



United States Department of Agriculture

Agricultural Marketing Service



*Cultivating a Legacy
of EXCELLENCE*

WHO WE ARE

The Cotton & Tobacco Program (C&T), headquartered in Memphis, TN, is one of the commodity programs within the Agricultural Marketing Service (AMS) of USDA. The C&T Program facilitates marketing by providing standardization, grading, and market news services for cotton, cotton related products, and tobacco while also administering the Cotton Research and Promotion program.

C&T consists of seven divisions/staffs including Grading, Quality Assurance, Standardization & Engineering, Market News, Research & Promotion, Information Technology, and Administrative Staff. The Grading Division provides user-fee funded services in 10 regional cotton classing offices located in seven states, that serve all cotton-producing states in the U.S. The Program also maintains one tobacco operations office based in Raleigh, NC. C&T operates under the core values of: Unbiased Objectivity; Customer Service; Accuracy and Competence; Integrity, Honesty, and Respect; Accountability; and Diversity.

Our Partners and Stakeholders

The C&T Program has a dynamic group of partners and stakeholders. As we build and strengthen these external partnerships, we continue to improve and enhance our services as well as our communication tactics, channels, and deliverables to appeal to and better reach our stakeholders.

- *Producers, ginnery, merchants, manufacturers, warehouses, cooperatives, industry/trade associations, importers*
- *USDA and AMS leadership/other USDA agencies*
- *Employees/internal staff*
- *Government partners*
- *Agricultural colleges, universities, and other educational institutions*
- *Industry research and promotion groups/associations*
- *Information re-packagers*
- *State Extension Specialists, State Departments of Agriculture*
- *Congressional and state legislative members*
- *Consumers*
- *Media*

The Cotton Supply Chain



Our Services

- The C&T Program is the international leader, setting the global benchmark, in cotton testing and standardization.
- USDA's C&T services are an integral part of the U.S. cotton supply chain, since it grades (classes) every bale of cotton produced in the U.S.
- C&T's Grading services help to facilitate approximately \$7-8 billion in raw cotton value and billions more in residual value throughout the supply chain, in a typical season.
- C&T Market News provides valuable unbiased information about the cotton and tobacco commodity markets on a daily, weekly, monthly, and annual basis.
- C&T Standardization Division delivers cotton standards materials to all C&T offices as well as over 50 countries worldwide.
- C&T Quality Assurance Division certifies all futures cotton submitted to the Intercontinental Exchange (ICE) and also assists Grading Division in ensuring accuracy of all fiber measurements applied to U.S. cotton during the season.
- C&T oversees the Cotton Research and Promotion Program, which is one of AMS's 22 research and promotion programs with the notable and popular tagline, "Cotton. The Fabric of Our Lives."
- C&T maintains a viable and valuable relationship with all segments of the U.S. cotton and tobacco industries.
- The C&T Information Technology Division maintains a National Database in Memphis, TN for owner access to cotton classification data on a system called the Cotton Electronic Recording System (CERS). The CERS disseminates over 50 million records annually and allows owners or authorized agents of owners to retrieve classing data from the current crop and/or the previous four crops.
- C&T's tobacco grading operation is the only entity which applies the official USDA grade standards on tobacco.
- The official U.S. grade standards for tobacco are respected worldwide and the understanding of their applications are sought by the international tobacco industry.
- C&T demonstrates and instructs the applications of the official USDA tobacco grade standards through training and workshops conducted throughout the year in the U.S. and internationally.



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COTTON CLASSING

The Cotton & Tobacco Program (C&T) is one of the commodity programs within the Agricultural Marketing Service (AMS) of USDA. C&T's Grading Division services are an integral part of the U.S. cotton supply chain, since it grades (classes) every bale of cotton produced in the United States. Cotton classification is not mandatory, but growers find it essential to market their crop and it is required to participate in the USDA price support program. C&T provides a 3rd party unbiased classification service.

