to 139,000 bales, due to increased supply more than offseting higher exports. With the expected increase in stocks, the stocks-to-use ratio is forecast to increase to 24.2 percent.

ELS (AMERICAN PIMA) MARKET SITUATION:

Prices:

Spot quotations for American Pima cotton, grade 3, staple 46, mike 35 and above, averaged 97.94 cents per pound in the San Joaquin Valley (SJV) during the 2001-2001 season (August 2000-July 2001), up from 83.42 cents in 1999-2000. In the desert southwest (DSW), spot quotations averaged 95.10 cents per pound, up from 81.47 a year earlier.

Contracting:

United States American Pima growers forward contracted 11 percent of the 2000 crop, down slightly from 12 percent the preceding season. Forward contracting was most active in New Mexico where around 22 percent of the crop was booked. California growers booked 12 percent of their acreage. Texas growers booked eight percent and less than 0.5 percent was booked in Arizona.

United States American Pima growers had forward contracted about one percent of the 2001 crop by the end of July 2001, down from five percent a year earlier. New Mexico growers had 15 percent of their acreage under contract, while one percent of the California acreage was under contract. No acreage had been reported booked in Arizona and Texas.

Quality:

American Pima cotton grades 3 and better made up 97 percent of classings from the 2000 crop, down from 99 percent last year. Grade 2 was the predominant grade both years, accounting for 68 and 69 percent in 2000 and 1999, respectively. Grades 4 and lower comprised 3 percent of classings against 1 percent a year ago. The average staple length was 45.6 thirty-seconds inches, the same as last year. Staple 46 was the predominant length, comprising 68 percent of classings this season, and 61 percent in 1999. Average mike was 41, compared to 40 last year. Average fiber strength was 38.7 grams per tex, the same as last year.

Varieties Planted:

Phytogen was the most popular brand of American Pima planted in 2001. Phytogen varieties PHY 57 Pima and PHY 76 Pima accounted for 47.7 percent of the United States Pima acreage and were the most popular varieties planted in California. Pima S-7 was the third most-planted American Pima variety and was the most popular Pima variety in Arizona and Texas. It accounted for 17 percent of the U.S. crop. Deltapine's DP HTO Pima and DP 340 Pima were the next most popular varieties and accounted respectively for 12.6 and 8.2 percent of the U.S. Pima acreage.

U.S. GOVERNMENT PROGRAMS:

Domestic Programs for 1996 through 2002:

Upland Cotton:

The current upland cotton program is authorized by the Agricultural Market Transition Act of 1996 (AMTA). This Act, passed in April, 1996, is a radical departure from previous farm legislation in that it eliminates the provision for retiring land from production to reduce supplies and disconnects farm payments from farm production or market prices. This law was enacted to provide farmers complete flexibility in their planting decisions and to reduce the influence of government policies in the marketplace for agricultural commodities. In addition to upland and ELS

cotton, AMTA also includes programs for feed grains, wheat, rice, peanuts, soybeans, sugar, and dairy products. It provides minimal price support and is designed to enable American farmers to produce for the marketplace. An enrollment period concluded on August 1, 1996, in which farm operators and owners voluntarily enrolled their farms in the program for the entire 7-year period of the AMTA provisions. Approximately 98.8 percent of all eligible farmland was enrolled, including about 99.4 percent of all eligible upland cotton land.

