



July 14, 2023

Ms. Amy Harding
U.S. Department of Agriculture
Foreign Agricultural Service
1400 Independence Avenue SW, Room 5531
Washington, DC 20250.

Submitted VIA Email: esr@fas.usda.gov
RE: OMB Control number 0551-0007

The American Cotton Shippers Association (ACSA) and the American Cotton Cooperative Association (Amcot) collectively represent virtually all of the entities exporting cotton grown in the United States to foreign markets.

We appreciate USDA's efforts to upgrade its system of reporting sales of commodities for export. The entire cotton supply chain is reliant on accurate market data and we understand the need to modernize information technology systems. Unfortunately, the recent upgrades have not improved compared to the existing ESR program. The ESR version 2.0 launched in August 2022 presented numerous challenges. We welcome the opportunity to provide feedback to USDA and appreciate being granted test access to ESR version 2.1. We believe many serious problems remain within the system. A launch of ESR version 2.1 without significant modifications, increased technical support capabilities, and lengthier reporting time windows will undoubtedly lead to grossly inaccurate and incomplete reporting among industry participants.

The May 15 request for public comments posed 4 questions. These comments respond to each and provide additional feedback and suggestions.

1) whether collection of contract-based information will help improve the timeliness and reliability of the data in USDA's Export Sales Reports:

The most significant problem with ESR 2.1 is that it requires shippers to assign an ESR Contract Number to each of their sales contracts. Shippers' contract numbers follow the sale from beginning to end and are used by all parties involved in the transaction. Requiring shippers to renumber the transaction to report to USDA is confusing, cumbersome, unnecessary, and makes data maintenance and reporting extraordinarily difficult. ESR Contract Numbers should be for USDA's tracking only and merely a reference for the shippers as they report under their sales contract number.

2) the accuracy of the agency's estimate of the burden of the collection of information including validity of the methodology and assumption used:

The new method of uploading CSV data takes 3-4 times longer than the old system and it is hard to see much benefit for either USDA or the shipper. Because of the extra information being requested weekly, along with the system's technological inefficiencies, additional staff will be needed to complete weekly reporting in an accurate and timely manner. We are already faced with high costs, decreased margins, and severe labor shortages. The whole point of the automated data upload is to gain efficiency, but the system fails in this respect.

While the manual reporting capabilities are not an option for many cotton shippers because of the voluminous amount of data required and the sheer number of transactions that must be reported, some smaller exporters may opt for manual entry. However, the user interface is cumbersome and would benefit from further revision. It is not user-friendly, which results in a greater resource burden on the reporting entity. There should be a list of common functions available to the user such as "enter a new sale", "enter a new export", "export and change destination", "cancel a sale", etc., and the system should be as intuitive and contain as much default data as possible to decrease the reporting burden. For example, if "enter a new export" is selected then the program should ask to select by "country" or "sale number". If "country" is selected, a list of all open sales for that country should pop up and the user could click the sale they wish to ship against. Once the sale is selected, the data entry screen with as many fields defaulted as possible should pop up.

3) ways to enhance the quality, utility, and clarity of the information collected; and

4) ways to minimize the burden of the collection of information on those who are required to report, including through the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

The following suggestions provide input on these 2 questions:

Shipping Dates That Occur Beyond Specified Shipping Period. Shipping data against previously reported sales contracts cannot be entered into the ESR version 2.1 if the actual shipping date is after the end of the contractual shipping period originally reported by the shipper. Cotton is sold for a particular shipment period, but in practice, all or part of the sale may slip to a later date. This has always been the case, but it is a situation that has worsened because of supply chain issues in the aftermath of the pandemic. This senselessly makes the reporting of shipment data overly complex or impossible under many circumstances. Under the current reporting system, this is rightfully not an issue. A potential workaround is to enter a bogus shipment date well into the future, but doing so

would leave USDA with inaccurate data of no value whatsoever. The ESR system should accept shipment data as reported regardless of whether it falls in the timeframe originally anticipated.

ESR 2.1 is Filled with Software Bugs. Many bugs exist within the ESR 2.1 system. For example, the number of transaction failures experienced while trying to enter data into the new system is unworkable. The failure rate is high, and the error message does not indicate which entry failed or the reason for failure. The system design is flawed and not consistent with USDA's exemplary reputation.

Reporting Time Window is Too Narrow – Especially for an Inefficient System. ESR 2.1 provides a short window of time to enter data which means it must be highly efficient. For example, it sometimes takes hours to be notified that uploads have been successful. This lack of status feedback gives the option of either assuming (often erroneously) that the upload has been accepted or reentering the data with the possibility of creating a duplicate entry. Both outcomes are unacceptable and should not be an issue with the technology commonly available today.

If data is entered in draft form but not completed, the system automatically submits the draft, whether complete or not, when the time window closes. There appears to be no way to delete the transaction, as the "trash can icon" does nothing. When the next data entry window opens, precious time is spent correcting last week's mistakes before beginning the current week's work. Of course, in a live environment, that would mean the data submitted in the prior week was inaccurate. Similarly, there also appears to be no way in ESR 2.1 to delete a sales contract. Deletions are often necessary to eliminate entries duplicated in error.

In conclusion, the new ESR 2.1 system, when viewed holistically, takes much more time – measured in multiples of hours – than the old system, while not providing any improvement in the volume or quality of information it generates. Issues are constantly encountered, and often no one can be reached to help navigate problems; many other times, it takes hours or days for questions to be addressed. Our members' staff have spent many hours training, attending outreach seminars, and communicating via email, explaining to USDA personnel and/or contractors why this system is unusable in its current state.

If the ESR 2.1 system is launched in its current form, exporters will not be able to submit timely and accurate data and risks a repeat of the initial rollout in August of 2022. The weekly cotton export sales report is vital to cotton industry participants. We respectfully request that USDA keep the old system in place and work with the industry to develop and refine the ESR 2.1 system until it is proven to be an efficient and workable system.

We look forward to continuing working with USDA to develop a system which addresses these concerns and achieves our mutual goal of transparent market information. Thank you for your consideration.

Sincerely,

Handwritten signature of Meredith B. Allen in cursive script.

Meredith B. Allen
Chairman, Amcot

Handwritten signature of William H. Allen in cursive script.

William H. Allen
President & CEO, ACSA