

1 **Quality, Quotations, and Technical Standards Committee**
2 **Adopted at the 97th Annual Convention**
3 **May 21, 2021**

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6 The Quality, Quotations, and Technical Standards Committee recommends that ACSA:

7
8 **QUALITY AND TECHNICAL STANDARDS**
9

- 10 1. Acknowledge and express appreciation to USDA-AMS Cotton Program and Area Directors
11 for their continued cooperation in allowing trade committees to review cotton samples
12 already classed;
13
- 14 2. Continue to urge merchants involved in certification or reclass to provide the PBI numbers
15 of the bales being certificated or reclassified in order for USDA to assure the accuracy of the
16 original USDA class, and commend the USDA for implementing the use of PBI numbers
17 for certificated classing to assure the accuracy of the original USDA class and urge the
18 continuation of this program;
19
- 20 3. Support the continuation of the current HVI Color Shift Study and commends
21 USDA-AMS staff gathering the data and providing reports on HVI color grades
22 RD, reflectance, and +B, yellowness study;
23
- 24 4. Remind USDA of the importance of calling grass, bark, prep, and other extraneous matter,
25 especially code 71/72 for plastic contaminants;
26
- 27 5. Urge support and participation in the Special Project created for
28 the detection, prevention, and elimination of various plastic contaminants in U.S.
29 raw cotton;
30
- 31 6. Express appreciation to USDA for making any bale classes 71/72 be Non-Reviewable, and
32 commend the USDA's decision to keep the original plastic contamination call for any bale
33 under classing review, noting that for the integrity of trade, it is imperative that plastic
34 contamination stay with a bale;
35
- 36 7. Recommend that USDA make any bale classes 71/72 be ineligible for the government loan;
37
- 38 8. Recommend the trade continues the annual review of USDA Standard Boxes and urge the
39 USDA to test the current crop year Standard Boxes for HVI color and leaf to ensure agreement
40 with USDA parameters;
41
- 42 9. Commend the USDA for reporting the number of gins operating at time of classing (minimum
43 of two gins and 500 bales classed) and urge the continuation of this practice;
44
- 45 10. Supports USDA's use of module averaging, and urge USDA to provide the U.S. cotton
46 shipping industry adequate notice before any changes in module averaging standards are made
47 in order for U.S. industry stakeholders to consider and respond to such changes;
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1 **SPOT QUOTATIONS**
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- 3 1. Given the importance of the Daily Spot Quotations in determining CCC Loan Premiums and
4 Discounts and, tenderable differences, encourage members to report Spot Quotations to the
5 AMS Cotton Division with a target rate of a minimum of 50% of the crop to achieve proper
6 Daily Spot Quotations, and to include in such reports grade, staple, leaf, color, micronaire and
7 strength premiums and discounts;
8
9 2. Urge USDA to develop stronger liability protection, confidentiality agreements, and
10 procedures concerning the public dissemination of spot quotations to protect the submitting
11 entities and encourage more robust participation in this critical process;
12
13 3. Urge USDA to include spot quotes for ALL grades;
14
15 4. Encourage merchants to give their basis used and a sampling of recaps purchased to the USDA
16 at least weekly;
17
18 5. Urge USDA/AMS working in conjunction with the cotton industry to evaluate all spot market
19 regions throughout the cotton belt, including the structure of the East Texas/Oklahoma/Kansas
20 region; and, in regard to the splitting on the East Texas/Oklahoma/Kansas spot quotation
21 market regions, recommend USDA-AMS combine Kansas and Oklahoma with West Texas to
22 create one spot market region;
23
24 6. Recommend to the NCC's Quality Task Force to consider the changing of the base grade on
25 the No. 2 contract to a higher-grade base of 31-3-36;
26
27 7. Recommend discussions with AMS concerning the availability of spot market data for
28 micronaire premiums/discounts for longer staple lengths with the goal of reviewing the need
29 for a split between staples 33 and 34 or staples 34 and 35;
30

31 **REPORT OF THE PIMA SUB-COMMITTEE**
32

33 **QUALITY AND TECHNICAL STANDARDS**
34

- 35 1. Urge USDA/AMS to maintain the integrity of current standards when considering the creation
36 of new Pima standards, and encourage the continuation of Pima box review and matching in
37 Visalia;
38
39 2. Recommend that USDA take all steps necessary to ensure consistent classing of Pima
40 cotton;
41

42 **PIMA SPOT QUOTATIONS**
43

- 44 1. Given the underreporting of ELS Spot Quotation's negative impacts on the validity of USDA
45 Schedules of Premiums and Discounts, the absence of a price-discovery mechanism, and to
46 avoid the imposition of mandated regulation, urge members to report ELS spot quotations on
47 a minimum of a quarterly frequency for a minimum of 25% of ELS sales;
48
49 2. With respect to the ELS Competitiveness Payment Program (CPP):

- 1 a) Support the continuation of the program;
- 2
- 3 b) Urge USDA to announce to the industry any consideration of changes to ELS CPP in
- 4 advance of any changes made;
- 5
- 6 c) Urge that USDA review the use of any foreign produced competitive ELS/LS fiber,
- 7 whether exported or not;
- 8
- 9 d) Recommend USDA to make available the daily calculation of the ELS CPP payment rate;
- 10 and,
- 11
- 12 e) Urge USDA to collect data from ELS varieties competing with U.S. Pima;
- 13
- 14 3. Urge USDA/FSA to offer cotton under the catalog free from all and any charges upon transfer
- 15 of title of the cotton;
- 16
- 17 4. Recommend that USDA-Farm Production and Conservation (FPAC) continually use relevant
- 18 data to calculate the quality differential used to calculate the ELS Competitiveness Payment,
- 19 including giving further consideration of the comparability of Giza 94 and US Pima #2;
- 20
- 21 5. Recommend base grade for Pima should be Grade 2-2-48, 3.5-4.9, 40.0 GPT based on
- 22 international trade practices; and
- 23
- 24 6. Urge ACSA to work with USDA/AMS to develop a conversion mechanism to afford the
- 25 inclusion of forward contracted ELS sales into reported spot quotations.
- 26

27 Respectfully submitted by:
28 Bobby Walton, Chairman
29 Beau Stephenson
30 Brady Raindl
31 Dale Cougot
32 Jeff Johnson
33 Keith Elzie
34 Leigh Pell
35 Richard L. Clarke, III
36 Sam Clay
37 John King

38
39 Guests:
40 John Gilliland
41 Maria Townsend
42 Thomas McMeekin
43 Jeff Elder
44 Jordan Lea
45 Wesley Rentz
46 Sadie Goodlin
47 Luke Bayci
48 RA Phillips
49 Barbara Meredith
50 Cathy Greene

- 1 Jeff Carnahan
- 2 Jane Byers-Angle
- 3 Maria Townsend
- 4 Veronica Williamson
- 5 Robbie Seals
- 6 Bryon Cole
- 7 Gretchen Deatherage
- 8 Darryl Earnest
- 9 Monica Alexander
- 10 Lou Essex