General Provisions Applicable to the Seven Program Crops:

"Market Transition Payments" (MTP) will be made to farm operators and/or owners over the next 7 years. 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 seven program crops (corn, sorghum, barley, oats, wheat, rice, and upland cotton) will form the basis for payments under the program. There are no significant planting requirements or prohibitions other than that the land should be used for an agricultural purpose or, if not planted, should be protected from erosion. 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 must be complied with. 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 AMTA provided for a total of $35.6 billion over the 7-year period 1996-2002 for the MTP. The amount available per year declines through time, beginning at $5.57 billion in 1996 and ending at $4.0 billion in 2002. Each of the seven commodities was assigned a portion of these funds based on its projected share of funding over 1996-2002 under a hypothetical program identical to that in effect over the period 1991-1995. Upland cotton's share of 11.63 percent was written into the AMTA. Thus, in 1996, with the total funding for MTP at $5.57 billion, upland cotton's share was approximately $646 million. (By contrast, the largest of the program crops, corn, received 46.22 percent, or $2.574 billion in 1996.) In 1997, cotton's share was $626 million. In 1998, cotton=s share was $675 million. Cotton's 1999 share was $652 million, its 2000 share was $597 million, and its 2001 share will be $480 million. The total land area for each program commodity which will receive these payments has now been essentially fixed for the7-life of the ACT by the outcome of the enrollment process in 1996.

Legislation enacted in 1998 provided additional payments of approximately $316 million to cotton producers. These payments were made on the same basis as the regular AMTA payments. They were not tied to acreage planted to the crop, to production, or to market prices. Similar legislation enacted in 1999 provided for a doubling of these payments and increased upland cotton=s share to $1.2 billion for the 1999 marketing year. The payments also were doubled for the 2000 marketing year in a later piece of legislation, providing additional payments of $612 million. Legislation has recently been enacted for the 2000 crop year that will provide about $520 million in additional payments..

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 commodities and on the historical average yields for each commodity on the farm. The total land area which will receive the payments will vary only by the addition of base area on such lands as may be released from the CRP over the next 7 years. Thus, the payment for the farm will be the amount of the total MTP available for the specific commodity, apportioned according to "contract production", i.e., base area on the farm times historical yield on the farm as a proportion of total contract production on all enrolled farms. Once the payment for the farm has been determined, the payment will be divided among operators and owners on the farm according to private arrangements they have made.

Many provisions of the upland cotton program which was in effect for the 1995 and earlier crops were retained in the AMTA.

Under the AMTA, farmers are entitled to receive **"marketing assistance loans"** as in past programs. The **loan rate** for the 1996-2002 crops of upland cotton cannot be less than 50 cents per pound, nor can it exceed 51.92 cents per pound. It is still computed from the lower of domestic or world price statistics, as in the past. For 2001, the loan rate for the base quality (Strict Low Middling 1-1/16 inch, micronaire 3.5-3.6 and 4.3-4.9, strength 26.5-28.4 grams per tex, length uniformity index of 81, at average U.S. location) is 51.92 cents per pound, the maximum permitted under the AMTA. The result of the domestic spot market calculation, or 85 percent of the weighted average domestic spot market price for the 1995/96 through 1999/00 marketing years, dropping the years with the highest and lowest average prices was 54.83 cents, a result higher than the statutory maximum loan rate. The Northern Europe calculation result was 52.25 cents, or 90 percent of the average, for the 15-week period July 1 - October 13, 1999, of the 5 lowest-priced growths quoted for Middling (M) 1-3/32 inch cotton C.I.F. Northern Europe, adjusted downward by the average difference during the period April 15 - October 15, 2000 between Northern Europe quotations and quotations in the designated U.S. spot markets. This result also was below the statutory maximum of 51.92 cents. Thus the 2001 loan rate was set at 51.92 cents per pound.

Producers are eligible for loans on their entire production. Loans are available for a period of 10 months from the first day of the month in which 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 AMTA 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 for any crop, 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 forego 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 1996 through 2002 crop years. Under **Step 1** 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 requires issuance of marketing certificates to U.S. domestic users and exporters when the U.S. Northern Europe price exceeds the Northern Europe price by at least 1.25 cents per pound 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, less 1.25 cents per pound, multiplied by the quantity of cotton exported or purchased by the domestic mill during the Friday through Thursday period following the fourth week. The amount of funding made available in the AMTA was $701 million over FY 1996-2002. This funding was exhausted in December 1998. The program received new funding and resumed operation on October 1, 1999.

