US Pima Cotton Re- Initiative

By Daniel S Lee

Fashion Color, Inc

Executive Summary

Key Issues

- No Ring Spun Yarn Facility in the Western US
- 87% of US cotton fiber is Exported due to no spinning plant in US for premium quality yarn such as SUPIMA
- US Farmers are committing suicide daily with respect to lack of industry resources
- Bridging Crisis with Opportunity

Key Message: A comprehensive strategy to address critical U.S. agricultural distress and severe regional unemployment through a new domestic textile supply chain.

Location: Yuma County, Arizona (Eligible Distressed Area).

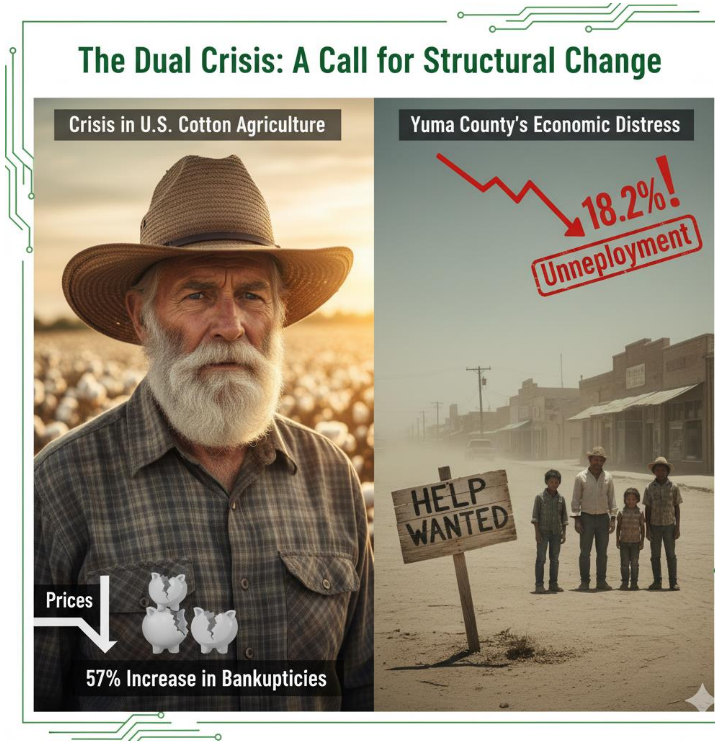
Cotton Farms in AZ, CA, TX

No Spinning Plant in West Coast

Problem: Dual crisis of U.S. cotton farmer financial distress (up to **57% rise in bankruptcies**) and Yuma's extreme structural unemployment (**18.2%** as of Aug 2025).

Solution: Establish a high-tech domestic yarn spinning facility in Yuma, creating a stable, efficient supply loop for U.S. textile manufacturers via the **Yu-Pima Cotton Initiative**.

Projected Impact: Economic diversification for Yuma, stable market for U.S. cotton, enhanced domestic supply chain resilience.



The Dual Crisis: U.S. Cotton & Yuma's Economy

Metric	Data Point	Source/Context
Cotton Futures Price	63.14 USd/Lbs (Nov 12, 2025)	Down 8.24% year-over-year. Forecasted to drop further to 58.98 USd/Lbs in 12 months.
Global Dynamics	Production surpasses consumption by 392,000 tonnes (2024–25).	Driving downward price pressure and inventory build-up.
Input Cost Increase	>30% over the last five years.	Due to inflation, rising interest rates, and supply chain disruptions, making major row crops unprofitable since at least 2022.
Human Cost	57% increase in farm bankruptcies (first 6 months of 2025).	Agriculture worker suicide rate is three times the national average.

- U.S. cotton farmers are facing unprecedented financial strain due to a confluence of market factors, requiring an urgent structural intervention to create a stable domestic market insulated from global price volatility.
- US cotton farmers are in severe financial trouble due to **historically low and declining**

Why Yuma?
Significant Logistical and Cost Efficiencies

- **Close Geographic Proximity:**

The proximity of Yuma, Arizona, to major California logistics hubs allows textile businesses to leverage existing infrastructure for efficient transport of US grown Fiber and finished yarn goods.

Yuma is strategically close to major California cities: it is only **169 miles** from San Diego ($460) and **269 miles** from Los Angeles. ($740)

- **Leveraging Existing Freight Corridors:**

The region relies on robust freight connections. Yuma has access to **Interstate 8**, which runs east-west from San Diego through Phoenix. Furthermore, freight markets along the **I-10 corridor** are active, connecting the Greater Phoenix area (close to Yuma) to Ontario and Los Angeles.