In a typical growing season, our Grading services contribute to approximately \$7-\$8 billion in raw cotton value and billions more in residual value throughout the supply chain. The Grading Division continues to look for ways to increase efficiency and improve the quality of services to stakeholders/customers.

PARTNERS AND STAKEHOLDERS

We strive to maintain a viable and valuable relationship with all segments of the U.S. cotton industry. We have a dynamic group of partners and stakeholders, including:

- *Producers*
- *Ginners*
- *Merchants*
- *Manufacturers/Spinners*
- *Cooperatives*
- *Warehouses*
- *Trade Organizations*
- *Government Stakeholders*
- *Researchers*
- *Cotton & Cotton Seed Breeders*



The USDA AMS Cotton & Tobacco Program grades (classes) every bale of cotton produced in the U.S.

SERVICES

AMS C&T classes all U.S. cotton upon the request of producers or their designees who pay a “user-fee” for the service. Once tested, C&T issues classification data utilized to market the cotton worldwide. This data is also the basis for manufacturers to source their cotton for specific end products based on the quality measurements. As a user-fee-based organization, C&T manages its operations very much like a business and strives to be self-sufficient while providing the highest quality, most efficient services possible to its customers. C&T does not utilize government or tax payer funding to conduct its grading services. In 2017-18, the Program classed approximately 20.4 million bales of cotton for the U.S. industry.

INSTRUMENT TESTING

In its grading operation, AMS C&T tests a sample from every bale produced using cotton classification electronic instrumentation.

These precise instruments measure several fiber properties utilized for marketing and manufacturing including:

- **Color reflectance (Rd) and color yellowness (+b).** Rd and +b are translated into a Color Grade and Quadrant.
- **Trash (percent area of non-lint material) and Particle Count (number of particles).** Trash and Particle Count are translated into Leaf Grade.
- **Micronaire (combination of fiber fineness and maturity).**
- **Fiber Length (upper half mean - measured in 100's of an inch).** Length is translated into Staple (32nd of an inch).
- **Fiber Length Uniformity (the uniformity index of parallel fiber lengths in a sub-sample).**
- **Fiber Strength (force required to break a bundle of fibers measured in grams per tex).**

CLASSING SAMPLES

In addition to the instrument measurements, C&T trained and certified cotton classers determine the presence of any extraneous matter such as bark, grass, seed coat fragments, plastic, etc. This is a visual inspection performed on every sample of cotton in addition to the instrument tests.

QUALITY MEASURES

To ensure accuracy and consistency for all quality measurements throughout all

ten of its classing offices, C&T maintains strict atmospheric conditions (70 degrees F +/- 1 degree and 65% relative humidity +/- 2%) along with standardized testing procedures and uniform system processes.

The C&T Program also utilizes a Quality Management Program (QMP) that regularly tests known-value verification cottons and materials along with performing periodic supervisory checks throughout the course of each shift to carefully monitor instrument and classer performance. Data analytics are used to calculate trends and indicate any potential problems with cotton testing so C&T can strive to prevent any problems before they occur.

NATIONAL DATABASE

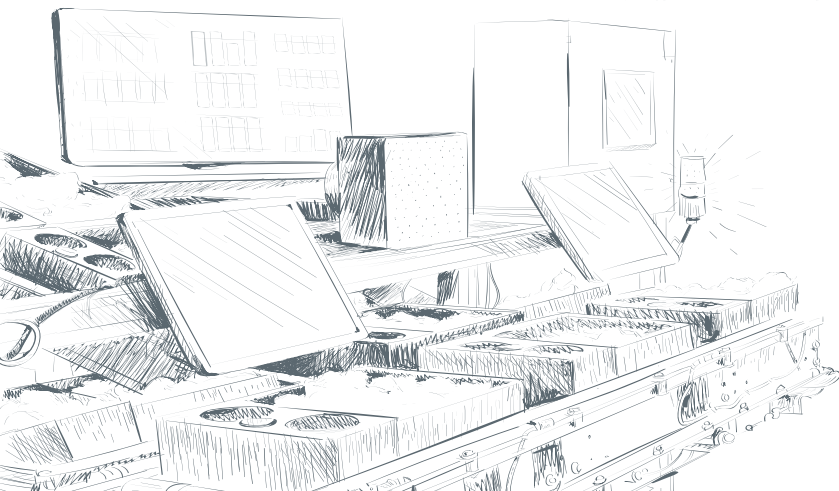
Most classification data is disseminated electronically to producers or their agents by Grading Division classing offices. Access is available to subsequent authorized users from the National Database, which stores all USDA cotton classification data for the current crop and the previous four crops.

