

Foreign Affairs Committee
Adopted at the 101th Annual Convention
June 18, 2025

The Foreign Affairs Committee recommends that ACSA:

1. With respect to contract defaults and contract sanctity:
 - a) Strongly recommend members support efforts by ACSA and other industry organizations to maintain vigilance against and take any action necessary to preempt contract defaults;
 - b) Commend the rapid response by the International Cotton Association (ICA), Association of Cotton Merchants, and the American Cotton Exporters Association (ACEA), in addressing threats to sanctity of contracts;
 - c) Encourage the ACEA and the Committee for International Co-operation Between Cotton Associations (CICCA) to continue the effective practice of issuing default lists to warn fellow exporters of buyers in default;
 - d) Urge members to consult such lists to help preserve the sanctity of contracts; and,
 - e) Emphasize the importance that members of ACSA and its affiliates honor the rules and regulations of each respective organization and refrain from selling to parties and their affiliates who are in default, which jeopardizes the ability of parties to resolve outstanding contract disputes;
2. Work with China Cotton Association (CCA) to urge the Chinese Strategic Reserve to affirm their respect of the ACEA and ICA default lists when selling cotton;
3. Urge CCA to continue its development of a default list to encourage accountability that enhances contract sanctity;
4. Continue its dialogue with the U.S. Trade Representative (USTR) to keep U.S. negotiators apprised of countries (and buyers) where default situations have occurred and local enforcement of arbitration awards has not been effective; further, encourage the development of a USTR maintained list of defaulters with unfulfilled obligations;
5. Engage the USTR, the U.S. Department of Agriculture, and other government agencies to find a resolution to the lack of liquidity in U.S. dollars that are required to get performance on existing contracts;
6. Urge continuing efforts by Cotton Incorporated (CI), Cotton Council International (CCI), and Supima to deny licenses and technical services to any foreign mill listed on any of the default lists and applaud their work in assuring this policy continues;
7. Work with domestic and international organizations to promote the global consumption of cotton against other fibers;
8. Collaborate with the Australian Cotton Shippers Association and Brazilian Cotton Exporters Association to identify issues of shared interest, strengthen mutual understanding, provide

opportunities for the exchange of ideas and information, and promote and develop areas and methods of cooperation, as described in our current Memorandum of Understanding;

TRADE RULES & TERMS

9. With respect to Green Card Sales, monitor changing procedures embraced by the General Administration of Customs China (GACC) concerning the utility of “stated container tare weighing” due to its potential to cause discrepancy and non-compliance to ICA Rules;
10. Recommend the continued monitoring of trade sanctions administered by the U.S. Department of Commerce, U.S. Customs and Border Protection or other relevant agencies, advising members of sanctioned parties and pertinent procedures for commercial activities; further, continue to educate Congress and the administration on trade-related measures that affect the U.S. cotton industry;
11. Develop and maintain policy to close the de minimis loophole for all imported textile and apparel products;

CONTROLLING

12. Encourage members to review ICA Rules on country damage, weighing / tare, sampling, and claims;
13. Urge members to insist buyers provide detailed bale listings when lodging short-bale claims, and further noting that failure to provide such listings should disallow all claims for short-landed bales for shipments weighed by truck scale;
14. Recognizing many members receive requests to determine landed weight by weighbridge / truck scale, and in light of ICA Rules, urge members to use a written conditional agreement similar to the following example in the event they agree to weighbridge weighing;

Written Conditional Agreement Example

Weighbridge weighing is agreed under the following conditions:

Weighing to be conducted at ____ (agreed point of delivery) ____, under the supervision of our controller ____ (name). A copy of the scale’s calibration certificate must be provided to our controller prior to weighing. The calibration certificate must be valid at the time of weighing and issued by an accredited authority. Weighing must be conducted by deduction of the actual container tare following full and empty weighing of the container (tare as stated on the container will not be accepted). Results of weighbridge weighing must be reported within 3 working days. Either party may reject weighbridge results within 7 working days from completion of weighing. In the event either party rejects the weighbridge results, the cotton must be weighed bale by bale and weighing must be completed within 28 days of the date of arrival of the cotton. If 100% bale by bale weighing is not completed within 28 days of arrival unless otherwise agreed bales not weighed will be calculated as per ICA Rules.

