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News about the Cotton Research & Promotion Program from the Cotton Board

USDA ANNOUNCES REFERENDUM RESULTS

Passing Vote means Kansas, Virginia and Florida will be Deemed “Cotton-producing States”

(MEMPHIS, Tenn.) –The U.S. Department of Agriculture today announced the results of a Cotton Research and Promotion Program referendum that was held October 13, 2009, through November 10, 2009, to consider amendments to the Cotton Research and Promotion Order (Order) – the referendum passed.

Two amendments were proposed by AMS:

- Revise the definition of “cotton-producing state.”
- Revise the definition of “cotton-producing region” to conform with the change of "cotton-producing state."

Of the 445 valid ballots cast, 405 or 91 percent favored the amendments to the Order. Opposing ballots totaled 40 or 9 percent.

The Agricultural Marketing Service (AMS) proposed to amend the Order to implement section 14202 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) that amended the Cotton Research and Promotion Act (Act). The 2008 Farm Bill provided that the states of Kansas, Virginia, and Florida be separate states in the definition of “cotton-producing state.” According to the Act, a referendum among cotton producers and importers was required to implement, amend, continue, or when appropriate, to suspend, or terminate the Order or any of its provisions. In order to be eligible to vote, a producer or importer must have produced or imported Upland cotton during the representative period of January 1 through December 31, 2008.

“One of the steps implementing the results of the referendum is for the USDA to certify any interested organizations as certified producer organizations (CPOs) from each of the new cotton-producing states. Once those new CPOs are in place, they will then nominate members and alternates to the Cotton Board to represent those newly recognized states. Those nominees will go through the same process for nomination and approval by the Secretary of Agriculture as all other Cotton Board members and alternates.” states Larkin Martin, Alabama producer and Chairman of the Cotton Board.

Overall board representation on the Cotton Board is reviewed and determined annually by the USDA. To make that determination, the USDA uses volume thresholds for categories of assessed goods. The prior five-year average domestic production by state, as determined by NASS, is used to determine the producer representation for a cotton-producing state. Importer representation is determined by the prior five-year average collections on all qualifying U.S. imports and converted to cotton-bale equivalents. Volume thresholds for representation were established in the enabling legislation.

“The support of both importers and producers is vital to the Cotton Research & Promotion Program. The Cotton Board’s combination of importer and producer representation is unique in the cotton industry and an important strength of the organization. We work and act collaboratively to fulfill our fiduciary and strategic responsibilities to oversee and guide the Cotton Research & Promotion Program,” concludes Martin.

A notice of the results of the referendum will soon be published in the Federal Register. The amendments will become effective after a final rule is issued in the Federal Register. For more information, contact Shethir M. Riva, Chief, Research and Promotion Staff, Cotton and Tobacco Programs, AMS, USDA, Stop 0224, 1400 Independence Ave., SW., Room 2639-S, Washington, D.C. 20250-0224, telephone (202) 720-6603, facsimile (202)690-1718, or email at Shethir.Riva@ams.usda.gov

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About the Cotton Board: The Cotton Research & Promotion Act established the Cotton Board as a quasi-governmental, non-profit entity to serve as the administrator of the Cotton Research & Promotion Program. Funded by America's cotton producers and importers through the cotton check-off, the Program's research and promotion activities are conducted worldwide by Cotton Incorporated, the Cotton Board's sole-source contracting organization, to increase the demand for and improve the market position of cotton.

The Cotton Research & Promotion Program continues to work in all areas of cotton's pipeline – from the field to the consumer – to keep cotton the number one fiber choice in the U.S. For more information about the Cotton Board and the innovative activities stemming from the Program, visit www.cottonboard.org.