Step 3 provides for a special import quota if the U.S. Northern Europe price, adjusted for any certificates issued under Step 2 in the previous week, exceeds the Northern Europe price by 1.25 cents for 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 33,300 tons or 153,000 bales. Importers would have 90 days to purchase and an additional 90 days to import the cotton. Quotas established under this provision can overlap. However, a quota period established under this provision cannot overlap a quota period established under the limited global import quota provision that is triggered based on U.S.

spot prices, nor can an import quota based on U.S. spot prices overlap a quota established under the Step 3 provision.

Between October 1995 and May 1997 a series of 80 consecutive weekly special global import quotas were announced under authority of the Step 3 provision. During much of that extended period, potential imports totaled about 5 million bales. Approximately 800,000 bales were actually imported under these quotas.

Special global import quotas began triggering again in February, 1999. Some 36 quotas were announced before new quotas stopped triggering in October, 1999. Imported upland cotton under these quotas totaled another 415,000 bales. In August 2001, 2 quotas triggered at 152,663 bales each.

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 205,000 bales of raw upland cotton (staple 35 or less) may be imported at the Ain-quota@ tariff level under the TRQ=s and about 184,000 bales of extra-long staple.

ELS Cotton:

The Agricultural Market Transition Act of 1996 (AMTA), enacted in April, 1996, provides for a nonrecourse loan program for extra long staple (ELS) cotton.

A national average **loan rate** is established for the 1996 through 2002 crops at a rate equal to 85 percent of the simple average price received by farmers during three years of the five year period ending July 31 of the year in which the loan rate is announced, excluding the high and low years. The loan rate may not exceed 79.65 cents per pound. Producers participating in the program are eligible for loans on their entire production. Loans are available for a term of ten months from the first day of the month in which the loan is made and may be extended for eight months at the discretion of the Secretary of Agriculture.

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 loan rate for the 2000 crop of ELS cotton is 79.65 cents per pound, the maximum permitted under AMTA.

The legislation gives 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. There was no CCC inventory of ELS cotton as of September 1, 2001.

The AMTA provided no authority for target prices or for the acreage reduction programs such as had been in effect for the 1991-1995 crops. 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. It has been determined administratively by USDA that $10 million will be made available for the ELS competitiveness payments and remain available until expended or until July 31, 2003.

In authorizing the ELS cotton competitiveness payment program, Congress established that the program will 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.

A Abase@ quality for U.S. Pima for purposes of the ELS payment program was defined as Pima grade 3, staple 44, a close approximation of Egyptian Giza-86. As of the time that the program was conceived, only two non-U.S. growths were being quoted, C.I.F. northern Europe. Egyptian Giza 70 is a cotton of superior quality to the Abase@ Pima, so a Adiscount factor@ of -7.0 cents per pound is being applied to the Giza 70 quotation before the comparison is made with the U.S. Pima spot price. At that time Central Asian Pima was the only other foreign ELS cotton being quoted. To achieve comparability between Central Asian Pima and the Abase@ quality of U.S. Pima, a premium of +18.0 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.

The adjustments to the respective non-U.S. prices are designed so that the adjusted quotations would reach just short of the price thresholds thought to imply competitiveness with U.S. Pima. A change in any of the three prices could then elicit a response from the competitiveness payment program if the change decreased U.S. competitiveness.

As of October, 2000, the program has rarely triggered, and payments have totaled only about $1.1 million.

In authorizing the ELS cotton competitiveness payment program, Congress established that the program will 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.

A Abase@ quality for U.S. Pima for purposes of the ELS payment program was defined as Pima grade 3, staple 44, a close approximation of Egyptian Giza-86. As of the time that the program was conceived, only two non-U.S. growths were being quoted, C.I.F. northern Europe. Egyptian Giza 70 is a cotton of superior quality to the Abase@ Pima, so a Adiscount factor@ of -7.0 cents per pound is being applied to the Giza 70 quotation before the comparison is made with the U.S. Pima spot price. At that time Central Asian Pima was the only other foreign ELS cotton being quoted. To achieve comparability between Central Asian Pima and the Abase@ quality of U.S. Pima, a premium of +18.0 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.

