

1 **Quality, Quotations, and Technical Standards for Upland & Pima Committee**
2 **Adopted at the 100th Annual Convention**
3 **June 15, 2024**

4
5 The Quality, Quotations, and Technical Standards for Upland & Pima Committee recommends
6 that ACSA:

7
8 **QUALITY AND TECHNICAL STANDARDS**
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- 10 1. Acknowledge and express appreciation to the U.S. Department of Agriculture (USDA)-
11 Agricultural Marketing Service (AMS) Cotton Program and area directors for their continued
12 cooperation in allowing trade committees to review cotton samples already classed;
13
- 14 2. Urge the USDA to provide all human and financial resources necessary to efficiently conduct
15 cotton classing operations administered by the USDA-AMS Cotton and Tobacco Program;
16
- 17 3. Continue to urge merchants involved in certification or reclassing to provide the Permanent
18 Bale Identification (PBI) numbers of bales being certificated or reclassified in order for the
19 USDA to assure the accuracy of the original USDA class, commend the USDA for
20 implementing the use of PBI numbers for certificated classing to assure the accuracy of the
21 original USDA class, and urge the continuation of this program;
22
- 23 4. Support the continuation of the current HVI Color Shift Study and commend
24 the USDA-AMS staff for gathering the data and providing reports on HVI color grades
25 RD, reflectance, and +B, yellowness study;
26
- 27 5. Remind the USDA of the importance of calling grass, bark, prep, and other extraneous matter
28 as code 71/72 for plastic contaminants;
29
- 30 6. Urge support and participation in industry efforts created for the detection, prevention, and
31 elimination of various plastic contaminants in U.S. raw cotton;
32
- 33 7. Express appreciation to the USDA for making any bale classed 71/72 non-reviewable and
34 commend the USDA's decision to keep the original plastic contamination call for any bale
35 under classing review, noting that for the integrity of trade, it is imperative that documentation
36 of plastic contamination stay with a bale;
37
- 38 8. Recommend the USDA make any bale classed 71/72 ineligible for a Commodity Credit
39 Corporation (CCC) loan;
40
- 41 9. Recommend ACSA representatives continue the annual review of the USDA Standard Boxes
42 and urge the USDA to test the current crop year Standard Boxes for HVI color and leaf to
43 ensure agreement with USDA parameters;
44
- 45 10. Commend the USDA for reporting the number of gins operating at time of classing (minimum
46 of two gins and 500 bales classed) and urge the continuation of this practice;
47
- 48 11. Support the USDA's use of module averaging and urge the USDA to provide the U.S. cotton
49 shipping industry adequate notice before any changes in module averaging standards are made

- 1 in order for U.S. industry stakeholders to consider and respond to such changes;
- 2
- 3 12. Recommend the USDA, ACSA, and the National Cotton Council (NCC) work with gins and
- 4 producers to improve communication and education in the development of timely classing
- 5 results for module averaging that is essential to facilitate the marketing of cotton;
- 6
- 7 13. Support the NCC's Joint Flow / Quality Task Force Fungibility Working Group's pilot project
- 8 on cotton fungibility; and
- 9
- 10 14. Urge producers to use only NCC-approved cotton module wrap to prevent an increase in
- 11 contamination;
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13 **SPOT QUOTATIONS**

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- 15 1. Given the importance of the daily spot quotations in determining CCC Loan Premiums and
- 16 Discounts and tenderable differences, encourage members to report spot quotations to the
- 17 USDA-AMS Cotton and Tobacco Program with a target rate of a minimum of fifty percent
- 18 (50%) of the crop to achieve proper daily spot quotations, and to include in such reports grade,
- 19 staple, leaf, color, micronaire, and strength premiums and discounts;
- 20
- 21 2. Acknowledge and express appreciation to the USDA-AMS for the regulatory mandates to keep
- 22 spot market quotes by industry participants confidential as outlined in "The Cotton Statistics
- 23 and Estimates Act section 1905 of U.S. Code Title 18" and section 2276 of U.S. Code Title 7;
- 24
- 25 3. Urge the USDA to include spot quotes for all grades of cotton;
- 26
- 27 4. Encourage merchants to give their basis used and a sampling of recaps purchased to the USDA
- 28 at least weekly;
- 29
- 30 5. Recommend the NCC's Quality Task Force consider changing the base grade on the No. 2
- 31 contract to a higher-grade base of 31-3-36;
- 32
- 33 6. Recommend discussions with the USDA-AMS concerning the availability of spot market data
- 34 for micronaire premiums/discounts for longer staple lengths with the goal of reviewing the
- 35 need for a split between staples 33 and 34 or staples 34 and 35;
- 36
- 37 7. Recommend the USDA-AMS host periodic meetings with ACSA members to further discuss
- 38 spot quotes and the accuracy and validity of the USDA-AMS's Forward Contracting reporting;
- 39 and
- 40
- 41 8. Urge the USDA-AMS to work with gins to participate in supplying weekly spot trades
- 42 electronically to the USDA and encourage more participation in this critical process;
- 43

44 **REPORT OF THE PIMA SUBCOMMITTEE**

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46 **QUALITY AND TECHNICAL STANDARDS**

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- 48 1. Urge the USDA-AMS to maintain the integrity of current standards when considering the
- 49 creation of new Pima standards and encourage the continuation of Pima box review and
- 50 matching in the USDA office in Visalia, CA; and

- 1 2. Recommend the USDA take all steps necessary to ensure consistent classing of Pima cotton;
2

3 **PIMA SPOT QUOTATIONS**
4

- 5 1. Given the underreporting of Extra Long Staple (ELS) Spot Quotation’s negative impacts on
6 the validity of USDA Schedules of Premiums and Discounts, the absence of a price-discovery
7 mechanism, and to avoid the imposition of mandated regulation, urge members to report ELS
8 spot quotations on a minimum of a quarterly frequency for a minimum of twenty-five percent
9 (25%) of ELS sales;
10
11 2. With respect to the ELS Competitiveness Payment Program (CPP):
12
13 a) Support the continuation of the program;
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15 b) Urge the USDA to announce in advance to the industry any consideration of program
16 changes;
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18 c) Urge the USDA review the use of any foreign produced competitive ELS / Long Staple
19 fiber, whether exported or not;
20
21 d) Recommend the USDA make available the daily calculation of the ELS CPP payment rate;
22 and,
23
24 e) Urge the USDA to collect data from ELS varieties competing with U.S. Pima;
25
26 3. Urge the USDA-Farm Service Agency to offer cotton under the catalog free from all and any
27 charges upon transfer of title of the cotton;
28
29 4. Recommend the USDA-Farm Production and Conservation continually use relevant data to
30 calculate the quality differential used to calculate the ELS Competitiveness Payment, including
31 giving further consideration of the comparability of Giza 94 and U.S. Pima #2;
32
33 5. Recommend the base grade for U.S. Pima be Grade 2-2-48, 3.5-4.9, 40.0 grams per tex, based
34 on international trade practices; and
35
36 6. Work with the USDA-AMS to develop separate Pima quotes for “Spot Cash Trades” and
37 “Forward Contract Trades,” acknowledging that no formal legislation or regulatory
38 rulemaking process shall be required.