OBBBA Key Farm Bill Improvements

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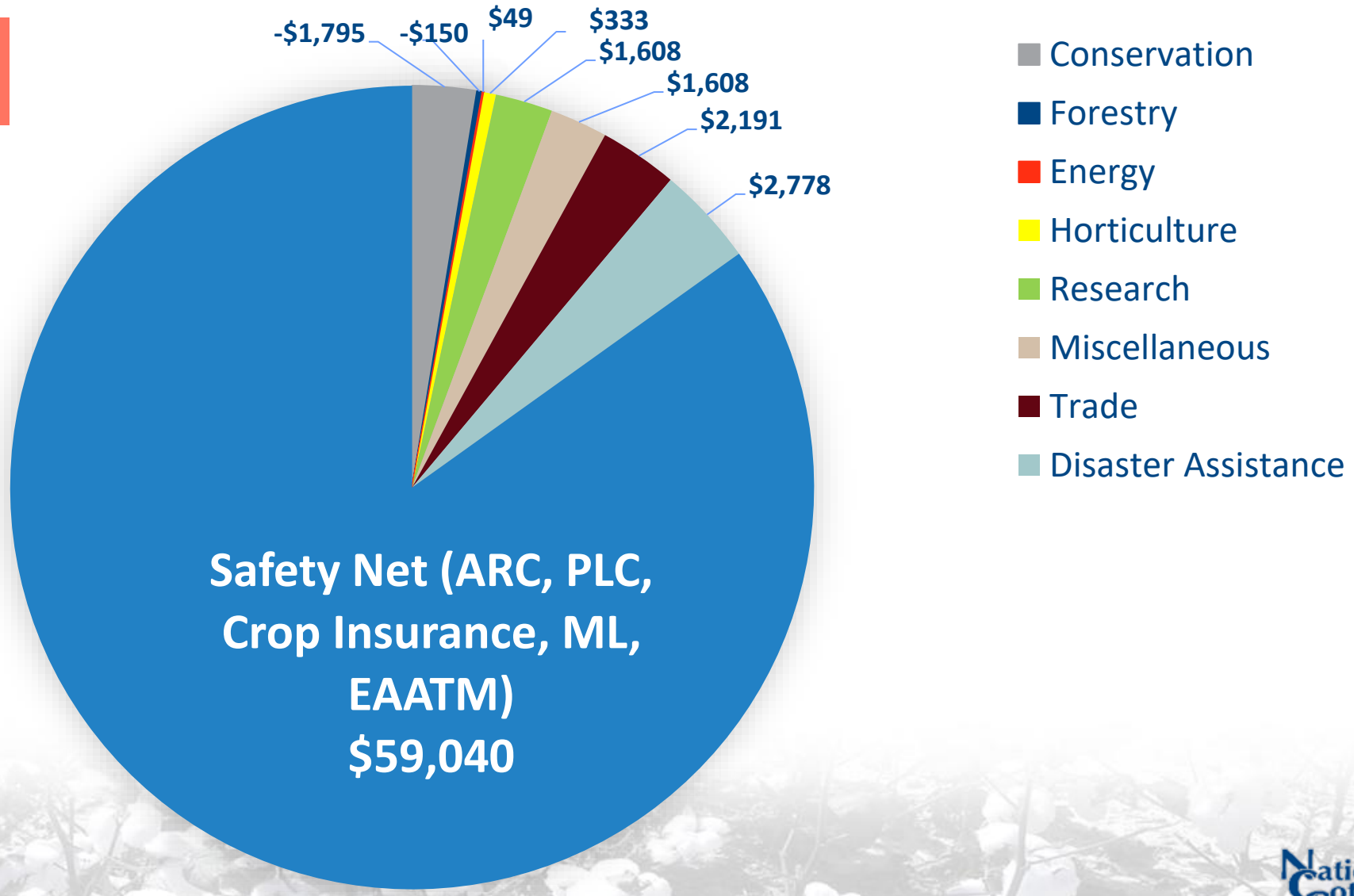
Estimated Budgetary Changes for Farm Bill & Rural Provisions of the OBBBA

+$65.6 Billion



Source: June 29th CBO Score of OBBBA (FY2025-$FY2034)

OBBBA

EVERY COTTON INDUSTRY PRIORITY WAS ADDRESSED IN SOME WAY

- Increase in reference price
- Payment limits were increased and indexed to inflation
- Increase and modernize the marketing loan
- Creation of an ELS loan similar to upland
- SCO more like STAX
- Basic and Optional Unit premium subsidy increased
- Pima Trust Fund restored
- EAATM increased to highest level ever

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PLC/ARC

Seed Cotton Reference Price

- Beginning with the 2025 crop, the Seed Cotton Reference Price increases by 14% from $0.367 to $0.42

- Beginning with the 2031 crop, the reference price for all covered commodities shall equal the previous year's reference price multiplied by 1.005% and cannot exceed 113% of the statutory reference price

- Effective reference price escalator increased from 85% to 88% of 5-year Olympic Average

2025 PLC/ARC Election

- Growers will automatically receive the higher of ARC-CO or PLC payments regardless of election (only applies to the 2025 crop)

- NCC working with USDA to get clarity on growers who purchased STAX for the 2025 crop year and now want PLC/ARC

2025/26 Seed Cotton PLC Example

2025 Estimated Seed Cotton MYA Price: $0.3419

- Lint Price: $0.64 (USDA August estimate)
- Cottonseed Price: $224/ton (USDA August estimate)

PLC Payment Rate/lb

- $0.367 – $0.3419 = **$0.0251/lb**
- $0.420 – $0.3419 = **$0.0781/lb**

Seed Cotton PLC Yield = Lint Yield * 2.4

- 800 lbs * 2.4 = 1,920 lbs

PLC Payment/acre

- **$0.0251/lb** * 1,920 * 85% = **$41**
- **$0.0781/lb** * 1,920 * 85% = **$127** → **$86 higher!**