OFFICE LOCATIONS

USDA, AMS, Cotton & Tobacco Program, Grading Division:
3275 Appling Rd, Room 2
Memphis, TN 38133, U.S.A.
Phone: +1-901-384-3010
Email: Robert.Seals@ams.usda.gov

There are 10 regional classing offices in the Grading Division.

For specific Classing Office contacts near you, visit:
<https://www.ams.usda.gov/cotton-classing-offices>





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QUALITY ASSURANCE

The Cotton & Tobacco Program (C&T) is one of the commodity programs within the Agricultural Marketing Service (AMS) of USDA. The Program provides reliable quality data to U.S. cotton producers, facilitating the marketing of cotton to U.S. merchants and textile mills. Given the program's stellar worldwide reputation for accuracy, making USDA quality data available to foreign textile mills adds value to U.S. cotton in a highly competitive global market.

To accomplish this mission, the C&T's Quality Assurance Division (QA) exists to perform two key functions:

- *QA assists the Grading Division in ensuring accuracy of all fiber measurements applied to U.S. cotton during the season, and*
- *QA verifies that all cotton submitted to commodity exchanges, such as the Intercontinental Exchange (ICE), meet futures contract specifications.*



The QA Division works closely with the Intercontinental Exchange (ICE), cotton merchants, and cotton warehouses to generate efficiencies in the marketing of U.S. cotton.

TECHNICAL SUPERVISION

The Quality Assurance (QA) Division provides technical supervision of both manual and instrument classing processes performed by the Grading Division's ten classing offices through:

- *Manual classing of supervisory checklot samples (e.g. samples chosen at random for QA inspection) and providing daily, weekly, and seasonal reports to the appropriate classing office.*
- *Conducting on-site technical visits to the classing offices to provide training in the calibration, operation, and maintenance of the instruments used in the classing of cotton samples and to provide quality management oversight as needed.*
- *Ensuring that classing office personnel are following established practices for C&T's Quality Management Program.*
- *Recordkeeping and management of all manual classing office checklot reports and special checklots sent in for additional quality purposes.*

- *Providing classing support services such as:*

Formulates policies and programs relating to both manual and instrument classing.

Designs and conducts studies, analyzes data, and interprets results to recommend improvements in quality management.

Responsible for the preparation and certification of USDA cotton classification examinations and monitors classer training programs.

Manages and conducts cotton supervisory training for C&T's full-time and seasonal supervisors.

FUTURES VERIFICATION SERVICES

Commodity exchanges are a public marketplace where operative (buying and selling of physical commodities) and speculative (buying and selling of contracts only) trading of commodities allows for free-market price discovery and price risk mitigation.



The QA Division verifies that the quality of cotton submitted to commodity exchanges, such as the Intercontinental Exchange (ICE), meet quality specifications of futures contracts. Without the confidence that physical cotton bales that underpin futures contracts meet these contract specifications, there would be no confidence in cotton futures contracts and operative trading would cease. Speculative trading, as we know it, would also likely cease thereafter.

