

Potential Implications for the Cotton Industry of the October 2025 Lapse in Government Funding

Based on the National Cotton Council's analysis of the latest USDA guidance

Overview

Most USDA activities will be shut down or scaled back, and nearly half of USDA's employees will be furloughed.

However, most activities supported through mandatory appropriations or user fees will remain in operation. In addition, certain USDA law enforcement activities will continue, as will activities that are necessary for the protection of life and property.

Selected Programs or Operations Expected to Fully or Partially Shut Down

- Farm loans and other farm payments (including ARC/PLC payments, marketing assistance loans, and disaster assistance programs)
- Development and implementation of the new safety net reforms included in the One Big Beautiful Bill Act
- Provision of most conservation technical and financial assistance
- Agricultural export credit and other trade development and monitoring activities
- Most NASS statistics, the WASDE report, ERS commodity outlook reports, and other agricultural economic and statistical reports and projections
- Risk Management Agency compliance and oversight activities; regional office engagement; and new product development
- Assistance for the control of most plant and animal pests and diseases, unless funded by cooperators or other non-appropriated sources

Programs and Services Expected to Continue

- AMS cotton classing, cotton quality reports, daily market news reports
- Grain and other commodity inspection, including weighing and grading services funded by user fees
- Inspections for import and export activities to prevent the introduction and dissemination of pests into and out of the U.S.
- Continuity and maintenance of some research measurements and research-related infrastructure, such as germplasm, seed storage, and greenhouses
- Care for animals, plants, and associated infrastructure to preserve agricultural research

****The above lists are *not exhaustive* but instead intended to show the status of programs and operations most relevant to the cotton industry. USDA's complete shutdown guidance can be found [here](#).**