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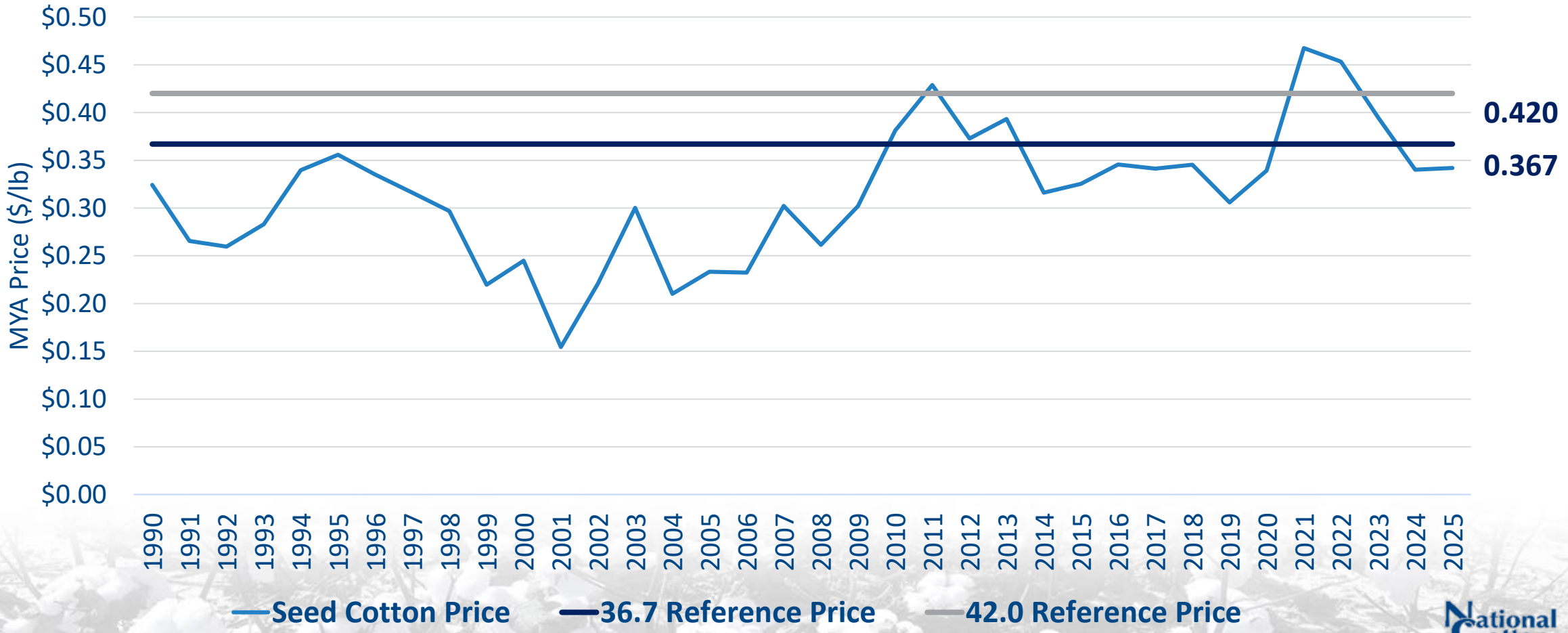
2025/26 Seed Cotton PLC Example

Lint Payment Yield	Seed Cotton Payment Yield	36.7 RP PLC Payment/acre	42.0 RP PLC Payment/acre	Difference
200	480	**$10**	**$32**	**$22**
300	720	**$15**	**$48**	**$33**
400	960	**$20**	**$64**	**$43**
500	1,200	**$26**	**$80**	**$54**
600	1,440	**$31**	**$96**	**$65**
700	1,680	**$36**	**$112**	**$76**
800	1,920	**$41**	**$127**	**$86**
900	2,160	**$46**	**$143**	**$97**
1,000	2,400	**$51**	**$159**	**$108**
1,100	2,640	**$56**	**$175**	**$119**
1,200	2,880	**$61**	**$191**	**$130**
1,300	3,120	**$67**	**$207**	**$141**
1,400	3,360	**$72**	**$223**	**$151**
1,500	3,660	**$77**	**$239**	**$162**

Historical Seed Cotton Prices

- Since 1990, a $0.42 reference price would have triggered a PLC payment in 32 of the last 35 crop years, at an average payment of $140/acre



