The Yu-Pima Cotton Initiative

U.S. cotton to domestic premium yarn — the first ring-spun yarn facility in the western United States, in Yuma, Arizona.

Applicant	Fashion Color, Inc. / One Textile Co. (Daniel Lee, President), with the Greater Yuma Economic Development Corp. (GYEDC)	**Location**	Yuma County, Arizona — federally eligible distressed area; Foreign Trade Zone #219
EDA programs	Economic Adjustment Assistance (EAA) / RLF · Public Works · Recompete · Good Jobs & STEM Talent Challenges	**Date**	June 2026 (planning-stage brief)

1. Executive summary

America grows the world's finest Pima cotton, then exports the fiber to be spun into yarn abroad — sending the jobs and value-add with it. The Yu-Pima Cotton Initiative asks the EDA to fund the first ring-spun yarn facility in the western United States, closing that loop on American soil. It solves three problems at once: a collapsing U.S. cotton economy, a missing domestic supply chain for premium yarn, and one of the nation's most persistently distressed labor markets.

87%
of U.S. cotton fiber exported — spun offshore

0
ring-spun yarn mills in the western U.S.

18.2%
Yuma unemployment (Aug 2025)

FTZ #219
Foreign Trade Zone, Yuma County

2. The dual crisis

U.S. cotton farmers face unprecedented financial strain just as Yuma faces extreme structural unemployment. Each crisis is the other's solution: a farmer needs a stable buyer; a distressed region needs a non-seasonal industry.

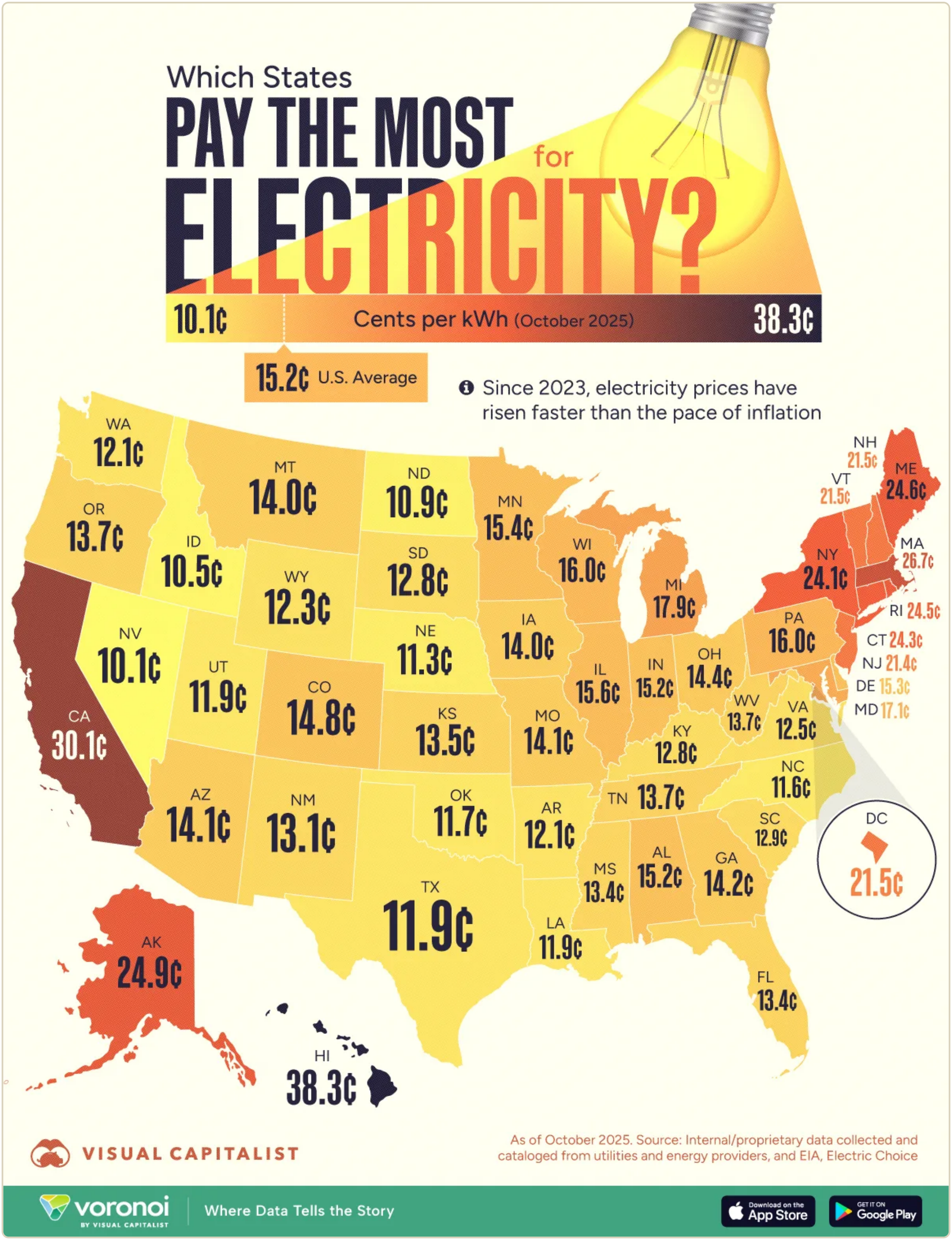
Metric	Data point	Context
Cotton futures price	**63.1¢/lb** (Nov 2025)	Down ~8% year-over-year; forecast to fall further toward ~59¢/lb within 12 months.
Global supply glut	**Surplus** 2024/25	World production exceeds consumption; rising ending stocks pressure prices (USDA WASDE/ERS).
Input cost increase	**>30%** / 5 yrs	Inflation, interest rates, supply-chain disruption; major row crops unprofitable since 2022.
Farm bankruptcies	**+46%** (2025)	Chapter 12 filings, full-year 2025 vs. 2024 (AFBF). First-half filings rose faster (~57–70%).
Agricultural suicide rate	**~3×**	Roughly three times the general working population (CDC, 2021 data).
Yuma unemployment	**18.2%** (Aug 2025)	Labor-force participation near 52% — chronic, structural distress.