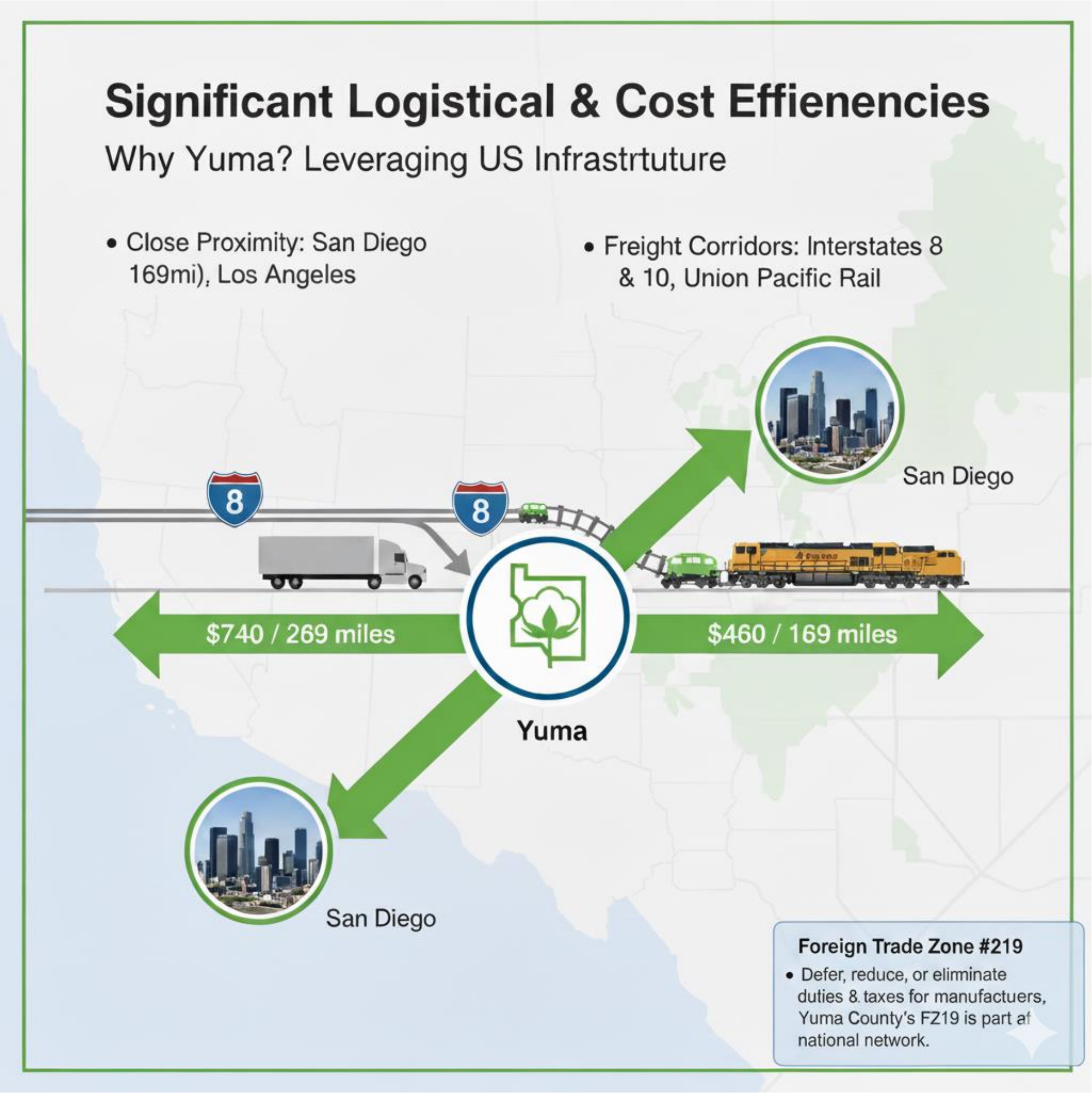
- **Simplified Drayage and Transport:**

California is home to the San Pedro Bay Port Complex (Ports of Los Angeles and Long Beach), which handles approximately one-third of all containerized imports. Sourcing materials from Yuma, Arizona, rather than overseas ports, bypasses the associated complexities and costs of oceanic shipping and port drayage in California.

- **Foreign trade zone #219**

A Foreign-Trade Zone (FTZ) is a secure, federally designated site that allows qualified U.S.-based businesses to import, store, process, and export goods while deferring, reducing, or eliminating customs duties and taxes. These zones are legally treated as being outside U.S. Customs territory for tariff purposes even though they're physically inside the United States.

Yuma County’s FTZ #219 is part of this national network, supporting manufacturers, logistics firms, distributors, and global supply chains operating in Southwest Arizona.



