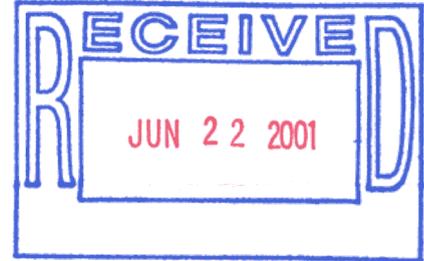




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June 18, 2001

Ms. Whitney Rick
Chief, Research & Promotion Staff
Cotton Program
Agricultural Marketing Service, USDA
Stop 0224
1400 Independence Avenue, SW
Washington, DC 20250-0244



Re: Request for comments to be used in a review of 1990 amendments to the Cotton Research and Promotion Act—Docket number (CN-01-002), 66 FR 16440, March 26, 2001.

Dear Ms. Rick:

On behalf of Calcot, Ltd's. 1,800 grower-members in California and Arizona we are submitting comments regarding a review by the Secretary of Agriculture to determine if a referendum is needed among cotton growers and importers to find out if they favor continuation of the 1990 amendments to the Cotton Research and Promotion Order. It is our strong opinion that a referendum under the Act is definitely not needed at this time. Quite frankly, throughout any calendar year we come in contact with hundreds of cotton producers and, to my knowledge, not one negative comment has been heard with regard to the cotton research and promotion program.

This is remarkable enough in its own right...but especially so in light of the very difficult economic climate that both the cotton industry and agriculture as a whole is in at present. It is by belief that most growers in the Far West believe that cotton research and promotion program is the one beacon of hope on the horizon for the cotton grower.

The Cotton Board does an excellent job of collecting the funds to be used in the program and in overseeing and hiring Cotton Incorporated to implement the outstanding research and promotion activities. We have attended Cotton Board meetings and have observed that directors take their jobs seriously and have hired competent staff. And, of course, the Secretary of Agriculture and USDA have oversight as well. The budget process is particularly thorough and its development is completed and reviewed during a two-day joint meeting of the Cotton Board and Cotton Incorporated directors.

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Of course the proof of success is in the pudding. We believe the effectiveness of the program is proven by the fact that 7 out of 20 consumers are now aware of the Seal of Cotton and that in 2000 cotton's market share reached 61.5 %. The latter figure compares to a 34 % market share in 1975. There can be no doubt that cotton's research and development program has had enormous success in increasing consumer demand for cotton products.

There is a process, which allows producers and importers to seek a referendum if they become dissatisfied with how the program is operating. Since there isn't widespread dissatisfaction with the program and, indeed, instead there is widespread support for the program, we believe it would be wasteful to spend the money needed for an industry wide referendum. We appreciate the opportunity to express our views.

Sincerely,

A handwritten signature in cursive script that reads "T. W. Smith".

T. W. Smith
President

TWS:sl