PLC Payment Matrix

	Illustration of Seed Cotton Marketing Year Average Price per Pound*													
	Cottonseed MYA Price ($/Ton)													
Lint MYA Price ($/Lb)	$175	$185	$195	$205	$215	$225	$235	$245	$255	$265	$275	$285	$295	$305
$0.57	$0.295	$0.298	$0.301	$0.304	$0.307	$0.310	$0.312	$0.315	$0.318	$0.321	$0.324	$0.326	$0.329	$0.332
$0.58	$0.302	$0.305	$0.308	$0.310	$0.313	$0.316	$0.319	$0.322	$0.325	$0.327	$0.330	$0.333	$0.336	$0.339
$0.60	$0.308	$0.311	$0.314	$0.317	$0.320	$0.323	$0.325	$0.328	$0.331	$0.334	$0.337	$0.340	$0.342	$0.345
$0.61	$0.315	$0.318	$0.321	$0.323	$0.326	$0.329	$0.332	$0.335	$0.338	$0.340	$0.343	$0.346	$0.349	$0.352
$0.63	$0.322	$0.324	$0.327	$0.330	$0.333	$0.336	$0.338	$0.341	$0.344	$0.347	$0.350	$0.353	$0.355	$0.358
$0.64	$0.328	$0.331	$0.334	$0.337	$0.339	$0.342	$0.345	$0.348	$0.351	$0.353	$0.356	$0.359	$0.362	$0.365
$0.66	$0.335	$0.337	$0.340	$0.343	$0.346	$0.349	$0.352	$0.354	$0.357	$0.360	$0.363	$0.366	$0.368	$0.371
$0.67	$0.341	$0.344	$0.347	$0.350	$0.352	$0.355	$0.358	$0.361	$0.364	$0.367	$0.369	$0.372	$0.375	$0.378
$0.69	$0.348	$0.350	$0.353	$0.356	$0.359	$0.362	$0.365	$0.367	$0.370	$0.373	$0.376	$0.379	$0.382	$0.384
$0.70	$0.354	$0.357	$0.360	$0.363	$0.365	$0.368	$0.371	$0.374	$0.377	$0.380	$0.382	$0.385	$0.388	$0.391
$0.72	$0.361	$0.364	$0.366	$0.369	$0.372	$0.375	$0.378	$0.380	$0.383	$0.386	$0.389	$0.392	$0.395	$0.397
$0.73	$0.367	$0.370	$0.373	$0.376	$0.379	$0.381	$0.384	$0.387	$0.390	$0.393	$0.395	$0.398	$0.401	$0.404
$0.75	$0.374	$0.377	$0.379	$0.382	$0.385	$0.388	$0.391	$0.394	$0.396	$0.399	$0.402	$0.405	$0.408	$0.410
$0.76	$0.380	$0.383	$0.386	$0.389	$0.392	$0.394	$0.397	$0.400	$0.403	$0.406	$0.409	$0.411	$0.414	$0.417
$0.78	$0.387	$0.390	$0.392	$0.395	$0.398	$0.401	$0.404	$0.407	$0.409	$0.412	$0.415	$0.418	$0.421	$0.424
$0.79	$0.393	$0.396	$0.399	$0.402	$0.405	$0.407	$0.410	$0.413	$0.416	$0.419	$0.422	$0.424	$0.427	$0.430
$0.81	$0.400	$0.403	$0.406	$0.408	$0.411	$0.414	$0.417	$0.420	$0.422	$0.425	$0.428	$0.431	$0.434	$0.437
$0.82	$0.406	$0.409	$0.412	$0.415	$0.418	$0.421	$0.423	$0.426	$0.429	$0.432	$0.435	$0.437	$0.440	$0.443
$0.84	$0.413	$0.416	$0.419	$0.421	$0.424	$0.427	$0.430	$0.433	$0.436	$0.438	$0.441	$0.444	$0.447	$0.450
$0.85	$0.419	$0.422	$0.425	$0.428	$0.431	$0.434	$0.436	$0.439	$0.442	$0.445	$0.448	$0.451	$0.453	$0.456

2025 ARC

- Revenue guarantee increased from 86% to 90%
- Maximum payment increased from 10% to 12% of benchmark revenue
- 2025 ARC Benchmark Seed Cotton Price: $0.4311
  - 90% of ARC Benchmark Price: $0.3811
    - **ARC will trigger without a county yield loss if the MYA price is < $0.3811**
    - Smaller payments if the actual county yield > benchmark county yield
    - 2025 Seed Cotton MYA Price Estimate: $0.3419

PLC vs. ARC

- PLC based only on a price loss
  - Maximum payment is higher

- ARC based on a revenue loss, so price and/or yield loss can trigger a payment
  - Must have at least a 10% revenue loss to trigger a payment
  - Maximum payment = 12% of benchmark revenue
  - Low prices and above average yields could result in no ARC payment

- Both PLC and ARC are allowed with SCO and ECO insurance programs
  - ARC/SCO/ECO are all paid on county revenue losses
  - May want to consider PLC (price risk) and SCO/ECO (revenue risk)

PLC vs. ARC

← Below-Avg Yield — Above-Avg Yield →

↑ Above-Avg Price — ↓ Below-Avg Price

	300	350	400	450	500	550	600	650	700	750	800	850	900
$0.85	ARC	ARC	ARC	ARC	ARC	SAME	**SAME**	SAME	SAME	SAME	SAME	SAME	SAME
$0.84	ARC	ARC	ARC	ARC	ARC	ARC	**SAME**	SAME	SAME	SAME	SAME	SAME	SAME
$0.83	ARC	ARC	ARC	ARC	ARC	ARC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.82	ARC	ARC	ARC	ARC	ARC	ARC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.81	ARC	ARC	ARC	ARC	ARC	ARC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.80	ARC	ARC	ARC	ARC	ARC	ARC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.79	ARC	ARC	ARC	ARC	ARC	ARC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.78	ARC	ARC	ARC	ARC	ARC	ARC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.77	ARC	ARC	ARC	ARC	ARC	ARC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.76	ARC	ARC	ARC	ARC	ARC	ARC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.75	ARC	ARC	ARC	ARC	ARC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.74	ARC	ARC	ARC	ARC	ARC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.73	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.72	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.71	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.70	**PLC**	**PLC**	**PLC**	**PLC**	**PLC**	**PLC**	**PLC**	**PLC**	**PLC**	**PLC**	**PLC**	**PLC**	**PLC**
$0.69	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.68	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.67	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.66	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.65	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.64	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.63	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.62	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.61	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.60	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.59	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.58	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.57	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.56	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC
$0.55	PLC	PLC	PLC	PLC	PLC	PLC	**PLC**	PLC	PLC	PLC	PLC	PLC	PLC

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Base Acres

Disclaimer

- Base acre analysis based on NCC interpretation of OBBBA language
- Until FSA publishes implementation guidelines, some details regarding the new base acre allocation are uncertain

Allocation of New Base Acres

Eligibility

1. A current covered program commodity must have been planted some year during 2019-2023; and

2. Reallocation Planted Acres **must exceed** Total Base Acres, excluding unassigned base

Reallocation Planted Acres = Covered Commodity Planted & Prevent Plant Acres

Plus Non-Covered Commodity Planted & Prevent Plant Acres, but Non-Covered Commodity Acres cannot exceed 15% of the Total Acres on the Farm

Total Acres = Acres planted & prevent planted to covered and noncovered commodities

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Allocation of New Base Acres

- Maintains all current base acres while providing a 1-time allocation of **New Base** acres
  - No reallocation of Current Base Acres

- **How does it work?**
  - 2 Components that address Covered and Non-Covered commodities

    - Covered Commodities (CC Planted Acres)
      - If the average number of covered commodities planted and prevent planted on the farm from 2019-2023 exceeds the number of existing base acres, the producer is eligible to add the difference in additional base acres

