



## The Seal of Cotton Maintains Ties to Tennessee

One of the nation's oldest cotton organizations is the Memphis, Tennessee-based National Cotton Council. "The Council's first organizational meeting was held at Memphis' Peabody Hotel in 1938," explains now retired past Council president Gaylon Booker.

Since that time, the Council has been the driving force behind many innovative industry events that include guiding a successful grower-initiated campaign to pass "enabling" legislation that created an organization to administer a cotton market development program. The Cotton Research & Promotion Act of 1966 established the Cotton Board to serve as program administrator. The Cotton Producer's Institute (CPI), originally an arm of the Council, became the first "contracted" organization to implement Research & Promotion on behalf of U.S. cotton. In 1970, CPI separated from the Council, (because the "Act" strictly forbids any

association with political matters or governmental lobbying efforts) and was renamed Cotton Incorporated.

"The cotton producers who founded this Program should be commended for their foresight and dedication to establish an entity whose sole purpose is to increase demand and consumption of the fiber that has sustained the economic viability of so many people for so long," explains Cotton Board president & CEO, William P. Crawford.

Cotton's viability was in serious jeopardy by the middle 1960s. Many of cotton's traditional markets had eroded, thanks in part, to synthetic fibers. "Growers of that era recognized the reverse direction their industry was heading. The passage of the Cotton Research & Promotion Act of 1966 was intended to thwart that reversal and re-capture markets once thought to be lost for good," adds Crawford.

## THE TURNAROUND

The defining moment came in 1973. It started with the creation of a symbol that gave cotton identity with consumers. Recognized today by more than eight out of 10 of those U.S. consumers, the "Seal of Cotton" is the central visual around which all Cotton Incorporated promotions revolve. Developed by the same people that crafted other corporate logos like Coca-Cola and the Levi's patch, the Seal embodies the many characteristics of cotton. It both symbolically and persuasively transfers those characteristics into consumer buying decisions. From softness and comfort, to reliability and strength, the Seal solidifies everything about cotton into one symbol.

One of the more interesting trend graphs created by the United States Department of Agriculture (USDA) over 30 years ago, reflects their predicted path of cotton's market share demise. In 1975, cotton's share of the "Retail Apparel & Home Fabrics" market fell to a record low 34 percent. USDA came out with the sobering graph estimating that cotton's market share would bottom out around 20 percent by 1995. "Through the concerted efforts of our two organizations, and guidance from their respective Boards, that low market share never materialized...thankfully," remarks Crawford. In 2004, more than half of apparel purchases made by consumers contained 100 percent cotton. By including any clothing purchases that contain cotton, whether it is 100 percent cotton or blends of cotton, cotton's market share surpasses 70 percent. A true success story by all accounts.

## INNOVATIONS

Not only has the Research & Promotion Program (R&PP) positively affected consumer preference for cotton and cotton products, it has directly improved the efficiency of cotton production and the manufacturing of cotton textiles. One of the most innovative tools ever created through "check-off-funded" Cotton Incorporated research is the module builder. A device that compresses harvested seed cotton into what looks like a huge loaf of bread, the module builder eliminates long lines of overflowing cotton trailers at the gin point, preserves cotton's fiber qualities and allows producers to keep their harvesting machines operating.

Nonwovens are another sleeping giant category for cotton. What is a nonwoven? Picture those sexy backless gowns you're given in the hospital. The nonwovens hygiene sector (cotton swabs, Q-Tips, feminine protection products, etc...) is another area of opportunity for cotton. If cotton could capture 10 percent of this segment, it would equate to 80 thousand bales of additional consumption.

## WINDS OF CHANGE

Cotton is a global business. As with any global business, myriad factors influence. Thanks in part to adverse foreign currency valuations and cheap labor in other countries, the U.S. textile industry has been on a crash course with the blues. Mills and manufacturers are shutting down or moving operations to those regions to capitalize on obvious labor cost savings. "While there are still some viable textile businesses here in the U.S., the overall trend is shifting. But we can't turn our head and complain," remarks Crawford.

Like the growers who conceived the R&PP, they reacted to a set of circumstances and moved forward. "That's exactly what we must do," he adds. There are still U.S. textile customers operating today, but their numbers have declined. The fact that this shift in textile operations has occurred has got to be viewed as an opportunity rather than an insurmountable loss. "We've got the team of professionals and cooperating organizations to capture those opportunities, but we have to have grass-roots, grower support and the flexibility to influence and adapt to change," emphasizes Crawford.

Change is never easy. Establishing the most successful commodity check-off program wasn't easy either. With the ongoing, cooperative vision from two of Tennessee's most visible cotton organizations, the Cotton Board and the National Cotton Council, the future of cotton is looking as bright as all those open bolls along Tennessee highways.

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