PARTNERS AND STAKEHOLDERS

The C&T QA maintains cooperative relationships with other AMS Programs and the Department, national and international trade and industry groups, and others for the purpose of furthering the mission programs of the Cotton & Tobacco Program.

The QA Division also works closely with the Intercontinental Exchange (ICE), cotton merchants, and cotton warehouses to generate efficiencies in the marketing of U.S. cotton.

CONTACTS

USDA, AMS, Cotton & Tobacco Program, Quality Assurance Division:

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UNIVERSAL COTTON STANDARDS

The Cotton & Tobacco Program (C&T) is one of the commodity programs within the Agricultural Marketing Service (AMS) of USDA. C&T's Standardization & Engineering Division facilitates domestic and international marketing and processing of cottons worldwide by producing and providing the Universal Cotton Standards (UCS).

The Universal Cotton Standards consist of color and leaf grade standards, calibration cottons for length, strength, uniformity index and micronaire, and verification standards for instrument color and trash content. These physical standards are utilized by cotton classification facilities around the world for the purpose of providing test results that are on the internationally accepted cotton measurement level.

In 1909, the USDA began producing physical cotton standards with the establishment of standards for grade followed by establishment of standards for staple in 1918.



**The Universal Cotton Standards
are utilized in hundreds of
laboratories in over fifty
countries providing the basis
for the global trade of cotton.**

The Universal Cotton Standards Agreement of 1923 elevated the status of the USDA cotton standards to a fully internationally recognized standard.

Twenty cotton associations representing nineteen countries provide direction to USDA with regards to the Universal Cotton Standards.

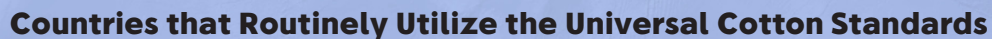
Universal Cotton Standards and other calibration materials for cotton classification can be obtained directly from the Standardization & Engineering Division.

- Provide known value cotton samples for international round testing programs including the USDA HVI Check Test Program and the Commercial Standardization of Instrument Testing of Cotton (CSITC) Round Testing Program.
- Provide customized instrument based cotton classification workshops.

USDA, AMS, Cotton & Tobacco
Program, Standardization &
Engineering Division:
3275 Appling Rd
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- Provide known value cotton materials for routine classification testing verification and for qualification of classification instruments (ASTM 7410).





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MARKET NEWS

The Cotton & Tobacco Program (C&T) is one of the commodity programs within the Agricultural Marketing Service (AMS) of USDA. Cotton & Tobacco Market News facilitates the domestic and international marketing of U.S. cotton and tobacco by providing accurate, timely, relevant, and unbiased data, information, and services.

We have disseminated **over 7,100 individual Cotton Market News reports to industry and stakeholders**. These market news reports are issued on a daily, weekly, monthly, quarterly, and annual basis, providing pertinent market information that assists buyers and sellers in making marketing decisions.

C&T Market News is progressive in providing new and innovative ways to present marketing information through new data analytics and visualizations.



Cotton Market News National Reports include the entire U.S. Cotton Belt and cover such factors as supply, prices, quality, stocks, sales, and crop development.

SERVICES

Cotton Price Reporting

- Cotton Market News provides unbiased Cotton Price Reporting to meet the requirements of the Cotton Futures Act
- Cotton prices are used by the Farm Service Agency in establishing the CCC Loan premiums and discounts

Cotton Quality Statistics

- Cotton Market News is the only source for Cotton Quality Statistics with access to the official classing data in near real time

Weekly Cotton Market Review

- Features reports covering all regions of the U.S. cotton production area
- Narratives include level of trading, supply & demand, mill activity, summary of cotton prices, quality, and crop & weather progress

CUSTOMERS

All segments of the U.S. cotton industry (producers, ginners, merchants, brokers, cooperatives, etc.)