The adjustments to the respective non-U.S. prices are designed so that the adjusted quotations would reach just short of the price thresholds thought to imply competitiveness with U.S. Pima. A change in any of the three prices could then elicit a response from the competitiveness payment program if the change decreased U.S. competitiveness.

As of October, 2000, the program has rarely triggered, and payments have totaled only about $350,000.

Export Credit Programs:

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. For fiscal year 2001, there was no cotton was funded under the P.L. 480, Title I program.

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 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 will 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 port value of the commodity plus 55 percent of the average investment rate of the most recent 52-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 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 files 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. In fiscal year 2001, the United States announced guarantees totaling $5.62 billion to 35 countries and regions. Sales of $345.5 million in cotton were registered in the Central and South American Region, Indonesia, Korea, Mexico and Turkey through August 17, 2001.

CCC Intermediate Export Credit Guarantee Program GSM-103:

The Food, Agricultural, Conservation and Trade Act of 1990 specified that for fiscal year 1992, $500 million be made available for the implementation of an Intermediate Credit Guarantee Program, covering loans of more than three but less than 10 years in duration. This program is designed to help developing economies make the transition from concessional financing to cash purchases. The operation of the GSM-103 program is similar to that of GSM-102, except for the longer guarantee period and the method of calculating interest coverage, which is determined by a floating rate formula rather than a fixed rate. Although GSM-103 was originally intended for livestock, other commodities have been announced recently.

Supplier Credit Guarantee Program:

Under the Supplier Credit Guarantee Program (SCGP), initiated by the Federal Agriculture Improvement and Reform (FAIR) Act of 1996, CCC guarantees a portion of payment due from importers under short-term financing (up to 180 days) that exporters have extended directly to the importers for the purchase of U.S. agricultural commodities and products. These direct credits must be secured by promissory notes signed by the importers. A substantially smaller portion of the value of exports (currently 65 percent) is guaranteed under SCGP than under the Export Credit Guarantee Program GSM-102 where

CCC is guaranteeing foreign bank obligations. In fiscal year 2001, the United States announced guarantees totaling $717 million to 24 countries and regions. As of August 17, 2001, $4.27 million of cotton was registered under this program.

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 program is intended to provide the means to establish and finance a coordinated program of research and promotion designed to strengthen cotton's competitive position, and to maintain and expand domestic and international markets and uses for United States cotton.

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. The import assessment is about 1 cent per kilogram of non-U.S. origin raw upland cotton contained in a product, the same rate applied to domestic cotton.

The Act provides for the establishment of a Cotton Board to administer the program. The Board is currently comprised of 25 members representing U.S. cotton producers and five organizations of importers of cotton products. Board members are nominated by producer and importer organizations certified by the Secretary of Agriculture. The Secretary appoints the Board members who administer the program and submit plans and budgets to the Secretary for approval.

Research, promotion and technical assistance activities are carried out by a contracting organization, Cotton Incorporated. Since 1975, cotton's domestic market share at retail, excluding carpets, has increased from 34 to over 60 percent. Research activities funded under the Cotton Research and Promotion Program effectively develop of innovative processes and treatments for cotton to provide consumers with the latest in fiber technology.

International Market Development:

Cotton Incorporated:

Cotton Incorporated's overseas operations began in 1973, with the purpose of expanding export markets for U.S. cotton by providing technical and marketing assistance abroad. Cotton Incorporated maintains headquarters in Cary, North Carolina, with other offices in New York City, Los Angeles, Dallas, Osaka, Mexico City, Shanghai, and Singapore. Overseas activities include technical servicing to mills to enhance cotton processing technologies, introduction of new fabric and machinery technology, and the presentation of color fabric trend forecasting.