    - Non-Covered Commodities (NC Planted Acres)
      - Producer can also add the number of acres of eligible non-covered commodities planted or prevent planted on a farm from 2019-2023 as additional base acres, as long as the total does not exceed 15% of Total Acres on the farm

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Allocation of New Base Acres

Potential New Base Acres = (Reallocation Planted Acres – Total Base Acres) + Unassigned Base

- If Reallocation Planted Acres < Total Base Acres, farm is not eligible for new base acres

- Reminder: Total Base Acres on an FSA farm cannot exceed Total Acres on the Farm

Allocation of New Base Acres

- New Base Acres allocated in proportion to the ratio of covered commodities planted/prevented on the farm during the 2019-2023 crop years

- Other than an established double cropping practice, cannot include both planted and prevent planted covered commodities on the same acre

Allocation of New Base Acres

- Limitations
  - New Base Acres for the U.S. cannot exceed 30 million
    - If the total exceeds 30 million, a prorated reduction will be applied to all New Base Acres

- PLC Yield
  - Current FSA farm PLC yield for a crop will be used
  - If the farm has no PLC yield, average PLC yield for the county will be used

Example 1: Allocation of New Base Acres

- 1,000 CC Planted Acres (500 cotton, 500 corn)
- 0 NC Planted Acres
- 800 Current Base Acres (500 cotton, 300 corn)
- 200 Unassigned Base Acres
- 1,000 Total Acres on Farm
- 1,000 Reallocation Planted Acres

- Does farm qualify for New Base Acres?
  - Reallocation Planted Acres > Current Base Acres? Yes (1,000 > 800)
- Does farm have Unassigned Base Acres? Yes
  - Step 1:
    - Potential New Base = (Reallocation Planted Acres – Base Acres) + Unassigned

      = (1,000 – 800) + 200 = 400
  - Step 2: Total Base Acres cannot exceed Total Acres on Farm
    - Current Base + Potential New Base = 800 + 400 = 1,200
    - Total Acres on Farm = 1,000
    - New Base = Total Acres – Current Base = 1,000 – 800 = 200
      - Total Base Acres = 800 Current Base + 200 New Base = 1,000

- Current Base = 500 cotton, 300 corn
- Planting History = 500 cotton, 500 corn
- New Base = 200 (100 cotton, 100 corn)
  - Allocated based on ratio of CC planted/prevented on the farm during the 2019-2023 crop years = 50% cotton, 50% corn
- Total Current + New Base = 600 cotton, 400 corn

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Example 2: Allocation of New Base Acres

- 1,000 CC Planted Acres (600 cotton, 400 corn)
- 0 NC Planted Acres
- 0 Current Base Acres
- 0 Unassigned Base Acres
- 1,000 Total Acres on Farm
- 1,000 Reallocation Planted Acres

- Does farm qualify for New Base Acres?
  - Reallocation Planted Acres > Current Base Acres? Yes (1,000 > 0)
- Does farm have Unassigned Base Acres? No
  - Step 1:
    - Potential New Base = Reallocation Planted Acres – Base Acres
      = 1,000 – 0 = 1,000
  - Step 2: Total Base Acres cannot exceed Total Acres on Farm
    - Current Base + Potential New Base = 0 + 1,000 = 1,000
    - Total Acres on Farm = 1,000
    - New Base = Total Acres – Current Base = 1,000 – 0 = 1,000
      - Total Base Acres = 0 Current Base + 1,000 New Base = 1,000

- Current Base = 0
- Planting History = 600 cotton, 400 corn
- New Base = 1,000 (600 cotton, 400 corn)
  - Allocated based on ratio of CC planted/prevented on the farm during the 2019-2023 crop years = 60% cotton, 40% corn
- Total Current + New Base = 600 cotton, 400 corn

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Example 3: Allocation of New Base Acres

- 1,000 CC Planted Acres (500 cotton, 500 corn)
- 300 NC Planted Acres (300 vegetable crop)
- 500 Current Base Acres (400 cotton, 100 corn)
- 0 Unassigned Base Acres
- 1,300 Total Acres on Farm
- 1,195 Reallocation Planted Acres = 1,000 CC acres + lesser of (15%*1,300 or 300 NC acres)

- Does farm qualify for New Base Acres?
  - Reallocation Planted Acres > Current Base Acres? Yes (1,195 > 500)
- Does farm have Unassigned Base Acres? No
  - Step 1:
    - Potential New Base = Reallocation Planted Acres – Base Acres = 1,195 – 500 = 695
  - Step 2: Total Base Acres cannot exceed Total Acres on Farm
    - Current Base + Potential New Base = 500 + 695 = 1,195
    - Total Acres on Farm = 1,300
    - Since 1,195 < 1,300, then New Base = 695
    - Total Base Acres = 500 Current Base + 695 New Base = 1,195

- Current Base = 500 (400 cotton, 100 corn)
- Planting History = 500 cotton, 500 corn
- New Base = 695 (347.5 cotton, 347.5 corn)
  - Allocated based on ratio of CC planted/prevented on the farm during the 2019-2023 crop years = 50% cotton, 50% corn
- Total Current + New Base = 747.5 cotton, 447.5 corn

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Crop Insurance

Higher Premium Subsidies

Coverage Level	2025 Crop Premium Subsidy	2026 & Subsequent Crops Premium Subsidy
Area-Wide Policies		
STAX	80%	80%
SCO, ECO, HIP-WI, MCO	65%	**80%**
Individual RP/YP (Basic/Optional Units)		
CAT	100%	100%
50%	67%	67%
55% - 60%	64%	**69%**
65% - 70%	59%	**64%**
75%	55%	**60%**
80%	48%	**51%**
85%	38%	**41%**
Individual RP/YP (Enterprise Units)		
50% - 70%	80%	80%
75%	77%	**80%**
80%	68%	**71%**
85%	53%	**56%**

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SCO Enhancements

- SCO coverage increases from 86% to 90% in 2027
  - For 2026, growers will purchase SCO and ECO to get 90% or 95% coverage
- SCO can be purchased on farms enrolled in PLC or ARC
- SCO will be very similar to STAX with the same premium subsidy but no restrictions on ARC/PLC enrollment