Phased Strategy & EDA Investment

Phase 1 and 2

Goal: Phased Strategy: Leveraging EDA for Foundational Growth

Phase	Goal	Key EDA Tools
Phase 1: Planning & Capitalization	Fund foundational research & establish financial mechanisms to de-risk the project.	Economic Adjustment Assistance (EAA), Revolving Loan Fund (RLF), Recompete Phase 1
Phase 2: Infrastructure Development & Job Creation	Provide physical assets (facility & logistics) to launch yarn spinning and create stable manufacturing jobs.	Public Works (Construction Grant)
Phase	**Goal**	**Key EDA Tools**
Phase 1: Planning & Capitalization	Fund foundational research & establish financial mechanisms to de-risk the project.	Economic Adjustment Assistance (EAA), Revolving Loan Fund (RLF), Recompete Phase 1

Phased Strategy: Leveraging EDA for Foundional Growth

Phase 1: Planning & Capitalization

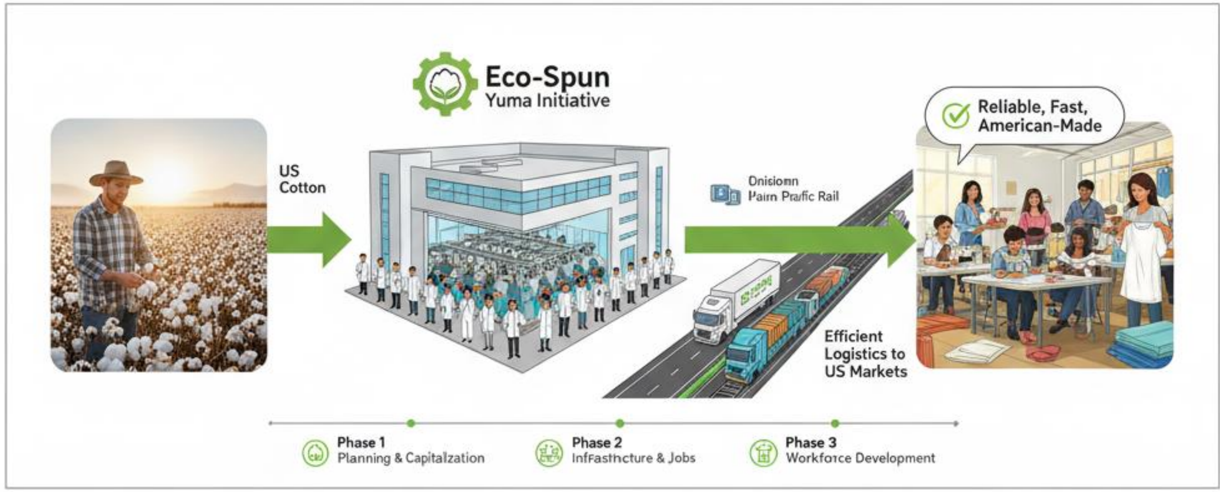
- Goal: Fund foundational research...
- EDA Tools: EAA, RLF, Recompete Phase 1

Estimated Request: $1.1 Million – $6.5 Million

Phase 2: Infrastructure & Job Creation

- Goal: Fund the physical assets...
- EDA Tools: Public Works (Construction Grant)

Estimated Request: $1.5 Million – 5 Million



Phased Strategy & EDA Investment

Phase 3: Workforce Development and Structural Change

Goal: Address Yuma's core issue of high structural unemployment and the **52%** low labor force participation rate. Equip the local population with the skills needed for stable, high-tech manufacturing jobs.

Program	**EDA Alignment & Target**	**Estimated EDA Investment**
Recompete Pilot Program (Phase 2: Implementation)	Targets areas with a significant Prime-Age Employment Gap (PAEG). Provides flexible, long-term capital to fund comprehensive interventions and business supports.	**$20 Million – $40 Million**
Good Jobs Challenge	Creates **high-quality, locally-led workforce training programs** and sector-based partnerships, focusing on placing Yuma's large pool of unemployed workers into new manufacturing jobs.	**$1 Million – $5 Million**
STEM Talent Challenge	Builds training systems focused on the **advanced, automated machinery** used in modern yarn spinning, ensuring the local workforce meets the high-quality standards of domestic textile producers.	**$300,000 – $1,000,000**
Equity & Inclusivity	All Phase 3 efforts will target underserved populations in Yuma to directly increase the labor force participation rate.	(Embedded in program design)

Conclusion & Funding Request

- Investment in Resilience: Summary of Impact and Request

Impact Area	Measurable Outcome
Agriculture	Creation of a **stable, long-term, domestic contract market** for U.S. cotton farmers, reducing their reliance on volatile commodity futures.
Yuma Economy	Diversification into non-seasonal, high-wage manufacturing, leading to a demonstrable reduction in the **18.2%** unemployment rate and closing the PAEG.
U.S. Supply Chain	Establishment of a faster, more secure, and cost-efficient domestic yarn supply chain, leveraging the **I-8/Union Pacific** logistics corridor.

The YuPima Cotton Initiative is a unique, data-driven proposal that simultaneously addresses two national economic imperatives: the crisis in U.S. cotton and structural unemployment.

Current Market Price for Imported Supima

$4.60 30/1 Cotton with Tariff

References

Key Members(tentative)

- Marc Lewkowitz- Supima Corp
- University of Arizona-Yuma
- Yuma Chamber of Commerce
- Cotton Growers Assoc
- Daniel Lee - One Textile
- Jarral Neeper- Trucott
- US EDA.gov
- LA Textile Association
- Polo Ralph Lauren