



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

June 22, 2015

**H.R. 2620**

**A bill to amend the United States Cotton Futures Act to exclude certain cotton futures contracts from coverage under such Act**

*As ordered reported by the House Committee on Agriculture on June 17, 2015*

Under current law, all cotton tendered for delivery against a futures contract traded on an exchange listed in the United States must be sampled and graded by the Department of Agriculture. As a consequence, nearly all cotton tendered for such contracts is domestically grown; cost considerations, among other things, limit the amount of foreign-grown cotton that is submitted for grading. H.R. 2620 would exempt certain futures contracts for cotton from those sampling and grading requirements. Specifically, cotton grown outside of the United States that is tendered against a futures contract traded on a United States exchange would not need to be graded by the Agricultural Marketing Service (AMS), the federal agency that tests and grades cotton.

Based on information from the AMS, CBO estimates that implementing the bill would not have a significant effect on the agency's workload or discretionary costs, because the agency does not expect a significant increase in requests to grade cotton grown outside of the United States. Further, under current law the AMS is authorized to collect fees to cover the cost of providing classification services; therefore, assuming appropriations action consistent with that authority, CBO estimates that the net cost to implement H.R. 2620 would not be significant. Enacting H.R. 2620 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2620 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.