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Coverage of Area-Wide Policies

- STAX
  - 90% to higher of individual coverage level or 70%
  - Individual policy **not required**
- SCO
  - 2026: 86% to individual coverage level
  - 2027: 90% to individual coverage level
  - Individual policy **required**
- ECO
  - 95% or 90% down to higher of 86% or SCO coverage
  - Individual policy required
- HIP-WI
  - 95% to higher of individual coverage level, SCO or STAX coverage
  - Individual policy required

Cannot purchase ECO with STAX or HIP-WI

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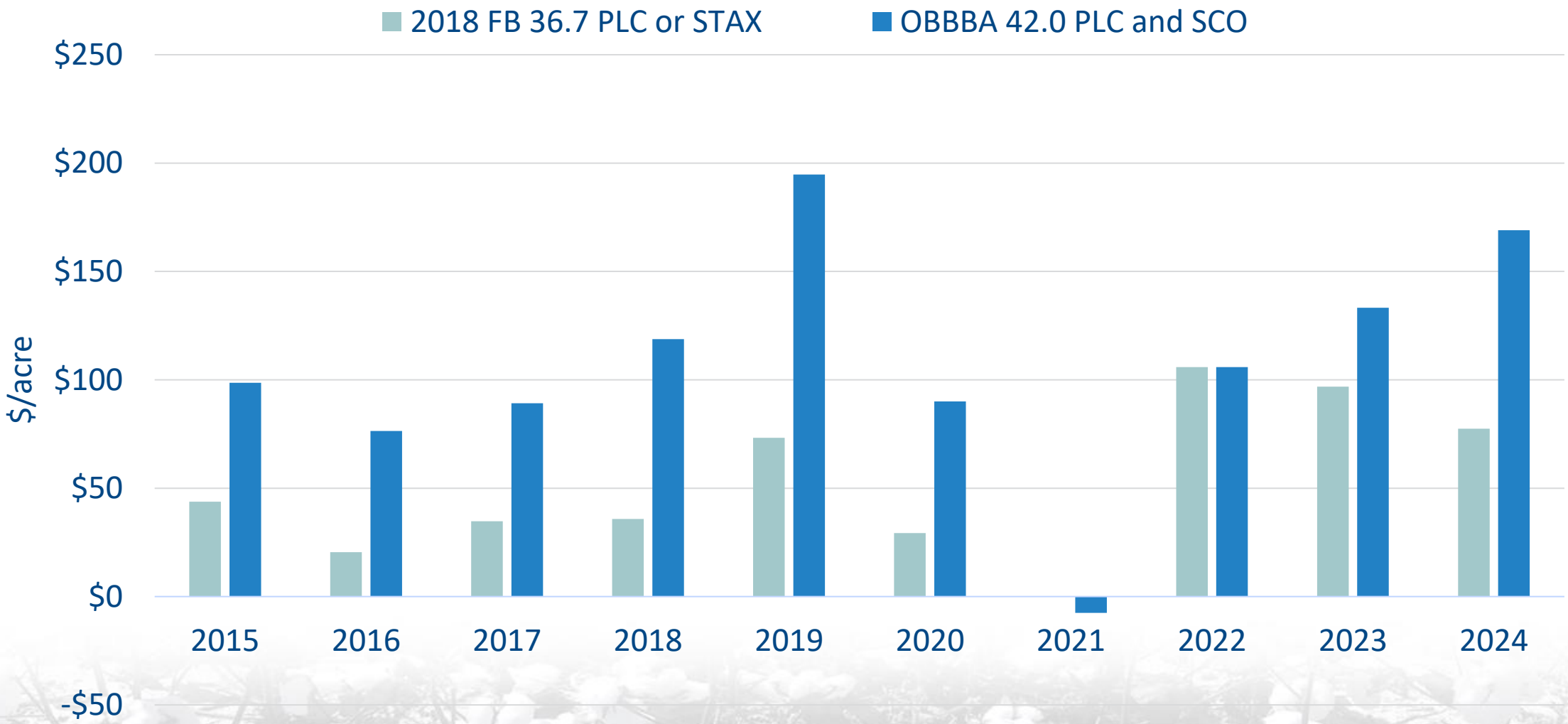
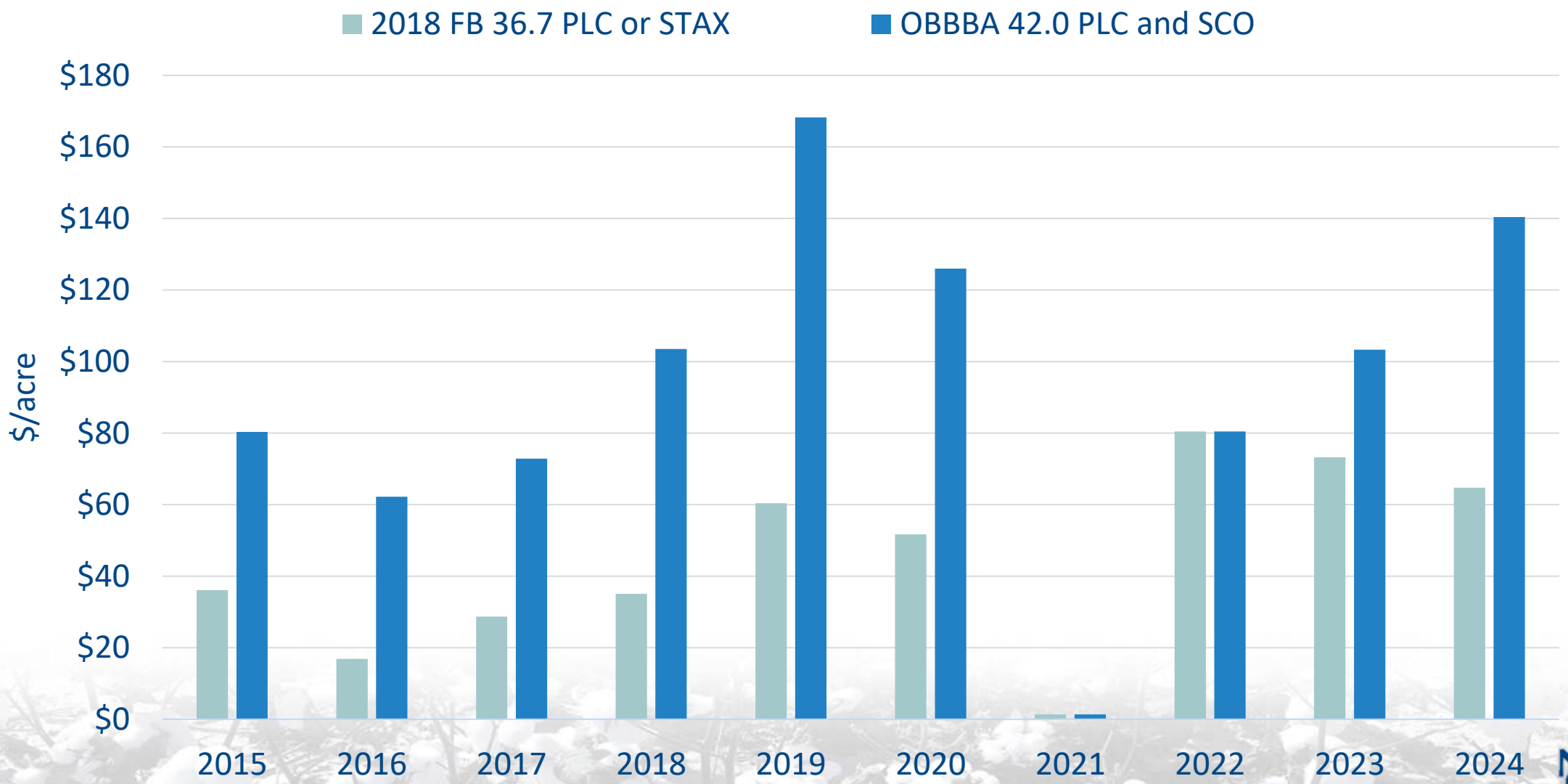
Comparing 2018 Farm Bill and OBBBA
TX – Gaines (563 lb PLC Lint Yield)