Cotton Council International:

Cotton Council International (CCI) is the export promotions arm of the National Cotton Council of America. CCI=s primary mission is developing markets for U.S. cotton exports of cotton fiber and value-added cotton products through cooperation with the U.S. Department of Agriculture, industry groups and firms in program countries. CCI=s headquarters is in Washington, D.C., with overseas offices in Hong Kong, Korea, and the United Kingdom.

CCI coordinate advertising campaigns for 100 percent cotton products containing a majority of U.S. cotton under the COTTON USA program. This program reaches over one billion current and potential customers of U.S. cotton in more than 50 countries worldwide. Special projects have been undertaken to expand cotton consumption around the world. Examples include: foreign cotton spinner and manufacturer's representative's orientation tours to the United States; trade missions of producers, exporters and government representatives from the United States to consuming countries; and conferences and seminars on cotton trade, processing, and promotion.

Table 1: COTTON: SUPPLY AND DISAPPEARANCE, BY TYPE, 1980-2001

Year	Beginning Stocks 1/	Production 2/	Imports	Total Supply 3/	Mill Use 4/	Exports	Total Demand	Loss5/	Ending Stocks
	1,000 480-POUND NET WEIGHT BALES								
	ALL KINDS								
1980	3,000	11,122	28	14,150	5,891	5,926	11,817	-335	2,668
1981	2,668	15,646	26	18,340	5,264	6,567	11,831	-123	6,632
1982	6,632	11,963	20	18,615	5,513	5,207	10,720	-42	7,937
1983	7,937	7,771	12	15,720	5,921	6,786	12,707	238	2,775
1984	2,775	12,982	24	15,781	5,539	6,215	11,754	-74	4,102
1985	4,102	13,432	33	17,567	6,413	1,960	8,373	-154	9,348
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	443	18,248	10,401	4,344	14,745	-436	3,939
1999	3,939	16,968	97	21,004	10,241	6,750	16,991	91	3,922
2000 6/	3,922	17,188	10	21,120	8,850	6,700	15,550	20	5,550
2001 7/	5,550	20,003	10	25,563	8,500	9,000	17,500	-37	8,100
			UPLAND						
1980	2,962	11,018	27	14,007	5,828	5,893	11,721	-328	2,614
1981	2,614	15,566	18	18,198	5,216	6,555	11,771	-140	6,567
1982	6,567	11,864	12	18,443	5,457	5,194	10,651	-52	7,844
1983	7,844	7,677	8	15,529	5,861	6,750	12,611	225	2,693
1984	2,693	12,852	21	15,566	5,491	6,125	11,616	74	4,024
1985	4,024	13,277	33	17,334	6,338	1,855	8,193	-148	9,289
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	3,120
1997	3,920	18,245	13	22,178	11,234	7,060	18,294	62	3,822
1998	3,822	13,476	431	17,729	10,254	4,056	14,310	-417	3,836
1999	3,836	16,294	53	20,183	10,104	6,303	16,407	104	3,672
2000 6/	3,672	16,799	3	20,474	8,730	6,265	14,995	30	5,449
2001 7/	5,449	19,410	0	24,859	8,385	8,540	16,925	-27	7,961

Table 1 continued: COTTON: SUPPLY AND DISAPPEARANCE, BY TYPE, 1980-2001

Year	Beginning Stocks 1/	Production2/	Imports	Total Supply3/	Mill Consumption4/	Exports	Total Demand	Loss5/	Ending Stocks
				1,000 480-POUND NET WEIGHT BALES					
				EXTRA-LONG STAPLE					
1980	38	104	1	143	63	33	96	-7	54
1981	54	80	8	142	48	12	60	17	65
1982	65	99	8	172	56	13	69	10	93
1983	93	95	4	192	67	36	103	-7	82
1984	82	130	3	215	49	90	139	2	78
1985	78	155	0	233	61	105	166	-8	59
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	137	447	584	-13	250
2000 6/	250	389	7	646	120	435	555	-10	101
2001 7/	101	593	10	704	115	460	575	-10	139

