

VCGA, Inc.

VIRGINIA COTTON GROWERS ASSOCIATION, INCORPORATED

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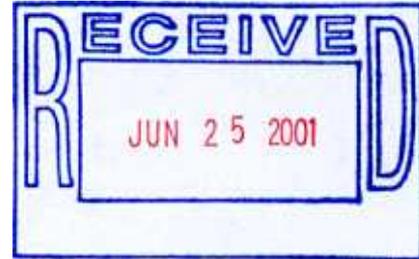
Dr. Fred Shokes

Secretary

Spencer Neale, Jr.

June 18, 2001

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



RE: Cotton Research & Promotion Program: Request for Comments To Be Used in a Review of 1990 Amendments to the Cotton Research and Promotion Act – Docket Number [Cn-01-001], Federal Register Volume 66, pp. 16440-16441, Monday, March 26, 2001

Dear Ms. Rick:

On behalf of the Virginia Cotton Growers Association, Incorporated, and at the request of the Board of Directors of the same, I am pleased to submit comments regarding a review by the Secretary of Agriculture to ascertain whether a referendum would be in order for producers and importers regarding the continuation of the 1990 amendments to the Cotton Research and Promotion Order. We do not feel that a referendum is needed at this time.

The Cotton Research and Promotion Act, managed by the Cotton Board and administered through a contractual arrangement with Cotton Incorporated, is without a doubt one of the most successful domestic commodity promotion programs. Its accomplishments in the areas of research, promotion, and education are well documented.

Over the past twenty-five years the Seal of Cotton has earned a place as one of the most recognizable marketing symbols among consumers in the United States with a current recognition rate of over 70%. Very few brand names and corporate logos ever achieve such successful and widespread market presence.

As a direct result of the programs funded through the Act, cotton's US market share in the apparel and home furnishings market has increased from 34% in 1975 to over 61% in the year 2000. Based on a significant decrease in market share from 1961 to 1975, largely due to increased competition from synthetic fibers, we do not believe this turnaround would have been possible without the promotional efforts funded through monies collected by the Act.

Obviously, the marketing of cotton through advertising is the most visible of the programs managed by the Cotton Board and Cotton Incorporated. However, there are many other program areas that are extremely important in helping US cotton and cotton products continue to grow market share both domestically and globally. These include textile research, agronomic research, foreign market development, and technical assistance to the domestic and foreign mill sector, to name a few.

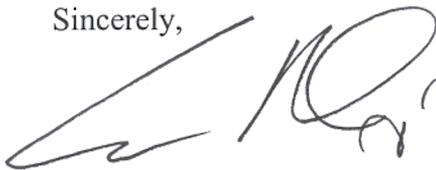
We are all well aware of the tremendous economic challenges currently facing our farmers here in the US. Many are calling on the production sector to add value to their product in order to remain competitive. However, those who grow cotton in the US have limited opportunities in this area individually and even collectively due to the very nature of their commodity which is not a foodstuff for human consumption but instead a fiber. In this regard a generic promotion and research program, as currently in place, is critical to the future success of all involved in the US cotton industry, especially growers.

The opening of the new world headquarters in Cary, NC will only add efficiencies to the operations of Cotton Incorporated and thereby improve on an already well-run program. In addition, the oversight and management of the Cotton Research and Promotion Program by the Cotton Board and the USDA has ensured a program that is accountable to the growers who fund it.

In closing, the right of farmers to be provided with an opportunity to vote on any self-assessment or "checkoff" programs, should they feel it necessary, is a critical component in ensuring their confidence in such a program. However, at this time we do not have indications that our growers are dissatisfied with the Cotton Research and Promotion Program and indications are in Virginia that in fact their level of satisfaction and confidence in the same is high.

We thank you for the opportunity to provide comments on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Spencer Neale, Jr.", written in a cursive style.

Spencer Neale, Jr.
Secretary