Comparing 2018 Farm Bill and OBBBA
TX – Dawson (464 lb PLC Lint Yield)



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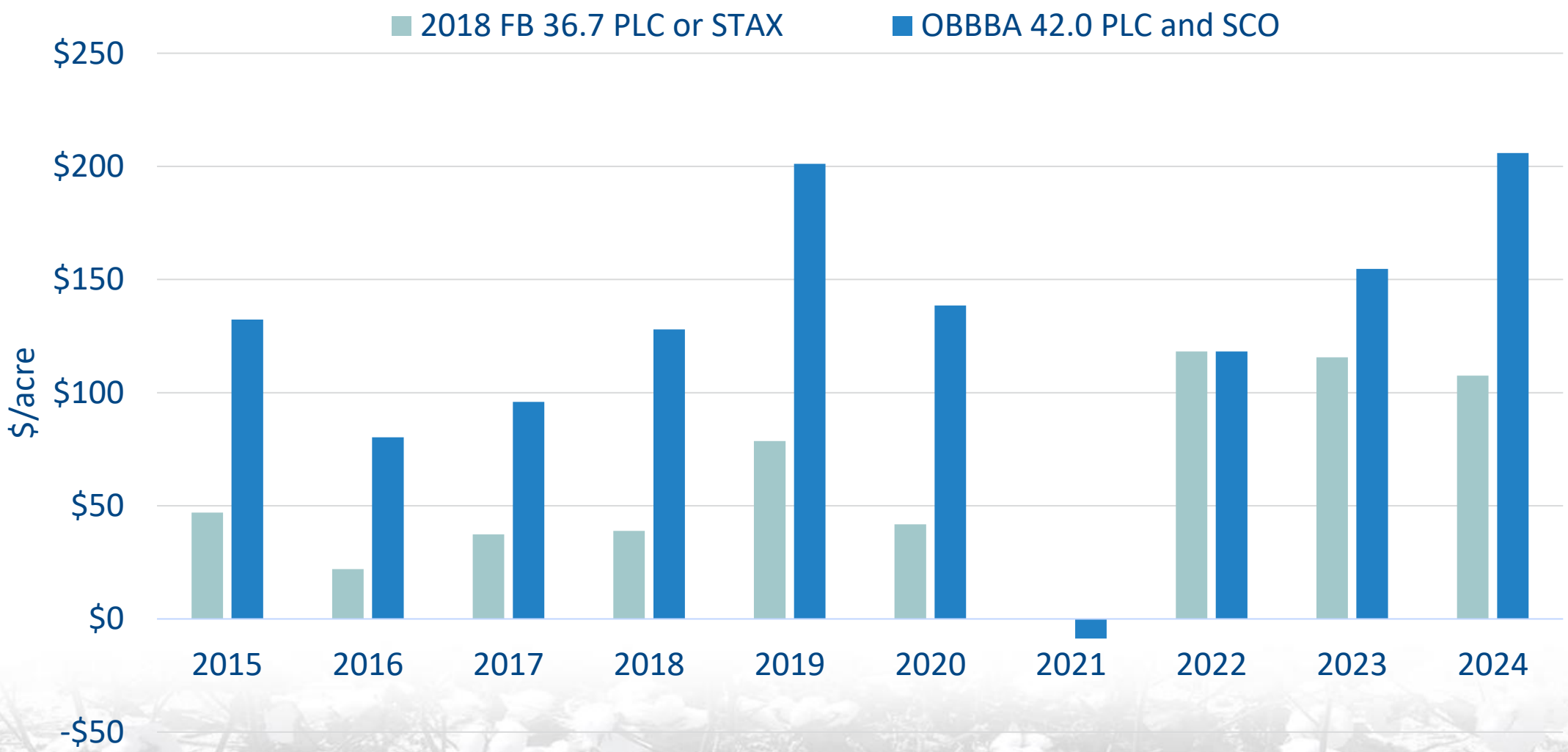
Comparing 2018 Farm Bill and OBBBA
TX – Tom Green (604 lb PLC Lint Yield)