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 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 2: U.S. PER CAPITA DOMESTIC COTTON CONSUMPTION, 1980-2000 1/

Calendar Year	Mill Use	Textile Imports	Textile Exports	Net Trade 2/	Domestic Consumption 3/
			Pounds		
1980	13.34	3.56	2.32	1.24	14.58
1981	11.82	4.19	1.60	2.58	14.40
1982	10.72	3.86	1.11	2.75	13.50
1983	12.00	4.84	0.94	3.90	15.90
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	17.20	10.24	2.68	7.56	24.76
1992	18.64	12.45	3.11	9.34	28.98
1993	19.13	13.86	3.54	10.32	29.45
1994	20.07	14.68	4.15	10.53	30.60
1995	19.70	15.54	5.06	10.48	30.18
1996	19.69	15.91	5.74	10.17	29.86
1997	20.30	18.97	6.69	12.28	32.58
1998	19.35	22.28	7.24	15.04	34.39
1999	18.18	24.59	7.60	16.99	35.17
2000	17.31	27.38	8.87	18.51	35.82

1/ U.S. apparent consumption of cotton and cotton textiles.
2/ Imports minus exports.
3/ Mill consumption plus net trade.

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

Table 3: RAW COTTON EQUIVALENT OF U.S. EXPORTS OF DOMESTIC COTTON MANUFACTURES AND IMPORTS FOR CONSUMPTION OF COTTON MANUFACTURES, 1980-2000

Calendar Year	Total Exports		Total Imports	
	1,000 Pounds	1,000 Bales 1/	1,000 Pounds	1,000 Bales 1/
1980	523,096	1,089.8	810,930	1,689.4
1981	367,300	765.2	961,900	2,004.0
1982	253,342	527.8	903,791	1,882.9
1983	219,614	457.5	1,135,502	2,365.6
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

1/ Bales of 480-pound net weight.

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

Table 4: MANMADE FIBERS: U.S. CONSUMPTION, 1980-2000

Year	Cellulosic	Noncellulosic	Total
		Million pounds	
1980	740.7	8,019.4	8,760.1
1981	714.3	7,989.2	8,703.5
1982	522.1	6,253.1	6,775.2
1983	598.6	7,585.5	8,184.1
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	612.9	8,595.0	9,207.9
1989	600.8	8,616.8	9,217.6
1990	598.9	8,448.1	9,047.0
1991	556.5	8,535.7	9,092.2
1992	557.7	9,173.2	9,730.9
1993	594.4	9,566.2	10,160.6
1994	516.8	10,217.6	10,734.4
1995	481.2	9,832.7	10,313.9
1996	456.1	10,053.4	10,509.5
1997	434.4	10,672.7	11,107.0
1998	362.6	10,740.4	11,102.9
1999	311.2	11,005.0	11,316.2
2000	295.5	10,960.0	11,255.5

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

List of USDA Web Sites:

FAS Cotton Group website: http://www.fas.usda.gov/cots/cotton.html

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/reports/erssor/field/cws-bb/

The USDA Economics and Statistics 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: Longrun 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. The data is disseminated within hours of collection via the Internet and made available through electronic means, in printed reports, by telephone recordings and through the news media. http://www.ams.usda.gov/cotton/mncs/index.htm

USDA - National Agricultural Statistics Service Reports by Commodity: http://www.usda.gov/nass/pubs/estindx1.htm#cotton

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/waob/wasde/wasde.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/pas/publications/facts/pubfacts.htm

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. The programs encourage exports to buyers in countries where credit is necessary to maintain or increase U.S. sales, but where financing may not be available without CCC guarantees. http://www.fas.usda.gov/excredits/exp-cred-guar.html