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FROM: Robbie Minnich, VP, National Cotton Council

March 30, 2023

The Honorable Martin Heinrich  
Chairman  
Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration, and Related Agencies  
Committee on Appropriations  
Washington, DC 20510

The Honorable John Hoeven  
Ranking Member  
Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration, and Related Agencies  
Committee on Appropriations  
Washington, DC 20510

Re: FY 2024 Agriculture Appropriations

Dear Chairman Heinrich and Ranking Member Hoeven:

This is to transmit the cotton industry's request for FY 2024 funding for selected programs under the jurisdiction of the Subcommittee. The National Cotton Council (NCC) appreciates your consideration of our requests. The NCC is the central organization of the United States cotton industry, representing producers, ginner, cottonseed processors and merchandizers, merchants, cooperatives, warehousemen, and textile manufacturers.

**ANIMAL PLANT HEALTH INSPECTION SERVICE (APHIS):**

The NCC supports adequate funding so that APHIS can continue to administer essential services.

**COTTON PESTS:** The NCC requests **\$15.73 million (a \$280,000 increase but consistent with FY 23 request)** for the APHIS Cotton Pests Account. This increase in funding will partially offset operational costs resulting from increased input costs.

The National Buffer Zone (NBZ) is the remaining U.S. cotton acreage with residual boll weevil populations requiring active eradication operations and is in the Lower Rio Grande Valley of Texas. The NBZ is viewed by the cotton industry as an area that protects the national investment in this program to date. The U.S. cotton industry recognizes unique circumstances of the NBZ bordering active boll weevil populations in Tamaulipas, Mexico. The successful completion of boll weevil eradication in the U.S. is biologically linked to the success of boll weevil eradication in adjacent areas of northern Tamaulipas, Mexico. APHIS has urged producers and government officials in Mexico to enhance their program oversight and ensure aggressive operations are maintained.

**FOREIGN AGRICULTURAL SERVICE (FAS):** The industry supports sufficient funding to ensure FAS is adequately staffed to carry out important market development and trade enhancing functions in its headquarters and abroad. The NCC recognizes the importance of FAS's work in informing trade partners of trade barriers and justified reasons for their removal and works

closely with FAS on issues of maximum residue levels, food standards, phytosanitary certificates, etc.

**MARKET ACCESS PROGRAM (MAP):** The NCC strongly supports the funding level of at least **\$200 million** for MAP, as authorized and funded in the 2018 Farm Bill. Cotton Council International (CCI), the foreign market development arm of the NCC, has the critical mission of maintaining and expanding exports of US cotton and cotton products in Asia, Europe, Africa, and Central and South America. The value of U.S. cotton fiber and value-added cotton product exports is \$10 billion. An independent econometric study showed export programs have added an average of \$9.6 billion per year to export value between 1977 and 2019. For farmers, livestock producers, and dairy operators, the study showed the programs increased cash receipts by \$12.2 billion per year. The programs also added 225,800 new jobs across the entire U.S. economy, the study indicated. The cotton industry believes CCI's programs are an effective catalyst for private sector investments, with the industry investing \$2 for every dollar of MAP funds received.

**FOREIGN MARKET DEVELOPMENT (FMD):** The FMD program encourages and supports U.S. commodity groups to undertake long-term market development and trade servicing. These funds create unique market development and trade servicing value and, like the MAP funds, are closely monitored by USDA for compliance with U.S. laws. FMD currently is funded at no less than **\$34.5 million** and requires at least a dollar-for-dollar industry match. The industry requests that funding for FMD be continued at no less than the level authorized in the 2018 Farm Bill. The cotton industry believes CCI's programs are an effective catalyst for private sector investments, with industry investments totaling \$1.75 for every dollar of FMD funds received.

**FARM SERVICE AGENCY JOINT PEST ERADICATION:** The NCC requests sufficient funding to allow FSA to make up to **\$30 million** in loans to eligible producer-controlled organizations carrying out Boll Weevil Eradication Program activities. There has not been a forfeiture on any loan made by FSA for the purpose of carrying out boll weevil eradication.