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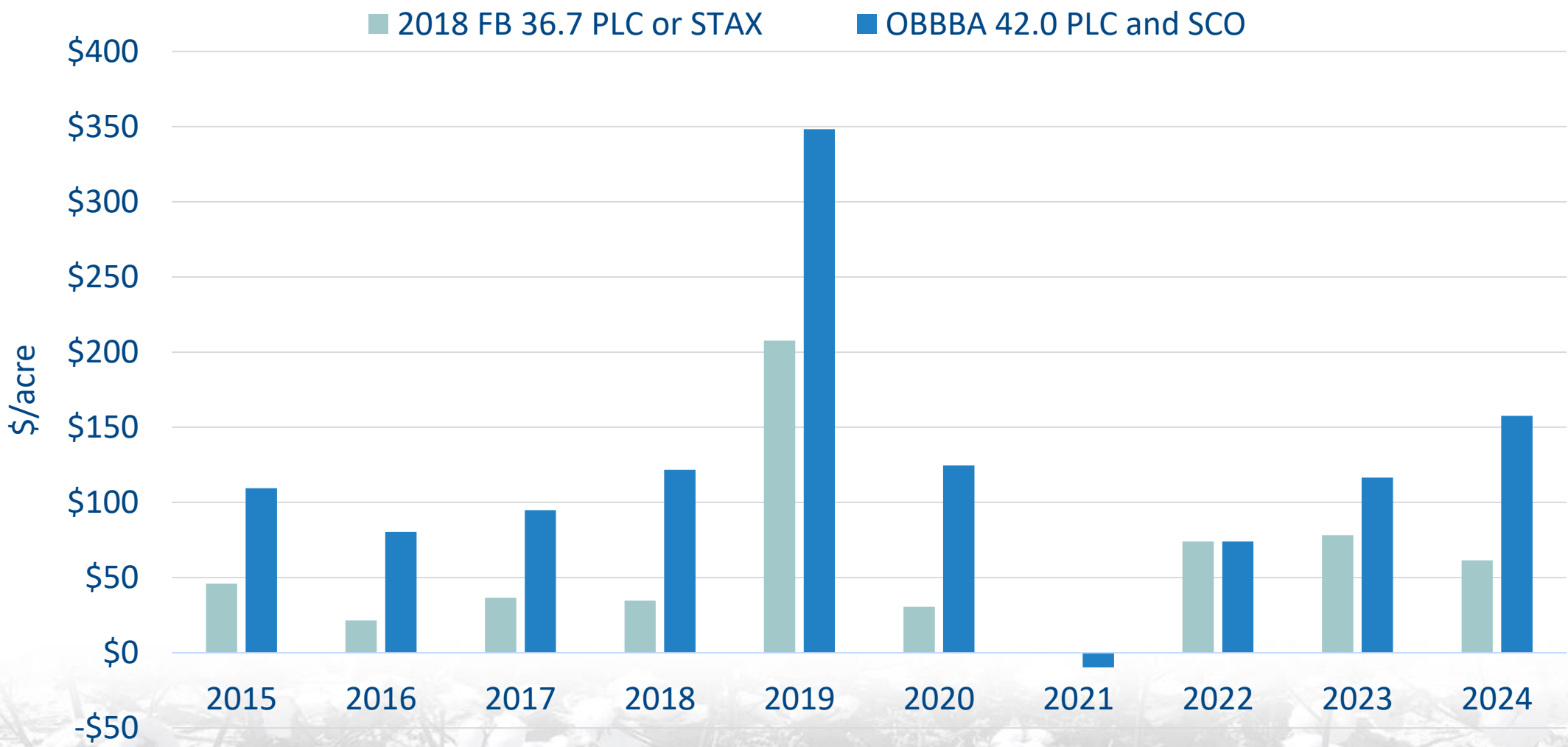
Comparing 2018 Farm Bill and OBBBA
TX – Glasscock (590 lb PLC Lint Yield)



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Marketing Loan

Marketing Loan Provisions

- **Loan Rate**
  - Effective for the 2026 crop, increases the marketing loan rate for upland cotton to $0.55 a pound and ELS cotton to $1.00 per pound
- **Storage Credits**
  - Increases the maximum storage credit rate for upland and ELS cotton to $4.90 (from $3.93) for California and Arizona and $3.00 (from $2.39) in all other states
- **AWP Flexibility**
  - Sets the marketing loan repayment rate for upland cotton to be the lowest 30-day prevailing market price beginning on the date the loan is repaid
    - Average benefit – 1.2 cents/lb (10-yr average)
- **AWP Calculation**
  - Amends the adjusted world price calculation for cotton by using the 3 lowest Far East quotes instead of the current approach of 5 quotes
    - Average benefit – 0.60 cents/lb (10-yr average)
- **ELS Marketing Loan Repayment Provisions**
  - Creates repayment provisions similar to upland

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AWP Flexibility Example for the 2026 Crop

- Put cotton in the loan on October 15 at 55 cents/lb

- Choose to redeem cotton from the loan on November 30
  - AWP (Nov. 30) = 50 cents/lb
  - 30-day Period (Dec 1 – Dec 30)

In Effect:	AWP
Nov 28 – Dec 4	50
Dec 5 – Dec 11	49
Dec 12 – Dec 18	**48**
Dec 19 – Dec 25	50
Dec 26 – Jan 1	51

- **Refund: 50 - 48 = 2 cents/lb**

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Marketing Loan Implementation

- Loan rate and storage credit increase begin with 2026 crop

- NCC working with USDA for quickest possible implementation of 3 vs. 5, 30-day flexibility, and ELS repayment provisions

Payment Limits/AGI

Higher Payment Limits

- Increase ARC/PLC payment limit from $125,000 to $155,000 and indexes to inflation in future years

- Allows certain entities such as S-Corps and LLCs to be treated the same as General Partnerships with regards to the structure of payment limits