3. Why Yuma, Arizona

- **Designated distressed area** — exactly the community EDA investment is designed to lift.
- **Center of the cotton belt** — adjacent to AZ, CA & TX growing regions.
- **Premium freight corridors** — Interstate 8 and Union Pacific Sunset Route; 169 mi to San Diego, 269 mi to Los Angeles.
- **Foreign Trade Zone #219** — duty deferral, reduction, or elimination.
- **No competition** — zero ring-spun yarn capacity in the western U.S. today.

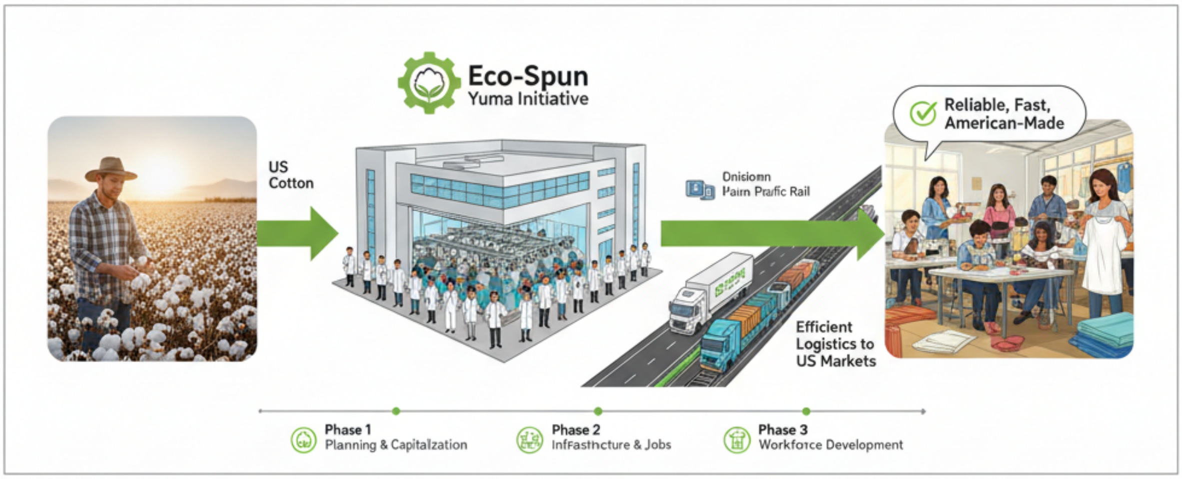
Operating cost	Arizona	California
Electricity (per kWh)	**14.1¢**	30.1¢
Water (relative)	**Mid-tier**	Top-5 priciest (~$77/mo)

Spinning is energy- and water-intensive. Arizona power costs less than half of California's and sits below the 15.2¢ national average — a durable competitive edge for domestic yarn. (Electricity per kWh, Oct 2025.)



