

# COTTON USA SOURCING PROGRAM HOSTS SUCCESSFUL TRADE FAIR



Through the COTTON USA Sourcing Program, and working together with Cotton Incorporated, 16 U.S. manufacturers and USDA's Foreign Agricultural Service (FAS), Cotton Council International (CCI) has developed a robust program of support for U.S. cotton yarn and fabric manufacturers targeted at Mexico, the Andean region and Central America. As one cornerstone to the COTTON USA Sourcing Program, CCI created a new activity – COTTON USA Trade Fairs – to help U.S. companies meet prospective customers for their products.

As one example of such an activity, in June 2006 CCI drew on MAP, FMD and industry funds to host a COTTON USA Trade Fair in the Dominican Republic to increase U.S. cotton yarn and fabric exports to the region. Forty textile and apparel manufacturers from the CBI and Andean Regions met with 15 U.S. retailers and 15 U.S. textile mills at the fair. During the 2 ½ day event, buyers and sellers participated in 600 individual meetings that provided U.S. brands/retailers with sourcing options in the Western Hemisphere that would maximize U.S. cotton yarn and fabric content.

Gathering representatives from the entire U.S.-Central America-Andean textile and apparel supply chain proved to be an effective way of generating business. CBI and Andean participants said they planned to increase their sales of U.S. cotton products by \$4.6 million and 10.1 million units the next year as a direct result of the fair.

COTTON USA Trade Fairs are part of a comprehensive export promotion program for U.S. manufactured cotton yarns and fabrics. This COTTON USA Sourcing Program began in 2000 in response to a combination of U.S. trade policy initiatives, market conditions and funding from USDA's Section-108 program. The timing of the COTTON USA Sourcing Program was opportune as the U.S. government was negotiating the CBTPA, a new trade law to give preferential treatment to garments manufactured in the CBI region using U.S. cotton yarns and fabrics. Subsequent trade legislation – ATPDEA, DR-CAFTA and pending Free Trade Agreements with Peru and Colombia – continue to extend benefits to U.S. cotton textile products. The Sourcing Program has been actively supported by the U.S. cotton textile industry, and industry funding has increased from \$50,000 in 2000 to 16 companies directly contributing \$125,000 in 2006.

With the loss of a significant apparel industry in the U.S., exporting is seen as the key to survival for the U.S. textile manufacturing industry. U.S. mills participating in the COTTON USA Sourcing Program have been able to maintain their U.S. operations and cotton consumption through exporting their products to the Western Hemisphere. Currently, U.S. mills export 75 percent of all of their production. Exports of U.S. manufactured products have increased significantly since the beginning of the COTTON USA Sourcing Program. From 1999 to 2005, U.S. cotton yarn exports increased from \$43 million to \$540 million, and U.S. knit fabric exports grew from \$22 to \$421 million.