Other Farm Bill Provisions

Additional Farm Bill Improvements

- EAATM
  - Increased from $0.03/lb to $0.05/lb
- Pima Trust Fund
  - Restored to $16 million
- Trade Promotion Funding
  - Creates trade promotion fund to double MAP and FMD program


OBBBA Trade & Tax Provisions

Other Trade & Tax Provisions Important to Cotton Industry

- Ends the commercial import de minimis provision globally by July 1, 2027
- Making permanent the individual rates and the Section 199a pass-through deduction of 20 percent established by the 2017 Tax Cuts and Jobs Act
- Increased the estate tax threshold from $14 million to $15 million for individuals (or from $28 million to $30 million for couples) and index the rate to inflation
- Raised the Section-179 expensing maximum from $1.25 million to $2.5 million
- Permanently allows full and immediate expensing of equipment and machinery

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Additional NCC Priorities

2025 Economic Assistance

- NCC continues to convey to the administration and Congress the difficult economic situation facing growers

- USDA officials understand the challenges facing row crop producers and have publicly acknowledged the potential for a bridge payment

Buying American Cotton Act of 2025

Authorizes tax credits to incentivize the consumption of U.S. cotton & cotton manufactured products.

Senate legislation introduced by Senator Hyde-Smith (R-MS)

Cosponsored by Senators Britt, Boozman, Marshall, Budd, Wicker, Tuberville, Cornyn, Tillis

Eligible articles include cotton products but not limited to:

Apparel, home textiles, and nonwovens, either fully manufactured in the U.S. or imported in the U.S. that are made of in whole or part of U.S. upland or ELS cotton.

Eligible taxpayer is U.S. entity who sells an eligible article in the U.S. in its final condition.

Entities claiming the credits must be able to demonstrate proof of U.S. cotton through a trustworthy supply chain tracing system

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Impacts of BACA Tax Credits

- Availability of tax credits will incentivize brands/retailers to specify U.S. cotton in their supply chain
  - Tax credits will spur additional demand for U.S. cotton as brands/retailers shift from other cotton growths and/or adjust fiber mix with synthetic fibers
  - As demand increases, stocks/use ratio tightens, providing support to cotton prices
    - Stronger prices will result in savings in farm bill programs

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Next Steps for BACA

- Seeking bipartisan bill introduced in House in September
- Coordinated industry-wide effort for co-sponsors
- Will look to bipartisan tax bill, end of year package, or 2nd reconciliation as vehicles

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Campaign Against Synthetic Microfibers

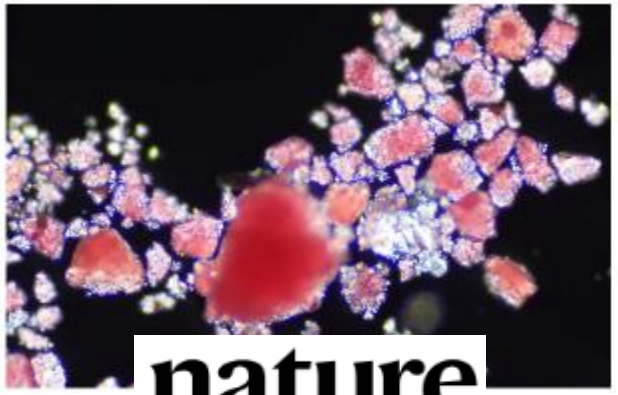
Microplastics are full of toxic chemicals that are leaching into your skin

A new study found that these chemicals can easily be absorbed through our skin.

FAST COMPANY

Microplastics block blood flow in the brain, mouse study reveals

Real-time imaging shows how plastic-stuffed cells form clumps that affect mouse movement.



nature

Microplastics are infiltrating brain tissue, studies show: 'There's nowhere left untouched'

The Guardian

Here's How Switching to Natural Fibers Can Combat Microplastic Pollution

SOURCING JOURNAL

A New Study Says Microplastics Are Widespread in Seafood – Here's What You Need to Know

FOOD & WINE

'Widespread Harm' Warning as Microplastic Pollution May Double by 2040

Newsweek

Plant not plastic

- A public awareness initiative designed to educate U.S. consumers that it’s not just about what you eat and drink with microplastic pollution- but also about what you wear
- It’s an industry-wide initiative about the impact of clothing choices and its potential health implications
- Aim to bridge the knowledge gap by highlighting benefits of choosing natural fibers, like cotton, as a simple and impactful way to reduce microplastic pollution
- Launching week of September 8

What you wear matters

MAHA Opportunities

NCC Engages With White House on MAHA

In conjunction with other agricultural organizations, NCC Vice President Marjory Walker met Trump administration officials to discuss the Make America Healthy Again (MAHA) Commission report released last month.

During the meeting, Walker emphasized that crop protection products, such as glyphosate, are essential tools for cotton producers. She also relayed the NCC's hope that the Department of Health and Human Services will encourage further research into the potentially adverse effects of microplastics and microfibers on human health.

In a follow-up letter at https://bit.ly/4ljczDQ, NCC President and CEO Gary Adams expressed his appreciation for a "very productive conversation" and thanked the Trump administration "for its open door to the agriculture community."

Both Secretary of Agriculture Brooke Rollins and Environmental Protection Agency Administrator Lee Zeldin are among the 14 members of the MAHA Commission, which is chaired by Health and Human Services Secretary Robert Kennedy, Jr. Rollins has committed to improving stakeholder engagement as the MAHA Commission works on its next report, which is expected to be released in August.

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FY'26 Appropriations

- House passed bill out of Committee and includes:
  - Level funding for Boll Weevil
  - $2 million for cotton classing lab upgrades
  - $1 million increase for cotton germplasm collection
  - Expands cotton blue research to include other exotic diseases as well as deer and hog research

- Senate passed bill and includes level funding for all cotton priorities

- Continuing Resolution expected in September

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U.S. Cotton Trust Protocol

- Voluntary sustainability program for U.S. cotton
- Provides a traceability platform for all U.S. cotton
- Brand/retailer participation continues to grow
- Opportunity to demonstrate the environmental stewardship of U.S. growers


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cotton
OF AMERICA
Producers Cooperatives
Ginners Cottonseed Merchants
Warehouses Manufacturers