Government Agencies

Use our data for reference, calculations, and statistics

Banks

Use our data for analyzing and making production loan decisions

Insurance Companies

Use our data when settling loss claims (ex. warehouse fires)

OFFICE LOCATIONS

Memphis, TN – Market News Headquarters

- Southeast (Alabama, Georgia, Florida, North & South Carolina, and Virginia)

Macon Classing Office

- South Central (Arkansas, Louisiana, Mississippi, Missouri, and Tennessee)

Memphis Classing Office

- Southwest (Kansas, Oklahoma, and Texas)

Lubbock Classing Office

- Far West (Arizona, California, New Mexico, and the El Paso area of Texas)

Visalia Classing Office

Market News Headquarters

3275 Appling Rd

Memphis, TN 38133, U.S.A.

Phone: +1-901-384-3016

Web: www.ams.usda.gov/market-news/cotton

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COTTON RESEARCH & PROMOTION

The Cotton & Tobacco Program (C&T) is one of the commodity programs within the Agricultural Marketing Service (AMS) of USDA. C&T's Research & Promotion (R&P) Staff oversees the Cotton Research & Promotion Program.

BACKGROUND OF RESEARCH & PROMOTION (R&P) PROGRAMS

R&P programs are coordinated programs of research, marketing activities and consumer outreach that strive to improve, maintain and develop opportunities for agricultural products. Each R&P program is directed by a board or council whose members are nominated by the industry and appointed by the Secretary of Agriculture. Neither the board members nor the board staff are USDA employees. Members represent all facets of the industry— from producers to processors, manufacturers to importers— and reflect the diversity of the stakeholders they serve.

There are over 20 National R&P programs serving commodities from row crops, livestock, and specialty products. R&P programs are funded through industry assessments, not taxpayer dollars, to strengthen the industries they serve through successful advertising campaigns, sustainability studies, export promotions, and nutrition and product research.

COTTON RESEARCH & PROMOTION

During the 1960s, in an effort to arrest the decline in demand for cotton brought on by competition from manmade fibers, particularly polyester, the cotton industry proposed legislation to create a federally authorized, industry funded, self-help program designed to strengthen cotton's competitive position.



C&T is entrusted with oversight of the Cotton Research and Promotion Program to ensure fiscal accountability and program integrity.

The resulting statute created the Cotton Research and Promotion Program, and the Cotton Board that is charged with the administration of the program with the notable and popular tagline, "Cotton. The Fabric of Our Lives." USDA was delegated oversight and guidance responsibilities for the program.

C&T OVERSIGHT OF THE R&P PROGRAM

C&T is entrusted with oversight of the Cotton R&P Program to ensure fiscal accountability and program integrity.

C&T reviews and approves promotional campaigns – including advertising, consumer education programs, and other materials – prior to their use. C&T approves the Cotton R&P plan and budget (on behalf of the Secretary of Agriculture), attends meetings, and carries out other oversight responsibilities.

RETURN ON INVESTMENT

C&T has worked closely with the Cotton Board since the Program's inception to enhance cotton's share of the global cotton market. Research and Promotion activities are designed to stimulate consumer demand for cotton products. Industry experts agree the program has aided in reversing the trend of the 1960's and 70's when cotton market share fell from 64 percent in 1961 to a low of 34 percent in 1974.

Today, according to the most recent econometric study, the return on investment (ROI) for cotton producers and government is 7 to 1. Additionally, the Program generates a benefit-to-cost ratio of 3.6 for producers; and the importer benefit-to-cost ratio is 14.0 over the life of the Program.

DID YOU KNOW?

The Cotton R&P Program created the Cotton Blue Jeans Go Green™ denim recycling program and worked with industry and university partners to collect used denim to turn it into housing insulation.

To date, the program has collected nearly 2.5 million pieces of denim, diverting over 1,230 tons of denim from U.S. landfills – creating over 4.8 million square feet of insulation for more than 40 Habitat for Humanity affiliates, and fulfilling over 15 grants for civic organizations.

CONTACTS

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