**AGRICULTURAL RESEARCH SERVICE (ARS):** The cotton industry continues to be concerned with the financial support of this important intramural research agency's cotton research programs. ARS programs and facilities conduct vital research in fiber quality, production agronomic systems and pest management, sustainability, germplasm and genetic research, and textiles that ultimately support U.S. cotton production and post-harvest processing, as well as the U.S. textile industry's efforts to remain competitive in global markets. The NCC is expressly concerned that limited funding has placed the **National Cotton Germplasm Collection** in jeopardy. A history of inadequate financial resources has limited ARS's ability to replenish collection seed stock as seeds age. Compounding the risk, researcher requests for multiple specimens from the collection in an effort to identify genetic traits that are resistant to a devastating disease, FOV 4, have greatly diminished collections seed stock. Fortunately, there are some specimens from the collection that seem to be tolerant of, and possibly resistant to, FOV 4. It is imperative that the collection is maintained for exploration of genetic material to address challenges of the future, many not yet identified. The NCC respectfully urges attention to the National Cotton Germplasm Collection, as it contains genetic variants necessary for continued advancements in cotton production germplasm.

## **MANAGEMENT AND UTILIZATION OF COTTON GENETIC RESOURCES AND ASSOCIATED INFORMATION:**

The NCC requests an increase of **\$1.4 million** to ensure the preservation and use of the National Cotton Germplasm Collection **and** the NCC requests an additional **\$3 million** for critical building renovation to the facility. This project has not received an increase in funding since 2002.

The National Cotton Germplasm Collection is located at the ARS Southern Plains Agricultural Research Center (SPARC) in College Station, TX. The collection represents decades of wild-type cotton collections for breeding and enhancing cotton production. The collection includes some perennial cotton lines maintained in greenhouses. The collection provides plant breeder a source of genetic material to enhance production as well as identify genetics with less dependence on water and less impacted by diseases. It is a national treasure for U.S. cotton production. Unfortunately, inadequate funding could jeopardize its existence. ARS staff should plant stock seed every three years to maintain viable seed that will germinate and collect the seed from the plants to replenish viable seed stock of the collection. Inadequate funding has forces staff to delay restocking, which has only been occurring every 10 years. As a result, few of the seed stock germinate. Demand for seed from the collection has increased. This has reduced the number of seed in the collection that are necessary to grow and replenish viable seed. The NCC is expressly concerned genetic lines may be lost without adequate funding to ensure viable seed stock.

The National Cotton Germplasm Collection facility needs significant repairs and renovation to the storage vault and related buildings and equipment. Plant breeding experts in cotton, who are also familiar with other crops, have identified specific renovations that will allow improved storage protection and distribution of the collection in addition to providing for increased space needs to better complete its mission.

## **ADVANCED GENOMIC AND BIOINFORMATIC TOOLS FOR ACCELERATED COTTON GENETIC IMPROVEMENT PROGRAMS:**

The NCC requests an increase of **\$1.5 million** to ARS to be allocated to three programs necessary to ensure plant breeders/geneticists can efficiently share and/or search for genetic information related to varieties in the collection, thereby improving efficient utilization of seed stock and improving efficiency of subsequent research projects by enhancing CottonGen, the Cotton Improvement Database. The Database is currently managed by Washington State University (WSU) with funding partnerships from USDA-ARS, Cotton Incorporated, Bayer CropScience, Corteva Agriscience, Southern Association of Agricultural Experiment Stations, and NRSP10 Crop Database Resources. CottonGen has evolved into a valuable tool for the entire genetic scientist community to report genetic findings and/or search for specific genetic findings. The funding request to ARS will enable engagement with WSU to expand the cotton portion of this database and share management responsibilities. This component will need an additional \$600,000. In connection with enhancing CottonGen, ARS will need a bio informational geneticist to focus on translation of genomic information (\$600,000) and an assisting lab technician (\$300,000). This funding will greatly advance multiple research activities now and in the future and will provide access to genetic information that more efficiently identify genetic stock containing desired traits, thus allowing rapid response to critical needs such as the introduction of new diseases and/or drought tolerance. All plant breeders, and other scientists involved in genetic research, will greatly benefit from this tool.

**MOLECULAR CHARACTERIZATION AND PHENOTYPIC ASSESSMENTS OF COTTON FIBER QUALITY TRAITS:** The NCC appreciates the FY 23 funding increase of \$1.1 million and request level funding for FY 24.

**EFFECTIVE COTTON GENETICS AND MANAGEMENT PRACTICES FOR IMPROVED COTTON QUALITY AND PRODUCTION:** The NCC appreciates the \$1.1 million increase in FY 23, and requests level funding for FY 24.