Electricity cost by U.S. state, Oct 2025 — Arizona 14.1¢/kWh vs. California 30.1¢/kWh (Visual Capitalist / Electric Choice).

4. The closed loop & the economics



From U.S. cotton field, to the Yuma spinning facility, to rail/freight logistics, to American-made products.

Product	Market price	Basis & notes (June 2026)
Raw cotton fiber	**67–72¢/lb**	ICE No. 2 nearby futures / USDA 7-market spot. A 480-lb bale ≈ \$325–\$345.
Commodity yarn (30/1)	**\$1.65–\$2.50/lb**	Imported Asian/Indian combed cotton benchmark.
Premium Supima yarn (30/1)	**\$4.40–\$4.60/lb**	Imported Supima ring-spun, delivered Los Angeles, with tariff — domestic target price.

The value-add captured at home

One 480-lb bale of raw fiber (≈$345 today) spins into roughly 410–430 lb of premium ring-spun yarn — worth on the order of $1,850–$1,950 at current delivered-LA Supima prices. That conversion value is the difference between exporting American fiber and finishing it on American soil. (Per-unit gross figures; net margins depend on energy, labor, and capital, which Yuma's cost advantages are designed to optimize.)

5. Phased EDA strategy & investment

Phase	Goal	EDA tools	Est. request
1 · Planning & Capitalization	Feasibility & market studies; capitalize a Revolving Loan Fund to de-risk the project.	EAA / RLF / Recompete Ph.1	**$1.1M–$6.5M**
2 · Infrastructure & Jobs	Construct the spinning facility; road, utility & rail-spur connections. 200+ jobs.	Public Works	**$1.5M–$5M**
3 · Workforce & Structural Change	Training with U. of Arizona–Yuma & Arizona Western College; close the prime-age employment gap.	Recompete + Good Jobs + STEM	**$21M–$46M**

6. Measurable impact

Agriculture. A stable, long-term domestic contract market for U.S. cotton farmers, reducing reliance on volatile commodity futures.

Yuma economy. Non-seasonal, high-wage manufacturing — a demonstrable cut in the 18.2% unemployment rate and a closing prime-age employment gap.

U.S. supply chain. A faster, more secure, cost-efficient domestic yarn supply chain on the I-8 / Union Pacific corridor — insulated from tariffs and ocean-shipping volatility.

Coalition. University of Arizona–Yuma / Arizona Western College, Arizona Cotton Growers Association, Trucott (ginning), Fashion Color / One Textile Co., GYEDC, and Supima / LA Textile Association / Polo Ralph Lauren.

7. Evidence & citations

- **Yuma unemployment (18.2%, Aug 2025):** U.S. BLS / FRED, Yuma, AZ MSA.
- **Cotton futures (~63¢/lb, Nov 2025; 67–72¢/lb, June 2026):** Trading Economics; USDA AMS Cotton Market News; ICE No. 2 futures.
- **Global oversupply (2024/25):** USDA WASDE / ERS Cotton & Wool Outlook.
- **Farm bankruptcies (+46% full-year 2025; first half ~57–70%):** American Farm Bureau Federation Market Intel; Investigate Midwest; CBS News documentary.
- **Agricultural suicide rate (~3×):** CDC (2021), as reported in 2025 farm-crisis documentary (youtu.be/ARGSrVvNSvQ).
- **Electricity cost by state (Oct 2025):** Visual Capitalist / Electric Choice; cross-checked vs. U.S. EIA.
- **Water prices by state (2025):** published state water-rate surveys (California among the 5 priciest).
- **Foreign Trade Zone #219:** Greater Yuma Economic Development Corp.

Funding figures are planning-stage estimates across multiple EDA program tracks and are not a commitment of federal funds. Market prices are indicative ranges, not quotations. Utility-cost figures cited from published charts reflect those publishers' methodology; U.S. EIA residential averages differ modestly but confirm the same Arizona-vs-California advantage. Prepared by Fashion Color, Inc. / One Textile Co. with GYEDC.