COTTON COUNCIL INTERNATIONAL

15. Recommend continued financial and program support of CCI in an effort to enhance the sales of U.S. cotton, while continuing to review ACSA’s financial commitments on an annual basis

and urge robust participation from members to ensure CCI promotional activities fairly feature ACSA members in all activities;

16. Strongly urge that CCI, Better Cotton Initiative, U.S. Cotton Trust Protocol, Supima, and other sustainability programs closely monitor all recognized associations' default lists and consult immediately with ACSA concerning any mills that may appear on such lists and are being considered for trade team participation sponsored by CCI;

17. Urge the continuation of open communications with CI and CCI to ensure that information provided to foreign buyers is consistent with the customs and practices of U.S. exporters and that they refrain from making recommendations that contradict the contract terms agreed upon by buyer and seller; further, recommend CCI advise foreign buyers / sellers, of their legal rights to sell on type and / or to sell on universal description against the arbitration clause specified in their contracts and to further communications with CI in reference to their Engineered Fiber Selection Program and use of such programs by the membership of ACSA in selling U.S. cotton to export markets;

USDA EXPORT CREDIT GUARANTEE PROGRAM (GSM-102)

18. Support international assistance and export promotion programs to those countries that need assistance in purchasing U.S. cotton, especially during periods of available surplus, recognizing that such programs are instrumental in maintaining uninterrupted shipments of U.S. cotton to export customers;

19. Urge the USDA to increase funding for the GSM-102 program and expand the availability of the program to a broader network of financial institutions and eligible markets; further, encourage banks to utilize this program;

INTERNATIONAL ORGANIZATIONS

20. Recommend CICCAs educate markets concerning fair trade practices, contract sanctity, amicable resolution of commercial disputes, and compliance with arbitration awards, and further support CICCAs' role in the international marketplace as a central voice for the resolution of contract defaults;

21. Urge continued open communications with the ICA's Rules Committee concerning its evolving re-examination or amending of various trading rules;

22. Urge continued collaboration with the CCA in an effort to bring the ACSA / AMCOT / CCA trade rules closer to conforming with international terms utilized by other major buyers and sellers from around the world, and further recommend that any changes that should occur to the CCA contract and terms be distributed to the membership, so all parties are fully aware of such;

23. Strongly urge continued open dialogue with ICA in the review and implementation process of any and all changes to the rules and contract(s) pertaining to China;

24. Oppose ICA rules addressing carry charges or late shipment penalties, as we believe these subjects should be a matter of contract between commercial parties;

- 1 25. Recommend the continued monitoring of the GACC import registration system and
2 furthermore encourage and support the continuing dialogue between ACSA, USDA-
3 Agriculture Marketing Service, and GACC in working towards the establishment of a
4 “Designated Testing Cotton Lab” for quality appeals;
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- 6 26. Encourage ACSA members to channel matters needing consideration by ICA with specific
7 examples and objectives to the ACSA staff for consideration by the existing ICA working
8 group;
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10 **TRADE ISSUES**
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- 12 27. Urge collaboration with AMCOT and the National Cotton Council (NCC) to monitor the new
13 bale packaging regulations set forward by GACC in 2014 that have yet to be implemented, and
14 further urge that NCC continue holding educational meetings arranged by CCA for the
15 appropriate Chinese authorities to further clarify and explain the U.S. Joint Cotton Industry
16 Bale Packaging Committee’s function and how bale packaging decisions are made at the gin
17 level in the United States; and,
18
- 19 28. Recommend collaboration with the NCC to eliminate import tariffs and all non-tariff barriers
20 on U.S. cotton exports.