**COTTON GINNING RESEARCH UNITS:** The NCC requests an additional **\$2 million** for FY 2024 above the FY 2023 funding level for the three ARS cotton ginning research units (Southwestern Cotton Ginning Research Laboratory in Mesilla Park, NM; the Cotton Production and Processing Research Unit in Lubbock, TX; and the Cotton Ginning Research Unit in Stoneville, MS). The ginning research units need additional funding to address scientific personnel needs, conduct research, and offset the impact of inflation. This increase in funding will help address ongoing research needs of quality improvements and ginning efficiencies and will assist in addressing research to reduce energy consumption. Additionally, it will assist in the use of gin by-products to enhance carbon capture and improve cotton's overall sustainability.

**COTTON BLUE DISEASE:** The NCC requests maintaining level funding for the "Cotton Blue Disease" account and suggests that the account title be modified to "Exotic Pathogens of Cotton." The NCC urges the language modification to reflect other exotic diseases found in cotton, thus allowing funding to cover other exotic diseases that threaten the cotton industry. For example, cotton leafroll dwarf virus is closely related to cotton blue disease and has been identified in cotton growing regions in recent years.

**COTTON SEED BUG:** The NCC requests a **\$1 million** increase in funds directed to ARS for research to develop control strategies for the invasive introduction of the cotton seed bug (CSB), for a total budget of \$2 million. The CSB has been identified in residential and urban areas of five counties in California. This represents the introduction of a new cotton pest to the U.S. The CSB has been reported to cause up to 6.8% reduction in yield, 32% reduction in seed weight, 6% reduction in oil content of seed, unquantified reduction in germination of seed, unquantified reduction in ginning efficiencies, quality reduction due to lint stain, reduction in lint quality, and reduction in square retention. The primary food of adults and nymphs are the seeds of plants in the Malvaceae family, which includes cotton. Based on literature reporting annual damage incurred as a result of CSB, the NCC has conservatively estimated \$47.8 million dollars will be lost annually for California, \$28.5 million for Arizona, and \$8 million for New Mexico if steps are not taken to remedy this threat. This pest is attracted to several horticultural plants and jeopardizes the free movement of horticultural plants due to concerns about spreading the CSB.

The NCC urges ARS to split the funding increase for CSB research between the University of California and the University of Florida. The current U.S. CSB population is in California, but Florida has previous experience with this pest. The University of Florida has conducted previous studies in the Bahamas (see Florida Entomologist 91(3):479-482). Florida is close to wild CSB populations in the Bahamas, has previously eradicated an invasion of CSB (in 2014), and has a vested interest in advancing protection from this invasive pest. The NCC appreciates collaboration utilizing experience, shared resources, and identified partnerships that produce results efficiently.

**AGRICULTURAL MARKETING SERVICE (AMS):** USDA's Agricultural Marketing Service operates 10 cotton classing laboratories located in seven states (AR, CA, GA, LA, TN, TX, SC) that service all U.S. cotton producers to class (grade) each bale of U.S.-produced cotton.

**COTTON CLASSING SERVICES:** NCC requests **\$4 million** in new funding for AMS Cotton Classing Services' 10 cotton classing laboratories for facility upgrades and automation to enhance the efficiency, security, and dependability of the cotton classing system with minimum impact on marketing opportunities. It is anticipated that this funding level will be necessary for a few years to fully complete the needed upgrades and automation without significantly increasing the level of producer-paid user fees. The NCC appreciates the FY 2023 support and requests a second year (FY 2024) of support to continue the critical modernization of these facilities.

The cotton classing labs and activities are currently fully funded by user fees paid by cotton producers for each bale of cotton classed. This classing service is a critical role in the U.S. cotton supply chain, and each cotton bale must be classed before the producer can market the cotton. Classification of cotton quality relies on a seasonal labor force that AMS trains. The 2021 cotton classing season presented tremendous challenges to AMS personnel and producers and highlighted the significant vulnerability that comes with over-reliance on a seasonal labor force. The circumstances resulted in extensive delays in completing the classing of cotton. As a result, many producers missed key marketing opportunities and faced some contractual delivery delays. These ongoing circumstances emphasize the need for urgent action to make the necessary upgrades in the 10 classing offices, including the incorporation of automation where possible. The funding request is imperative to secure the stability and dependability of the cotton classification program to timely and accurately process numerous samples of cotton with less reliance on seasonal staff and less disruption of timely marketing opportunities.

Thank you for your consideration of our recommendations and funding requests for FY 2024. Please contact me with any questions or if additional information is needed.